

Risk Factors Comparison 2025-02-24 to 2024-02-23 Form: 10-K

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A wide range of factors could materially affect our future prospects and performance. The matters addressed in Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations, including under "Safe Harbor and Cautionary Statement" and "Critical Accounting Estimates", and Item 7A Quantitative and Qualitative Disclosures About Market Risk, as well as other information included or incorporated in this report, describe many of the significant risks that could affect our businesses, results of operations and financial condition. We are also subject to the risks discussed below. One or more of the risks discussed in this Item 1A. Risk Factors, and others we cannot anticipate, could have material adverse effects on our results of operations and financial condition; and the extent of these effects will depend, at least in part, on the scope, severity, frequency or duration of the specific event or circumstance. In addition, we may take steps to prevent, mitigate or manage potential risks or liabilities, and related developments, and some of those steps may have a material adverse effect on our results of operations and financial condition. Even if an unfavorable outcome does not materialize, these factors, and actions we may take in response, may have a material adverse impact on our reputation or result in substantial expense and disruption. Headings and sub-headings for the Risk Factors below are for reference purposes only and are not intended to limit or affect in any way the meaning or scope of each Risk Factor.

Risks Primarily Related to Our Insurance Operations Loss Exposures We may experience losses or disruptions from catastrophes. As a company with significant property and casualty insurance underwriting operations, we may experience losses from man-made or natural catastrophes. Catastrophes include, but are not limited to, windstorms, hurricanes, earthquakes, tornadoes, derechos, hail, severe winter weather, floods and wildfires and may include pandemics and events related to terrorism, broad reaching cyberattacks, riots and political and civil unrest. While we employ catastrophe modeling tools in our underwriting process, we cannot predict how severe a potential catastrophe will be before it occurs. The extent of losses from catastrophes is a function of the total amount of losses incurred, the number of insureds affected, the frequency and severity of the events, the effectiveness of our catastrophe risk management program and the adequacy of our reinsurance coverage. Catastrophes can occur over numerous geographic areas; however, some catastrophes may produce significant damage in large, heavily populated areas. We offer insurance and reinsurance coverage against terrorist acts in connection with some of our programs, and in other instances we are legally required to offer terrorism insurance; in both circumstances, we actively manage our exposure, but if there is a covered terrorist attack, we could sustain material losses. In addition, catastrophes may have a material adverse effect on the investment management and incentive fees earned by our insurance-linked securities (ILS) operations and returns on our investments in ILS funds. Catastrophes also may result in significant disruptions in our insurance and other operations, as well as loss of income and assets. The impacts of climate change may increase the frequency and / or severity of weather-related catastrophes, which may result in elevated catastrophe-related losses or disruptions, which may be material. **See "Climate Change" under this Item 1A Risk Factors for more information about the potential impacts of climate change.**

The failure of any of the methods we employ to manage our loss exposures could have a material adverse effect on us. We seek to manage our loss exposures in a variety of ways, including adhering to maximum limitations on policies written in defined geographical zones, implementing maximum gross limits by coverage for each insured, establishing per risk and per occurrence limitations for each event, employing coverage restrictions and following prudent underwriting guidelines for each program written. We also seek to manage our loss exposures through geographic and industry diversification. Underwriting is a matter of judgment, involving assumptions about matters that are inherently unpredictable and beyond our control, and for which historical experience and probability analysis may not provide sufficient guidance. One or more future events could result in claims that substantially exceed our expectations, which could have a material adverse effect on our results of operations and financial condition. In addition, we seek to manage our loss exposures **by through** policy terms, coverage exclusions and choice of legal forum. Disputes relating to coverage and choice of legal forum also arise. As a result, various provisions of our policies, such as choice of forum, or coverage limitations or exclusions, may not be enforceable in the manner we intend and some or all of our methods to manage loss exposures may prove ineffective. **10K-20** The effects of emerging claim and coverage issues on our business are uncertain. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues could have a material adverse effect on our results of operations or financial condition by either broadening coverage beyond our underwriting intent or increasing the frequency and / or severity of claims. For example, rising costs, litigation funding, social inflation, including new or expanded theories of liability, higher adverse verdicts, and **10K-22** legislative changes, such as extended statutes of limitations, may result in higher and more frequent claims over a longer reporting period than originally expected. In some instances, these changes may not become apparent until after we have issued insurance or reinsurance contracts that are affected by the changes. As a result, the full extent of liability under our insurance or reinsurance contracts may not be known for many years after a contract is issued. We use analytical models to assist our decision making in key areas such as pricing, reserving and capital modeling and actual results may differ materially from the model outputs and related analyses. We use various modeling techniques and data analytics (e. g., scenarios, predictive and stochastic modeling, and forecasting) to analyze and estimate exposures, loss trends and other risks associated with our insurance and ILS businesses. This includes both proprietary and third-party modeled outputs and related analyses to assist us in, among other things, decision-making related to underwriting, pricing, capital allocation, reserving, investing, reinsurance and catastrophe risk. We incorporate numerous assumptions and forecasts about the future level and variability of policyholder behavior, loss frequency and severity, interest rates, equity markets, inflation, capital requirements, and currency exchange rates,

among others. The modeled outputs and related analyses from both proprietary models and third- party models are subject to various assumptions, uncertainties, model design errors, complexities and the inherent limitations of any statistical analysis, including those arising from the use of historical internal and industry data and assumptions. In addition, the modeled outputs and related analyses may from time to time contain inaccuracies, perhaps in material respects, including as a result of inaccurate inputs or applications thereof (whether due to data error, human error or otherwise). Consequently, actual results may differ materially from our modeled results. Our profitability and financial condition substantially depend on the extent to which our actual experience is consistent with assumptions we use in our models and ultimate model outputs. If, based upon these models or other factors, we misprice our products or fail to appropriately estimate the risks we are exposed to, our business, results of operations and financial condition may be materially adversely affected.

