ALLEGHANY CORP /DE
Form DEF 14A
March 17, 2009

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-12.

ALLEGHANY CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

Table of Contents

ALLEGHANY CORPORATION
7 Times Square Tower
New York, New York 10036

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
April 24, 2009 at 10:00 a.m., Local Time

Hotel du Pont
11th and Market Streets
Wilmington, Delaware

Alleghany Corporation hereby gives notice that its 2009 Annual Meeting of Stockholders will be held at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware, on Friday, April 24, 2009 at 10:00 a.m., local time, for the following purposes:

1. To elect four directors for terms expiring in 2012.

2. To consider and take action upon a proposal to ratify the selection of KPMG LLP as Alleghany s independent registered public accounting firm for the year 2009.

3. To transact such other business as may properly come before the meeting, or any adjournment or adjournments thereof.

Holders of Alleghany common stock at the close of business on March 2, 2009 are entitled to receive this Notice and vote for the election of directors and on each of the other matters set forth above at the 2009 Annual Meeting and any adjournments of this meeting.

You are cordially invited to be present. If you do not expect to attend in person, we ask that you sign and return the enclosed form of proxy in the envelope provided. You may revoke your proxy at any time prior to its being voted by written notice to the Secretary of Alleghany or by voting in person at the 2009 Annual Meeting.

By order of the Board of Directors

ROBERT M. HART
Senior Vice President, General Counsel
and Secretary

March 17, 2009

Important Notice Regarding Internet Availability of Proxy Materials for the Alleghany Corporation 2009 Annual Meeting of Stockholders to be Held on April 24, 2009:

Our proxy materials relating to our 2009 Annual Meeting (notice of meeting, proxy statement, proxy and 2008 Annual Report to Stockholders on Form 10-K) are also available on the Internet. Please go to

www.alleghany.com to view and obtain the proxy materials online.

Table of Contents

ALLEGHANY CORPORATION
7 Times Square Tower
New York, New York 10036

PROXY STATEMENT

2009 Annual Meeting of Stockholders to be held April 24, 2009

Alleghany Corporation, referred to in this proxy statement as Alleghany, we, our, or us is providing these proxy materials in connection with the solicitation of proxies by the Board of Directors of Alleghany, or the Board, from holders of Alleghany s outstanding shares of common stock entitled to vote at our 2009 Annual Meeting of Stockholders, or the 2009 Annual Meeting, and at any and all adjournments or postponements, for the purposes referred to below and in the accompanying Notice of 2009 Annual Meeting of Stockholders. These proxy materials are being mailed to stockholders on or about March 17, 2009.

Alleghany s Board has fixed the close of business on March 2, 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at, the 2009 Annual Meeting. Stockholders are entitled to one vote for each share held of record on the record date with respect to each matter to be acted on at the 2009 Annual Meeting.

On March 2, 2009, 8,272,758 shares of Alleghany s common stock were outstanding and entitled to vote. The number of shares of Alleghany common stock as of March 2, 2009, and the share ownership information provided elsewhere in these proxy materials, do not include shares Alleghany will issue in connection with a common stock dividend, consisting of one share of Alleghany common stock for every 50 shares of outstanding Alleghany common stock. Alleghany will pay this common stock dividend on April 24, 2009 to stockholders of record at the close of business on April 1, 2009. References to common stock in this proxy statement refer to the common stock, par value $1.00 per share, of Alleghany unless the context otherwise requires.

TABLE OF CONTENTS

Table of Contents

PRINCIPAL STOCKHOLDERS

We believe that, as of March 2, 2009, approximately 32.8% (but see Note (4) below) of our outstanding common stock was beneficially owned by F.M. Kirby, Allan P. Kirby, Jr., their sister, Grace Kirby Culbertson, and the estate or one or more beneficiaries of the estate of Ann Kirby Kirby, the sister of Messrs. Kirby and Mrs. Culbertson, primarily through a number of family trusts. The following table sets forth, as of March 2, 2009, such beneficial ownership of common stock of the foregoing members of the Kirby family, as well as other persons who, based upon filings made by them with the U.S. Securities and Exchange Commission, or the SEC, were the beneficial owners of more than five percent of our outstanding common stock.

	Amount and Nature of Beneficial Ownership			
Name and Address of Beneficial Owner	**Sole Voting Power and/or Sole Investment Power**	**Shared Voting Power and/or Shared Investment Power**	**Total**	**Percent of Class**
F.M. Kirby 17 DeHart Street, P.O. Box 151, Morristown, NJ 07963	333,690	729,194	1,062,884(1)	12.8
Allan P. Kirby, Jr. 14 E. Main Street, P.O. Box 90, Mendham, NJ 07945	553,058		553,058(2)	6.7
Grace Kirby Culbertson Blue Mill Road, Morristown, NJ 07960	170,853	215,443	386,296(3)	4.7
Estate of Ann Kirby Kirby c/o Carter, Ledyard & Milburn LLP, 2 Wall Street New York, NY 10005	317,881	392,786	710,667(4)	8.6
Artisan Partners Limited Partnership 875 E. Wisconsin Avenue, Suite 800, Milwaukee, WI 53202		527,143	527,143(5)	6.4
Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway, Short Hills, NJ 07078	825,544		825,544(6)	10.0
Royce & Associates, LLC 1414 Avenue of the Americas, New York, NY 10019	529,770		529,770(7)	6.4