Loss Reserves Our results may be affected because actual insured or reinsured losses differ from our loss reserves. Significant periods of time often elapse between the occurrence of an insured or reinsured loss, the reporting of the loss to us and our payment of that loss. To recognize liabilities for unpaid losses, we establish reserves as balance sheet liabilities representing estimates of amounts needed to pay reported and unreported losses and the related loss adjustment expenses. The process of estimating loss reserves is a difficult and complex exercise involving analytical models with many variables and subjective judgments. This process may also become more difficult if we experience a period of rising inflation, as **we experienced in recent years** ~~has been the case since early 2021~~. As part of the reserving process, we review historical data and consider the impact of various factors, such as: • trends in claim frequency and severity; • changes in operations; • changes to mix of business, terms and conditions, limits and layers; • emerging economic and social trends; • trends in insurance rates; • inflation or deflation; and • changes in the regulatory and litigation environments. This process assumes that past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. There is no precise method, however, for evaluating the impact of any specific factor on the adequacy of reserves, and actual results will differ from original estimates. As part of the reserving process, we regularly review our loss reserves and make adjustments as necessary. Future increases in loss reserves for our underwriting operations will, and for our programs services operations may, result in additional charges to earnings, which may be material. In addition, as discussed above, we use analytical models to assist our decision making in loss reserving, and actual results may differ materially from the model outputs and related analyses. **10K- 21** There is generally greater uncertainty in estimating reserves for long- tail coverages, such as general liability, professional liability and workers' compensation, as they require a longer period of time for claims to be reported and settled. The impact of changes in economic and social inflation and medical costs are also more pronounced for long- tail coverages due to the longer settlement period. In addition, reinsurance reserves are subject to greater uncertainty than insurance reserves primarily because a reinsurer relies on (i) the original underwriting decisions and claims decisions made by ceding companies and (ii) ~~10K- 23~~ information and data from ceding companies. As a result, we are subject to the risk that our ceding companies may not have adequately evaluated the risks reinsured by us and the premiums ceded may not adequately compensate us for the risks we assume. In addition, reinsurance reserves may be less reliable than insurance reserves because there is generally a longer lapse of time from the occurrence of the event to the reporting of the loss or benefit to the reinsurer and ultimate resolution or settlement of the loss. Reserves for contracts for which we are not the primary insurer, and participate only in excess layers of loss, are also subject to greater uncertainty than insurance reserves for contracts for which we are the primary insurer for many of the same reasons as reinsurance reserves. Changes in the assumptions and estimates used in establishing reserves for our life and annuity reinsurance book could result in material increases in our estimated loss reserves for such business. Our run- off life and annuity reinsurance book exposes us to mortality risk, which is the risk that the level of death claims may differ from that which we assumed in establishing the reserves for our life and annuity reinsurance contracts. Some of our life and annuity reinsurance contracts expose us to longevity risk, which is the risk that an insured person will live longer than expected when the reserves were established, or morbidity risk, which is the risk that an insured person will become critically ill or disabled. Our reserving process for the life and annuity reinsurance book is designed with the objective of establishing appropriate reserves for the risks we assumed. Among other things, this process relies heavily on analysis of mortality, longevity and morbidity trends, lapse rates, interest rates and expenses. As of December 31, ~~2023~~ **2024**, our reserves for life and annuity benefits totaled \$ ~~649~~ **583** ~~1~~ **3** million. We expect mortality, morbidity, longevity, and lapse experience to fluctuate somewhat from period to period, but believe they should remain reasonably predictable over a period of many years. Mortality, longevity, morbidity or lapse experience that is less favorable than the mortality, longevity, morbidity or lapse rates that we used in establishing the reserves for a reinsurance agreement will negatively affect our net income because the reserves we originally set for the risks we assumed may not be sufficient to cover the future claims and expense payments. Furthermore, even if the total benefits paid over the life of the contract do not exceed the expected amount, unexpected increases in the incidence of deaths or illness can result in changes to our assumptions in a given reporting period, adversely affecting our net income in any particular reporting period. If there are adverse changes to any of the above factors, a charge to earnings may be recorded, which may have a material adverse effect on our results of operations and financial condition.

Ceded Reinsurance We may be unable to purchase reinsurance protection on terms acceptable to us, or we may be unable to collect on loss recoveries from reinsurers. Our underwriting operations purchase reinsurance and retrocessional reinsurance to manage our net retention on individual risks and mitigate the volatility of losses on our results of operations and financial condition, while providing us with the ability to offer policies with sufficient limits to meet policyholder needs. In addition, we reinsure substantially all of the risks inherent in our program services and ~~other ILS~~ **fronting businesses operations**, however, we have certain programs that contain limits on our reinsurers' obligations to us that expose us to underwriting risk, including loss ratio caps, aggregate reinsurance limits or exclusion of the credit risk of producers. See note 12 of the notes to consolidated financial statements included under Item 8 for information about ceded reinsurance for our ~~program services and other~~ **fronting businesses operations**. The ceding of insurance does not legally discharge us from our primary liability for the full amount of the policies. ~~Reliance on reinsurance~~ **Reinsurance recoveries recoverables** may create

credit risk as a result of the reinsurer's **potential** inability or unwillingness to pay reinsurance claims when due. We generally select well capitalized and highly rated reinsurers **for our reinsurance purchases** and in certain instances we require reinsurers to post substantial collateral to secure the reinsured risks. Deterioration in the credit quality of existing reinsurers or disputes over the terms of reinsurance could result in charges to earnings, which may have a material adverse effect on our results of operations and financial condition. In addition, collateral may not be sufficient to cover the reinsurer's obligation to us, and we may not be able to cause the reinsurer to deliver additional collateral. As of December 31, ~~2023~~ **2024**, we were the beneficiary of letters of credit, trust accounts and funds withheld in the aggregate amount of \$ ~~5.1~~ **8** billion, collateralizing \$ ~~9.11~~ **2.6** billion in reinsurance recoverables. The remaining unsecured reinsurance recoverables are ceded to highly ~~rated~~, well capitalized reinsurers. Our reinsurance recoverables are based on estimates, and our actual liabilities may exceed the amount we are able to recover from our reinsurers or any collateral securing the reinsurance recoverables. The failure of a reinsurer to meet its obligations to us, whether due to insolvency, dispute or other **10K- 22** unwillingness or inability to pay, or due to our inability to access sufficient collateral to cover our liabilities, could have a material adverse effect on our results of operations and financial condition. ~~10K- 24~~ The availability and cost of reinsurance are determined by market conditions beyond our control. There is no guarantee that our desired amounts of reinsurance or retrocessional reinsurance will be available in the marketplace in the future. In addition, available capacity may not be on terms we deem appropriate or acceptable or with companies with whom we want to do business. This could impact our ability to write certain products and have a material adverse effect on our results of operations and financial condition. Market Competition and Broker Reliance Competition in the insurance and reinsurance markets could reduce profits from our insurance operations. Insurance and reinsurance markets are highly competitive. We compete on an international and regional basis with major United States (U. S.), Bermuda, United Kingdom (U. K.), European, and other international insurers and reinsurers and with underwriting syndicates, some of which have greater financial, marketing, and management resources than we do, have greater access to "big data," and may be able to offer a wider range of, or more sophisticated, commercial and personal lines products. Recent industry consolidation, including business combinations among insurance and other financial services companies, has resulted in larger competitors with even greater financial resources. In addition, capital market participants have created alternative products that are intended to compete with reinsurance products. Similar to other industries, the insurance industry is undergoing rapid and significant technological and other changes. There is increasing focus by traditional insurance industry participants, technology companies, "InsurTech" start-up companies and others on using technology and innovation to simplify and improve the customer experience, increase efficiencies, redesign products, alter business models and effect other potentially disruptive changes in the insurance industry. If we do not anticipate, keep pace with and adapt to technological and other changes impacting the insurance industry, it will harm our ability to compete, decrease the value of our products to customers, and materially and adversely affect our business. Furthermore, innovation, technological change and changing customer preferences in the markets in which we operate also pose other risks to our businesses. For example, they could result in increasing our service, administrative, policy acquisition or general expenses as we seek to distinguish our products and services from those of our competitors or otherwise keep up with such innovation and changes. Increased competition could result in fewer submissions, lower premium rates, and less favorable policy terms and conditions, which could reduce our underwriting profits, or within our ~~program services and other~~ fronting operations, our operating profits, and have a material adverse effect on our results of operations and financial condition. The historical cyclicality in the property and casualty insurance industry could have a material adverse effect on our ability to improve or maintain underwriting profits or to grow or maintain premium volume. The insurance and reinsurance markets have historically been cyclical, characterized by extended periods of intense price competition due to excessive underwriting capacity, and ~~more recently~~ alternative sources of capital, as well as periods when shortages of capacity permitted more favorable rate levels. Among our competitive strengths have been our specialty product focus and our niche market strategy. These strengths also make us vulnerable in periods of intense competition to actions by other insurance companies who seek to write additional premiums without appropriate regard for underwriting profitability. At times it could be very difficult for us to grow or maintain premium volume levels without sacrificing underwriting profits. If we are not successful in maintaining rates or achieving rate increases, it may be difficult for us to improve or maintain underwriting profits or to grow or maintain premium volume levels. Our efforts to develop new products, expand in targeted markets or improve business processes and workflows may not be successful and may increase or create new risks. From time to time, to protect and grow market share or improve our efficiency, we invest in strategic initiatives to: • develop products that insure risks we have not previously insured, include new coverages or change coverage terms; • change commission terms; • change our underwriting processes; • improve business processes and workflow to increase efficiencies and productivity and to enhance the experience of our customers and producers; • expand distribution channels; and • enter geographic markets where we previously have had relatively little or no market share. **10K- 25** **23** We may not be successful in these efforts, and even if we are successful, they may increase or create the following risks, among others: • demand for new products or expansion into new markets may not meet our expectations; • new products and expansion into new markets may increase or change our risk exposures, and the data and models we use to manage those exposures may not be as effective as those we use in existing markets or with existing products; • models underlying automated underwriting and pricing decisions may not be effective; • efforts to develop new products or markets or to change commission terms may create or increase distribution channel conflicts; • in connection with the conversion of existing policyholders to a new product, some policyholders' pricing may increase while the pricing for other policyholders may decrease, the net impact of which could negatively impact retention and profit margins; • changes to our business processes or workflow, including the use of new technologies, may give rise to execution risk **and cost more and take longer than expected**; and • increased usage of artificial intelligence by us and third parties and the evolving regulatory landscape may increase underwriting and regulatory risk, while also presenting opportunity risk if we do not leverage artificial intelligence appropriately. These efforts may require us to make substantial expenditures, which may negatively impact results in the near term, and if not successful, could

materially and adversely affect our results of operations. We depend on a few brokers for a large portion of our revenues and the loss of business provided by any one of them could have a material adverse effect on us. We market our insurance and reinsurance worldwide through insurance and reinsurance brokers. For the year ended December 31, ~~2023~~ **2024**, our top five independent brokers represented ~~37~~ **38**% of the gross premiums written by our underwriting operations. Loss of all or a substantial portion of the business provided by one or more of these brokers could have a material adverse effect on our business.

Financial Strength and Credit Ratings Our insurance companies and senior debt are rated by various rating agencies, and a downgrade or potential downgrade in one or more of these ratings could have a material adverse effect on us. Financial strength ratings are an important factor in establishing the competitive position of insurance and reinsurance companies. Our senior debt ratings also affect the availability and cost of capital. Certain of our insurance and reinsurance company subsidiaries and our senior debt securities are rated by various rating agencies. Our financial strength and debt ratings are subject to periodic review, and are subject to revision or withdrawal at any time. The financial strength ratings of our insurance subsidiaries are significantly influenced by their statutory surplus amounts and leverage and capital adequacy ratios and other financial metrics. Rating agencies may implement changes to their ratings methodologies or internal models that have the effect of increasing or decreasing the amount of capital our insurance subsidiaries must hold or restrict how the company may deploy its capital in order to maintain its current ratings. For example, for certain of our insurance subsidiaries, rating agencies may take into account in their calculations the collateral provided to us by reinsurers. A change in this practice could adversely impact our ratings. We cannot be sure that we will be able to retain our current, or any future, ratings. If our ratings are reduced from their current levels by one or more rating agencies, our competitive position in our target markets within the insurance industry could suffer and it would be more difficult for us to market our products. A ratings downgrade could result in a substantial loss of business as policyholders and ceding company clients move to other companies with higher claims-paying and financial strength ratings. In addition, a downgrade could trigger contract provisions that allow cedents to terminate their reinsurance contracts on terms disadvantageous to us or require us to collateralize our obligations through trusts or letters of credit. A ratings downgrade could also have a material adverse effect on our liquidity, including the availability of our letter of credit facilities, and limit our access to capital markets, increase our cost of borrowing or issuing debt and require us to post collateral. The amount of capital that our insurance subsidiaries have and must hold to maintain their financial strength and credit ratings and meet other requirements can vary significantly from time to time and is sensitive to a number of factors, some of which are outside of our control. Capital requirements for our insurance subsidiaries are prescribed by the applicable insurance regulators, while rating agencies establish requirements that inform ratings for our insurance subsidiaries and senior debt securities. Projecting surplus and the related capital requirements is complex and requires making assumptions regarding how our business will perform within the broader macroeconomic environment. Insurance regulators and rating ~~10K-~~ **26-24** agencies evaluate company capital through financial models that calculate minimum capitalization requirements based on risk-based capital formulas for property and casualty insurance groups and their subsidiaries. In any particular year, capital levels and risk-based capital requirements may increase or decrease depending on a variety of factors including the mix of business written by our insurance subsidiaries and correlation or diversification in the business profile, the amount of additional capital our insurance subsidiaries must hold to support business growth, the value of securities in our investment portfolio, changes in interest rates and foreign currency exchange rates, as well as changes to the regulatory and rating agency models used to determine our required capital.

Insurance Regulation Our insurance subsidiaries are subject to supervision and regulation that may have a material adverse effect on our operations and financial condition. Our insurance subsidiaries are subject to supervision and regulation by the regulatory authorities in the various jurisdictions in which they conduct business, including foreign and U. S. state insurance regulators. Regulatory authorities have broad regulatory, supervisory and administrative powers relating to, among other things, data protection and data privacy, cybersecurity, solvency standards, licensing, coverage requirements, product terms and conditions, policy rates and forms, business and claims practices, disclosures to consumers, and the form and content of financial reports. In some instances, we follow practices based on our interpretations of regulations or practices that we believe may be generally followed by the industry. These practices may turn out to be different from the interpretations of regulatory authorities. Insurance regulatory authorities have broad authority to initiate investigations or other proceedings, and, in connection with a failure to comply with applicable laws and regulations, could impose adverse consequences, including fines, penalties, injunctions, denial or revocation of an operating license or approval, increased scrutiny or oversight, limitations on engaging in a particular business, or redress to clients. These actions also could result in negative publicity, reputational damage or harm to client, employee or other relationships. Additionally, regulatory and legislative authorities continue to implement enhanced or new regulatory requirements to assure the stability of insurance companies or enhance policyholder protections or, in certain instances, intended to prevent or mitigate future financial crises. Regulatory authorities also may seek to exercise their supervisory or enforcement authority in new or more extensive ways, such as increased capital requirements. These actions, if they occur, could affect the competitive market, as well as the way we conduct our business or manage our capital, and could result in lower revenues and higher costs. As a result, such actions could have a material adverse effect on our results of operations and financial condition. Regulators may challenge our use of fronting arrangements in ~~states~~ **jurisdictions** in which our capacity providers are not licensed. Our ~~program services and other~~ fronting ~~business~~ **businesses** ~~enters~~ **enter** into fronting arrangements with general agents and domestic and foreign insurers that want to access specific U. S. ~~and foreign~~ property and casualty insurance business in ~~states~~ **jurisdictions** in which the capacity providers are not licensed or are not authorized to write particular lines of insurance. Some ~~state~~ insurance regulators may object to these fronting arrangements. In certain ~~states~~ **jurisdictions**, an insurance ~~commissioner~~ **regulator** has the authority to prohibit an authorized insurer from acting as an issuing carrier for an unauthorized insurer. In addition, insurance ~~departments~~ **regulators** in ~~states~~ **jurisdictions** in which there is no such statutory or regulatory prohibition, could deem the assuming insurer to be transacting insurance business without a license and the issuing carrier to be aiding and abetting the unauthorized sale of insurance. If regulators in any of the ~~states~~ **states**

jurisdictions where we conduct our fronting business were to prohibit or limit those arrangements, we would be prevented or limited from conducting that business for which a capacity provider is not authorized in those states **jurisdictions**, unless and until the capacity provider is able to obtain the necessary licenses. This could have a material adverse effect on our results of operations and financial condition, **which in turn could result in an impairment of the goodwill or intangible assets related to this business**. Insurance- Linked Securities Our ILS operations and our management of third- party capital may expose us to risks. Some of our operating subsidiaries may owe certain legal duties and obligations to third- party investors. A failure to fulfill any of those duties or obligations could result in significant liabilities, penalties or other losses, and harm our businesses and results of operations. In addition, third- party investors may decide not to renew their investments in the funds we manage, which could materially impact the financial condition of those funds, and could, in turn, have a material adverse effect on our results of operations and financial condition. Moreover, we may not be able to maintain or raise additional third- party capital for the funds we manage or for potential new funds and therefore we may forego existing or potential fee income and other income generating opportunities. For example, **in 2022, we recognized an impairment of goodwill attributed to our Nephila ILS operations following consecutive years of elevated catastrophe losses, as well as by the COVID- 19 pandemic in 2020, which negatively impacted** investment performance at Nephila, as well as the broader ILS market, has been adversely impacted by consecutive years of elevated catastrophe losses, as well as by the COVID- 19 pandemic in 2020. These **type of** events, as well as volatility in the capital markets, also have impacted investor decisions around allocation of capital to ILS, which in turn have impacted, and may continue to impact, our capital raises and redemptions within the funds we manage, as well as new funds, resulting in a decline in assets under management. See "Critical Accounting Estimates- Goodwill and Intangible 10K- 25 27 Assets" under Item 7- Management's Discussion & Analysis of Financial Condition and Results of Operations for discussion and considerations of these impacts on the valuation of goodwill and intangible assets attributed to our Nephila ILS operations. Risks Primarily Related to Our Investments and Access to Capital Changes in Economic Conditions Our investment results may be impacted by changes in interest rates, U. S. and international monetary and fiscal policies as well as broader economic conditions. We receive premiums from customers for insuring their risks. We invest these funds until they are needed to pay policyholder claims. Fluctuations in the value of our investment portfolio can occur as a result of changes in interest rates and U. S. and international fiscal, monetary and trade policies as well as broader economic conditions (including, for example, equity market conditions and significant or prolonged inflation or deflation). Although we attempt to take measures to manage the risks of investing in these changing environments, we may not be able to mitigate our sensitivity to them effectively. Despite our mitigation efforts, which include duration and currency targets for asset portfolios, compliance monitoring of these targets and means to reasonably and effectively match asset duration and currency to the duration and currency of the loss reserves, changes in interest rates and U. S. and international fiscal, monetary and trade policies as well as broader economic conditions could have a material adverse effect on our investment results and, consequently, our results of operations and financial condition. We invest a significant portion of our shareholders' equity in equity securities, which may result in significant variability in our investment results and net income and may have a material adverse effect on shareholders' equity. Additionally, our equity investment portfolio is concentrated, and declines in the value of these significant investments could have a material adverse effect on our financial results and on our ability to carry out our business plans. Equity securities were **70 % and 64 % and 58 %** of our shareholders' equity at December 31, **2024 and 2023 and 2022**, respectively. Equity securities have historically produced higher returns than fixed maturity securities over long periods of time; however, investing in equity securities may result in significant variability in investment returns from one period to the next. In volatile financial markets, we could experience significant declines in the fair value of our equity investment portfolio, which would result in a material decrease in net income and shareholders' equity. Our equity portfolio is concentrated in particular issuers and industries and, as a result, a decline in the fair value of these concentrated investments also could result in a material decrease in net income and shareholders' equity. A material decrease in shareholders' equity may have a material adverse effect on our ability to carry out our business plans. We may require additional capital in the future, which may not be available or may only be available on unfavorable terms. To the extent that cash flows generated by our operations are insufficient to fund future operating requirements, or **the that our capital position of our insurance subsidiaries** is adversely impacted by a decline in the fair value of our investment portfolio, losses from catastrophe events or otherwise, we may need to raise additional funds through financings or curtail our growth. We also may be required to liquidate fixed maturity securities or equity securities, which may result in realized investment losses. Any further sources of capital, including capacity needed for letters of credit, if available at all, may be on terms that are unfavorable to us. Our access to additional sources of capital will depend on a variety of factors, such as market conditions, the general availability of credit, the availability of credit to the industries in which we operate, our results of operations, financial condition, credit ratings and credit capacity, as well as pending litigation or regulatory investigations. Our ability to borrow under our revolving credit facility and letter of credit facilities is contingent on our compliance with the covenants and other requirements under those facilities. Similarly, our access to capital may be impaired if regulatory authorities or rating agencies take negative actions against us. Our inability to obtain adequate capital when needed could have a negative impact on our ability to invest in, or take advantage of opportunities to expand, our businesses, such as possible acquisitions or the creation of new ventures, and inhibit our ability to refinance our existing indebtedness on terms acceptable to us. Any of these effects could have a material adverse effect on our results of operations and financial condition. A failure to comply with covenants and other requirements under our credit facilities, senior debt and other indebtedness could have a material adverse effect on us. The agreements and indentures relating to our credit facilities, senior debt and other indebtedness, including letter of credit facilities used by certain of our subsidiaries, contain covenants and other requirements. If we fail to comply with those covenants or requirements, the lenders, noteholders or counterparties under those agreements and indentures could declare a default and demand immediate repayment of all amounts owed to them. In addition, where applicable, our lenders may cancel their commitments to lend or issue letters of credit or require us to pledge

additional or a different type of collateral. A default under one debt agreement may also put us at risk of a cross- default ~~10K-28~~ under other debt agreements or other arrangements. Any of these effects could have a material adverse effect on our results of operations and financial condition. **10K-26** Our liquidity and our ability to meet our debt and other obligations, and pay dividends on our preferred stock, depend on the receipt of funds from our subsidiaries. We are a holding company, and as a result, our cash flow and our ability to meet our debt and other obligations, and pay dividends on our preferred stock, depend upon the earnings of our subsidiaries and on the distribution of earnings, loans or other payments by our subsidiaries to us. The payment of dividends by our insurance subsidiaries, which account for a significant portion of our operating cash flows, may require prior regulatory notice or approval or may be restricted by capital requirements imposed by regulatory authorities. Similarly, our insurance subsidiaries may require capital contributions from us to satisfy their capital requirements. In addition, our reinsurance contracts typically allow the cedent, upon a reduction in an insurance company' s capital in excess of specified amounts, to terminate its contract on terms disadvantageous to us or to exercise other remedies that may adversely affect us. Those contract provisions may have the effect of limiting distributions by our insurance subsidiaries to us. Risks Related to All of Our Operations Legal and Regulatory Risks The legal and regulatory requirements applicable to our businesses are extensive. Failure to comply could have a material adverse effect on us. Each of our businesses is highly dependent on the ability to engage on a daily basis in a large number of financial and operational activities, including, among others, insurance underwriting, claim processing, investment activities, the management of third- party capital and providing products and services to businesses and consumers, many of which are highly complex. These activities are subject to internal guidelines and policies, as well as legal and regulatory requirements, including, among others, those related to privacy and data security, **artificial intelligence**, economic and trade sanctions, anti- corruption, anti- bribery and global finance and investments, customer protection and insurance matters. Our continued expansion into new businesses, distribution channels and markets brings about additional requirements. While we believe that we have adopted adequate and effective risk management and compliance programs, compliance risks remain, particularly as we become subject to additional rules and regulations. Failure to comply with, or to obtain, appropriate authorizations or exemptions under any applicable laws and regulations could result in restrictions on our ability to do business or undertake activities that are regulated in one or more of the jurisdictions in which we conduct business. Any such failure could also subject us to fines, penalties, equitable relief and changes to our business practices. In addition, a failure to comply could result in defaults under our senior unsecured debt agreements or credit facilities or damage our businesses or our reputation. Compliance with applicable laws and regulations is personnel- and systems- intensive. Shareholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial and complex new regulations and compliance obligations. Any changes in, or the enactment of new, laws and regulations may increase the complexity of the regulatory environment in which we operate, which could materially increase our direct and indirect costs for compliance and other expenses of doing business, and have a material adverse effect on our results of operations and financial condition. For example, ~~failure to implement data management and security controls in~~ the use of artificial intelligence by us or third party providers may subject us to data privacy, intellectual property and general regulatory risk, particularly in light of emerging regulation on the use of artificial intelligence. Losses from legal and regulatory actions may have a material adverse effect on us. From time to time we may be involved in various legal actions, including at times multi- party or class action litigation, some of which involve claims for substantial or indeterminate amounts. A significant unfavorable outcome in one or more of these actions could have a material adverse effect on our results of operations and financial condition. We are also involved from time to time in various regulatory actions, investigations and inquiries, including market conduct exams by insurance regulatory authorities. If a regulatory authority takes action against us or we enter into a consent order or agreement to settle a matter, a regulatory authority has the option to require us to pay substantial fines or implement remedial measures that could prove costly or disruptive to our businesses and operations. Even if an unfavorable outcome does not materialize, these matters could have an adverse impact on our reputation and result in substantial expense and disruption. See note 21 of the notes to consolidated financial statements included under Item 8 ~~and Item 3 Legal Proceedings~~.

Changes in tax We are subject to laws and **rates or** regulations relating to economic and trade sanctions and bribery and corruption, the violation of which could have a material adverse effect on us. **Changes in federal, state or foreign tax laws, rates or regulations, or their interpretation and application, could adversely affect our tax positions or tax liabilities, require us to make adjustments in our operations or tax strategies, and increase our overall tax burden. We are subject to laws and regulations relating to economic and trade sanctions and bribery and corruption, the violation of which could have a material adverse effect on us.** We are required to comply with the economic and trade sanctions and embargo programs administered by the U. S. Department of the Treasury' s Office of Foreign Assets Control and **10K-27** similar multi- national bodies and governmental agencies worldwide, as well as applicable anti- corruption and anti- bribery laws and regulations of the U. S. and other jurisdictions where we operate. In some cases, we must comply with many new ~~10K-29~~ economic, financial and trade sanctions that are imposed over a short period of time, as occurred with the **conflict between Russia -and Ukraine conflict**. A violation of a sanction, embargo program, or anti- corruption law could subject us, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties. In addition, a violation could result in defaults under our outstanding indebtedness or credit facilities or damage our businesses or our reputation. Those penalties or defaults, or damage to our businesses or reputation, could have a material adverse effect on our results of operations and financial condition. In some cases, the requirements and limitations applicable to the global operations of U. S. companies and their affiliates are more restrictive than, and may even conflict with, those applicable to non- U. S. companies and their affiliates, which also could have a material adverse effect on our results of operations and financial condition. Employee error and misconduct may be difficult to detect and prevent and may result in significant losses. We run the risk of misconduct by employees across our businesses. Instances of misconduct, fraud, illegal acts, errors, failure to document transactions properly or to obtain proper internal authorization, or failure to comply with regulatory requirements or our internal

policies may result in losses or reputational damage. It is not always possible to detect, deter or prevent employee errors or misconduct or fraud, and the controls and trainings that we have in place to mitigate these activities may not be sufficient or effective in all cases. Global Operations **Our businesses operate** We manage our global operations through **independent local management teams** a network of business entities, which could result in inconsistent management, governance and oversight practices. **Our businesses operate** We manage our global operations through **independent management teams** a network of business entities located in the U. S., Bermuda, the U. K., Europe, Canada, the Middle East, Asia and Australia. **These Our Markel Group senior management team oversees our** business-businesses entities are managed by executives, and supported by shared and centralized services; however, **independent local** for certain of our businesses, subsidiary-level management is **teams are** responsible for **strategy**, day-to-day operations, profitability, **capital allocation decisions**, personnel decisions, the growth of the business, and legal and regulatory compliance, including adherence to applicable local laws. Operating through subsidiary-level management **teams** can make it difficult for us to implement **strategic decisions and** coordinated procedures throughout our global **operations-businesses**. In addition, some of our **business-businesses** entities operate with management, sales, and support personnel that may be insufficient to support growth in their respective locations and industries, **without significant central oversight and coordination**. We continue to enhance our **management, governance and** oversight procedures to effectively support **and improve transparency throughout** our global **operations and network of business-businesses** entities; however, our operating strategy nonetheless could result in inconsistent management, governance, and oversight practices, which may have a material adverse effect on our results of operations and financial condition. We have substantial international operations and investments, which expose us to increased political, civil, operational and economic risks. A substantial portion of our revenues and income is derived from our operations and investments outside the U. S., including from the U. K., Bermuda, Europe, Canada, the Middle East, Asia and Australia. Our international operations and investments expose us to increased political, civil, operational and economic risks. Deterioration or volatility in foreign and international financial markets or general economic and political and civil conditions could adversely affect our operating results, financial condition and liquidity. Concerns about the economic conditions, capital markets, political, civil and economic stability and solvency of certain countries may contribute to global market volatility. Political and civil changes in the jurisdictions where we operate and elsewhere, some of which may be disruptive, can also interfere with our customers and our activities in a particular location. Our international operations also may be subject to a number of additional risks, particularly in emerging economies, including restrictions such as price controls, capital controls, currency exchange limits, ownership limits and other restrictive or anti-competitive governmental actions or requirements, which could have a material adverse effect on our businesses. General economic, market or industry conditions could lead to investment losses, adverse effects on our businesses and limit our access to the capital markets. General economic and market conditions and industry specific conditions, including extended economic recessions or expansions; prolonged periods of slow economic growth; inflation or deflation; fluctuations and volatility in foreign currency exchange rates, commodity and energy prices and interest rates; volatility in the credit and capital markets; changes in U. S. government debt ratings; the imposition of **duties**, tariffs and other changes in international trade regulation and other factors, could lead to: substantial realized and unrealized investment losses in future periods; **changes in the carrying value of our other assets and liabilities**; declines in demand for, or increased frequency and severity of claims made under, our insurance products; disruptions in global supply chains and increased costs of inputs for our products and services; reduced demand for our services and the products we sell and distribute; **changes in the carrying value of our other assets and liabilities**; and limited or no access to the capital markets. Any of these impacts could have a material adverse effect on our results of operations, financial condition, debt and financial strength ratings or **the adequacy of** our insurance subsidiaries' capital. Markel Ventures businesses have been, and may continue to be, adversely affected by increased costs of labor and materials and declines in demand for certain products and services due to **10K-30** economic and industry specific conditions. **In addition, in early 2025, the U. S. announced a series of new 10K- 28 or increased tariffs on certain foreign imports. These tariffs, or additional duties, tariffs and other trade barriers imposed by the U. S., and retaliatory countermeasures by other countries, may adversely affect the price and availability of goods for our businesses and the demand for our products.** Our efforts to mitigate these impacts may not be successful and, even when they are successful, there may be a time lag before the impacts of these efforts are reflected in our results. Our businesses, results of operations and financial condition could be adversely affected by ongoing regional or military conflicts and related disruptions in the global economy. The global economy has been, and may in the future be, negatively impacted by regional or military conflicts, for example, the on-going conflicts between Russia and Ukraine and **between in** Israel and **Hamas surrounding areas**. We may have operations in areas affected by a conflict, and some of our businesses may be adversely affected by a conflict and its effects. Within our underwriting operations, we may have insurance contracts with exposure to losses attributed to a conflict. Our other operations also may have direct exposure to customers and vendors in an affected area. Certain of our businesses may experience shortages in materials and increased costs for transportation, energy, and raw materials due in part to the negative impact of a conflict on the global economy. Furthermore, governments in the U. S., U. K., and European Union, among others, may impose export controls on certain products and financial and economic sanctions on certain industry sectors and parties in affected areas. These export controls and sanctions, or our failure to comply with them, could result in restrictions on our ability to do business in one or more of the jurisdictions in which we conduct business or have the other adverse effects discussed above under this Item 1A. Risk Factors under "We are subject to laws and regulations relating to economic and trade sanctions and bribery and corruption, the violation of which could have a material adverse effect on us." We are unable to predict the impact an ongoing conflict may have on our businesses or the global economy. The impact of geopolitical tensions related to these conflicts, including increased trade barriers or restrictions on global trade, is unknown and could result in, among other things, heightened cybersecurity threats, supply disruptions, protracted or increased inflation, increased energy costs, lower consumer demand, fluctuations in interest and foreign exchange rates and increased volatility in financial markets, any of which could adversely affect our

businesses, results of operations and financial condition. In addition, an ongoing conflict may have the effect of triggering or intensifying many of the risks described under this Item 1A Risk Factors under Risks Primarily Related to Our Insurance Operations, Risks Primarily Related to Our Investments and Access to Capital, and Risks Related to All of Our Operations. Acquisitions, Integration and Reliance on Management and Personnel The integration of acquired businesses may not be as successful as we anticipate. We have completed, and expect to complete, acquisitions in an effort to achieve profitable growth in our underwriting and other insurance operations and to create additional value on a diversified basis in our Market Ventures operations. Acquisitions present operational, regulatory, strategic and financial risks, as well as risks associated with liabilities arising from the previous operations of the acquired businesses. We also must make decisions about the degree to which we integrate acquisitions into our existing businesses, operations and systems, and over what timeframe. Those decisions may adversely affect how successfully the acquired businesses perform, both in the short- term and in the long- term. All of these risks are magnified in the case of a large acquisition. Integration of the operations, systems and personnel of acquired businesses may prove more difficult than anticipated, which may result in failure to achieve financial objectives associated with the acquisition or diversion of management attention and other resources. In addition, integration of formerly privately -held companies into the management and internal control and financial reporting systems of a publicly -held company presents additional risks. See note 3 of the notes to consolidated financial statements included under Item 8 for information about our recent acquisitions. Impairment in the value of our goodwill or other intangible assets could have a material adverse effect on our operating results and financial condition. As of December 31, 2023-2024, goodwill and intangible assets totaled \$ 4. 2 billion and represented 28-25 % of shareholders' equity. We record goodwill and intangible assets at fair value upon the acquisition of a business. Goodwill represents the excess of amounts paid to acquire businesses over the fair value of the net assets acquired. Goodwill and indefinite- lived intangible assets are evaluated for impairment annually, or more frequently if events or circumstances indicate that their carrying value may not be recoverable. Declines in operating results, Developments that adversely affect the future cash flows or earnings of an acquired business, divestitures, including declining growth in industry segments or sustained market declines, as well as increases in cost of capital and other factors that impact the fair value of a reporting unit, could result in an impairment of goodwill or intangible assets and, in turn, a charge to net income. Such a charge could have a material adverse effect on our results of operations or financial condition. Developments that adversely affect the future cash flows or earnings of an acquired business may cause the goodwill or intangible assets recorded for it to be impaired. See " Critical Accounting Estimates- Goodwill and Intangible Assets" included under Item 7 Management' s Discussion and Analysis of Financial Condition and Results of Operations and note 8 of the notes to consolidated financial statements included under Item 8 for information about our goodwill and intangible assets. 10K- 31-29 The loss of, or failure to successfully implement succession planning for, one or more key executives or an inability to attract and retain qualified personnel in our various businesses could have a material adverse effect on us. Our success depends on our ability to retain the services of our existing key executives, implement successful succession planning and attract and retain additional qualified personnel in the future. The temporary or permanent loss of the services of any of our key executives or the inability to hire and retain other highly qualified personnel in the future could have a material adverse effect on our ability to conduct or grow our business. Additionally, in our decentralized business model, we rely on qualified personnel to manage and operate our various businesses. In our decentralized business model, we need qualified and competent management to direct day- to- day business activities of our operating subsidiaries and to manage changes in future business operations due to changing business or regulatory environments. Our operating subsidiaries also need qualified and competent personnel to execute business plans and serve their customers, suppliers and other stakeholders. Our inability to recruit, train and retain qualified and competent managers and personnel could negatively affect the operating results, financial condition and liquidity of our subsidiaries and Market Group as a whole. Information Technology Systems and Third- Party Systems and Service Providers Information technology systems that we use could fail or suffer a security breach or cyberattack, which could have a material adverse effect on us or result in the loss of regulated or sensitive information. Our businesses are dependent upon the operational effectiveness and security of our enterprise systems and those maintained by third parties. Among other things, we rely on these systems to interact with producers, insureds, customers, clients, and other third parties, to perform actuarial and other modeling functions, to underwrite business, to prepare policies and process premiums, to process claims and make claims payments, to prepare internal and external financial statements and information, as well as to engage in a wide variety of other business activities. A significant failure of our enterprise systems, or those of third parties upon which we may rely, whether because of a natural disaster, network outage or a cyberattack on those systems, including ransomware, could compromise our personal, confidential and proprietary information as well as that of our customers and business partners, impede or interrupt our business operations and could result in other negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny and fines, litigation and monetary and reputational damages. In addition, if we are unable to innovate, develop and acquire new technology, it may leave us more susceptible to these attacks. Like other companies, we have been subject to cyberattacks, malicious viruses and malware, and denial of service attacks and expect that this will continue in the future with greater sophistication and frequency. Despite any controls or protective actions we take against such attacks, those measures may be insufficient to prevent, or mitigate the effects of, a natural disaster, network outage or a cyberattack on our systems. This could result in liability to us, cause our data to be corrupted or stolen and cause us to commit resources to correct those failures. In addition, we are subject to numerous data privacy and cybersecurity laws and regulations enacted in the jurisdictions in which we do business. A misuse or mishandling of personal, confidential or proprietary information being sent to or received from a customer, business partner, employee or third party could damage our businesses or our reputation or result in significant monetary damages, regulatory enforcement actions, fines and criminal prosecution in one or more jurisdictions. For example, under the European General Data Protection Regulation there are significant punishments for non- compliance which could result in a penalty of up to 4 % of a firm' s global annual revenue. In addition, a violation of data privacy laws and regulations

could result in defaults under our outstanding indebtedness or credit facilities. Those monetary damages, penalties, regulatory or legal actions or defaults, or the damage to our businesses or reputation, could have a material adverse effect on our results of operations and financial condition. Third parties who we utilize to perform certain functions are also subject to these risks, and their failure to adhere to these laws and regulations also could damage our businesses or reputation or result in regulatory intervention, which could have a material adverse effect on our results of operations and financial condition. Further, we routinely transmit, receive and store personal, confidential and proprietary information by email and other digital means. Although we attempt to protect this personal, confidential and proprietary information, we may be unable to do so in all cases, especially with business partners and other third parties who may not have or use appropriate controls to protect personal, confidential and proprietary information. While we maintain cyber risk insurance providing first- party and third- party coverages, that insurance may not cover all costs associated with the consequences of an enterprise failure, cyberattack, or breach of systems. A material cyber security breach could have a material adverse effect on our results of operations and financial condition. 10K- 32-30 Third- party providers may perform poorly, breach their obligations to us or expose us to enhanced risks. Certain of our business functions are performed by third- party providers, and these providers may not perform as expected or may fail to adhere to the obligations owed to us. For example, certain of our business units rely on relationships with a number of third- party administrators under contracts pursuant to which these third- party administrators manage and pay claims on our behalf and advise us with respect to case reserves. In these relationships, we rely on controls incorporated in the provisions of the administration agreement, as well as on the administrator' s internal controls, to manage the claims process within our prescribed parameters. In addition, certain of our business units use managing general agents, general agents and other producers to write and administer business on our behalf within prescribed underwriting authorities. Although we monitor these administrators, agents, producers and other service providers on an ongoing basis, our monitoring efforts may not be adequate, or our service providers could exceed their authorities or otherwise breach obligations owed to us, which could result in operational disruption, reputational damage and regulatory intervention and otherwise have a material adverse effect on our results of operation and financial condition. In addition, we utilize third parties to perform certain technology and business process functions, such as data center hosting, cloud based operating environments, human resources and other outsourced services. If these third- party providers do not perform as expected, we may experience operational difficulties, increased costs and a loss of business, or we may not realize expected productivity improvements or cost efficiencies. Our use of third parties to perform certain technology and business process functions may expose us to risks related to privacy and data security, including through their use of artificial intelligence without our knowledge or below our standards, which could result in monetary and reputational damages. We may be further exposed to risks associated with artificial intelligence and machine learning technology if third- party service providers or any counterparts, where whether known or unknown to us, use such technology in their business activities. In addition, our ability to receive services from third- party providers might be impacted by a wide variety of factors, including political and civil instability, supply chain disruptions, volatility or disruptions in the financial markets, wide- spread health issues, unanticipated or additional regulatory requirements or policies. As a result, our ability to conduct our businesses may be adversely affected.

Shareholder Activism Our business could be disrupted as a result of a threatened proxy contest or other actions of activist shareholders. Publicly traded companies have increasingly become subject to campaigns by investors advocating corporate actions such as operational and financial restructuring, increased borrowing, special dividends, share repurchases or sales of assets or the entire company. For example, at a public investor conference on December 10, 2024, as well as in a subsequent letter to our Chief Executive Officer, JANA Partners made statements calling for us to, among other things, publicly announce a Board- led review to evaluate a potential simplification of Markel Group. While we value constructive feedback from our investors and regularly engage in dialogue with them on various matters, we may nonetheless be subject to actions or proposals from activist shareholders that may not align with our business strategies or the interests of our other shareholders. Responding to actions by such activist shareholders or others could be costly and time- consuming, disrupt our operations and divert the attention of our Board of Directors and senior management team from the pursuit of business strategies, which could adversely affect our business, financial condition and results of operations. In addition, actual or perceived uncertainties as to our future direction caused by activist activities may cause or appear to cause instability, potentially making it more difficult to attract and retain qualified personnel and identify and secure investment opportunities. Activist shareholder activities may also cause significant fluctuations in our share price based on temporary or speculative market perceptions, or other factors that do not necessarily reflect the fundamental underlying value of our businesses.

Pandemics Pandemics have had, and could have, material adverse effects on us. The effects of a pandemic, and related governmental responses, may be wide- ranging, costly, disruptive and rapidly changing, resulting in material adverse effects on our **underwriting insurance**, investment ~~and~~ Markel Ventures ~~and other~~ operations, and on our results of operations and financial condition, as was the case with COVID- 19. Factors that give rise, or may give rise, to those effects include, or may include, the following, as well as others that we cannot predict:

- Insured or reinsured losses from pandemic- related claims that are different, or more extensive, than we expect;
- Government actions or judicial decisions related to insurance or reinsurance coverages or rates, including, for example, requiring retroactive coverage of claims or expanding the scope of coverage;
- 10K- 31** • Disputes, lawsuits and other legal actions challenging the promptness of coverage determinations, or the coverage determinations themselves, under applicable insurance or reinsurance policies, resulting in increased claims, litigation and related expenses;
- Disruptions, delays and increased costs and risks related to having limited or no access to our facilities, workplace re- entry, employee safety concerns and reductions or interruptions of critical or essential services;
- Continually changing business conditions and compliance obligations; and
- Short or long- term impacts on the cost, availability or timeliness of required raw materials, supplies or services provided by third parties, including services provided by state, federal or foreign governments or government agencies. In addition, a pandemic may, as has been the case with COVID- 19, have the

effect of triggering or intensifying many of the risks described elsewhere under this Item 1A. Risk Factors under Risks Primarily Related to Our Insurance Operations, Risks Primarily Related to Our Investments and Access to Capital, and Risks Related to All of Our Operations. ~~10K- 33 Climate Change~~ The impacts of climate change, and legal or regulatory measures to address climate change, may adversely affect our results of operations or financial condition. Our businesses, results of operations, and financial condition could be impacted by risks associated with climate change, including:

- changes from legislation, regulation and court decisions that:
 - create economic and regulatory uncertainty,
 - increase our compliance costs,
 - impose liability on or increase exposure for our policyholders not contemplated during our underwriting,
 - change our ability to provide insurance coverage to certain policyholders, or
 - impose new or additional requirements that increase the costs associated with, or disrupt, sourcing, manufacturing, and distribution of, our products and services,
- changes in the frequency, severity, and location of weather- related catastrophes, such as hurricanes, tornados, windstorms, floods, wildfires, and other extreme weather events, which may:
 - result in insured losses that exceed our expectations or make it more difficult for us to predict and model catastrophic events, reducing our ability to accurately price our exposure to such events and mitigate our risks,
 - make it more difficult or expensive for us to obtain reinsurance at desired levels, or
 - increase physical risks to and impacts on our operations,
- changing demand for insurance coverage we provide, such as demand from industries that produce or use carbon- based energy including those transitioning from those energy sources, decreased availability of reinsurance available for coverages we provide for carbon intensive industries, or increased claims and losses related to those industries, and
- losses on our invested assets, including from:
 - changes in supply and demand,
 - advances in low- carbon technology and renewable energy development,
 - effects of extreme weather events on the physical and operational exposure of industries and issuers, and
 - the transition that companies make towards addressing climate risk in their own businesses.

Item 1C. CYBERSECURITY Market Group is a holding company comprised of a diverse group of ~~companies~~ **businesses** and investments. Our specialty insurance business, **which operates under the name** Market, sits at the core of our company. Market Group **also utilizes information technology systems and services, including cybersecurity, provided and / or administered by Market.** Through Market Group's wholly owned subsidiary, Market Ventures, Inc. (Market Ventures), Market Group owns controlling interests in businesses that operate in a variety of **other** industries. ~~The~~ **We refer to this group of businesses as** Market Ventures. **Each of our** ~~are~~ **is** independently managed with respect to their information security and data protection programs. ~~10K- 32~~ In order to maintain a strong cybersecurity program, **our insurance business,** Market, uses a variety of controls and technology tools designed to identify, detect, prevent, respond to, and recover from security threats. Market undergoes regular security audits including a System and Organization Controls ~~(, or SOC),~~ audit for Cybersecurity conducted annually by independent auditors in which cybersecurity threats are identified and assessed. Market regularly tests aspects of its internal security and conducts security risk interviews and assessments on third parties with whom it does business, depending on the nature of the relationship. Market has invested in technology that assists its risk management teams in measuring and addressing weaknesses in its third- party and supply chain community. Market performs continuous monitoring of all its **critical** third parties to ensure they are maintaining acceptable levels of security controls and remediating any known weaknesses. ~~10K- 34~~ Market participates in the Financial Services Information Sharing and Analysis Center to share information about the latest cyber threats and preparedness measures. Market also shares threat intelligence information with other partners. Market has a cybersecurity incident response plan, as well as a crisis management plan, that cover cyber events, including a process for determining the materiality of cyber events that includes evaluation by a cross functional crisis management group including security, information technology, finance, legal and business and escalation to Market Group senior management as warranted by the severity of the situation. An internal team engages in tabletop exercises ~~several times each year on a regular basis~~ to enhance preparedness for such situations. Information security and data protection risks are the responsibility of all employees. Market has a mandatory training program covering a variety of security and data protection disciplines. In addition, all Market employees are required to acknowledge annually policies on acceptable use of Market' s technology resources and enterprise information security. Contractors are required to provide certain representations and certifications relating to information security. The Market information security and data protection program is led by a Chief Information Security Officer (CISO) who supervises a team of security and data protection professionals across the globe. Market' s global information security and data protection program leverages the Cybersecurity Framework from the National Institutes of Standards and Technology as well as industry best practices. Market also is able to map to both ISO (International Organization for Standardization) and BSI (British Standards Institution) among other cybersecurity standards. Market' s CISO has been with Market ~~13-14~~ years and has ~~22-23~~ years' experience in information technology, with ~~17-18~~ years in information technology security, and is a certified Information Systems Security Professional (CISSP). **Information technology systems and services, including cybersecurity, used by the small team of individuals at the Market Group holding company are provided and / or administered by teams within our insurance business, consistent with practices outlined above.** Each of our Market Ventures businesses maintains its own, separate IT infrastructure, that often includes third- party providers, to support the needs of its business. As a result, cybersecurity risk for the Market Ventures businesses is not concentrated in one system or service provider. Further, given the disparate nature of the businesses, systems, and providers, there is no single, uniform approach to managing cybersecurity risk at the Market Ventures businesses – each is tailored to its unique needs. As is the case with all risks, management for each Market Ventures business is responsible for evaluating and managing cybersecurity risks for its business. Therefore, each business determines the appropriate IT systems and providers needed to do so. ~~10K- 33~~ **Management for each business shares information on material risks from cybersecurity incidents with Market Ventures management.** Market Ventures has established processes for the Market Ventures businesses to share information about how they assess, identify, and manage cybersecurity risk, and **Market Ventures** shares information on material risks from cybersecurity incidents with Market Group management, as appropriate. Each Market Ventures business has a board that meets ~~quarterly~~ **regularly**. Material matters regarding cybersecurity risk management and cybersecurity incidents are discussed at these meetings. In addition, Market

Ventures management regularly meets with the businesses to discuss their risk identification, assessment, and management approach. These discussions include how the business assesses, identifies, and manages key risks, including cybersecurity risks. Markel Ventures requires real-time reporting of ~~material~~ cybersecurity incidents to understand how the matters are being managed, assess whether public disclosure is required ~~and inform~~, **with escalation to** Markel Group senior management **as warranted by the severity** of ~~relevant matters~~ **the situation**. Depending on the cybersecurity incident, third parties may be engaged by the Markel Ventures businesses to assist them in understanding and managing the event. Given the varying size and complexity of the Markel Ventures businesses, a diverse array of individuals assume responsibility for managing cybersecurity risks within them. In some instances, primary responsibility may be with a member of the executive management team. In other instances, primary responsibility may land with information technology professionals. In all instances, however, ultimate responsibility rests with each business' Chief Executive Officer. Markel Group Board Oversight The Markel Group Board of Directors oversees Markel Group's risk management framework on an enterprise-wide basis, which includes cybersecurity risks. Periodic reports are provided to the Markel Group Board of Directors by members of management which, among other things, seek to systematically identify the principal risks facing our businesses and the manner in which such risks are addressed. For cybersecurity, this includes a review of the cybersecurity program and its governance, active and planned initiatives, protection and prevention matters, detection and response measures, and the threat landscape. ~~10K-35~~ Cybersecurity Risks No previous cybersecurity incident has had, or is reasonably likely to have, a material adverse effect on Markel Group, its business strategy, results of operations, or financial condition. For risks related to cybersecurity threats, see Item 1A Risk Factors, including under "Information technology systems that we use could fail or suffer a security breach or cyberattack, which could have a material adverse effect on us or result in the loss of regulated or sensitive information." Item 2. PROPERTIES