(1) Includes 110,344 shares of common stock held by F.M. Kirby as sole trustee of trusts for the benefit of his children; 526,882 shares held by a trust of which Mr. Kirby is co-trustee and primary beneficiary; and

202,312 shares held by trusts for the benefit of his children

1

and his children s descendants as to which Mr. Kirby was granted a proxy and, therefore, had shared voting power. Mr. Kirby disclaims beneficial ownership of the common stock held for the benefit of his children and for the benefit of his children and his children s descendants. Mr. Kirby held 223,346 shares directly.

(2) Includes 311,768 shares of common stock held by a trust of which Allan P. Kirby, Jr. is co-trustee (with the final right to vote) and beneficiary; and 9,151 shares issuable under stock options granted pursuant to the 2005 Directors Stock Plan, or the 2005 Directors Plan, the 2000 Directors Stock Option Plan, or the 2000 Directors Plan, and the Amended and Restated Directors Stock Option Plan, or the 1993 Amended Directors Plan. Mr. Kirby held 232,139 shares directly, which include 765 shares of restricted common stock or restricted stock units granted pursuant to the 2005 Directors Plan, as adjusted for stock dividends.

(3) Includes 43,695 shares of common stock held by Grace Kirby Culbertson as co-trustee of trusts for the benefit of her children; and 171,748 shares held by trusts for the benefit of Mrs. Culbertson and her descendants, of which Mrs. Culbertson is co-trustee. Mrs. Culbertson held 170,853 shares directly.

(4) Prior to her death in 1996, Ann Kirby Kirby had disclaimed being a controlling person or member of a controlling group with respect to Alleghany, and had declined to supply information with respect to her ownership of common stock. Since her death, the representatives of the estate of Mrs. Kirby have declined to supply information with respect to ownership of common stock by her estate or its beneficiaries; therefore, Alleghany does not know whether her estate or any beneficiary of her estate beneficially owns more than five percent of its common stock. However, Mrs. Kirby filed a statement on Schedule 13D dated April 5, 1982 with the SEC reporting beneficial ownership, both direct and indirect through various trusts, of 710,667 shares of the common stock of Alleghany Corporation, a Maryland corporation and the predecessor of Alleghany, or Old Alleghany. Upon the liquidation of Old Alleghany in December 1986, stockholders received $43.05 in cash and one share of common stock for each share of Old Alleghany common stock. The stock ownership information provided herein as to the estate of Mrs. Kirby is based solely on her statement on Schedule 13D and does not reflect the two-percent stock dividends paid in each of the years 1985 through 1997 and 1999 through 2008 by Old Alleghany or Alleghany; if Mrs. Kirby, her estate and her beneficiaries had continued to hold in the aggregate the 710,667 shares reported in the Schedule 13D statement filed with the SEC in 1982 together with all stock dividends received in consequence through the date hereof, the beneficial ownership reported herein would have increased by 409,969 shares.

Table of Contents

(5) According to a Schedule 13G statement dated February 13, 2009 filed jointly by Artisan Partners Limited Partnership, an investment adviser (Artisan Partners), Artisan Investment Corporation, the general partner of Artisan Partners (Artisan Corp.), ZFIC, Inc., the sole stockholder of Artisan Corp. (ZFIC), and Andrew A. Ziegler and Carlene M. Ziegler, the principal stockholders of ZFIC (who, together with Artisan Partners, Artisan Corp. and ZFIC, are referred to herein as Artisan Parties), the Artisan Parties share voting and dispositive power over 510,328 shares of common stock, and share dispositive power over an additional 16,815 shares of common stock. The statement indicated that such shares had been acquired on behalf of discretionary clients of Artisan Partners, persons other than Artisan Partners are entitled to receive all dividends from and proceeds from the sale of such shares, and to the knowledge of the Artisan Parties none of such persons has an economic interest in more than 5% of the class.

(6) According to an amendment dated January 9, 2009 to a Schedule 13G statement filed by Franklin Mutual Advisers, LLC, or Franklin, Franklin had sole voting power and sole dispositive power over 825,544 shares of common stock. The statement indicated that such shares may be deemed to be beneficially owned by Franklin, an investment advisory subsidiary of Franklin Resources, Inc., or FRI, and that, under Franklin s advisory contracts, all voting and investment power over such shares was granted to Franklin. The statement also indicated that Charles B. Johnson and Rupert H. Johnson, Jr. were the principal shareholders of FRI, but beneficial ownership of the shares reported therein is not attributed to FRI or Messrs. Johnson because Franklin exercises voting and investment powers over such shares independently of FRI and Messrs. Johnson. Franklin disclaimed any economic interest in or beneficial ownership of such shares.

(7) According to an amendment dated January 23, 2009 to a Schedule 13G statement filed by Royce & Associates, LLC, an investment advisor, Royce & Associates, LLC has sole voting power and sole dispositive power over 529,770 shares of common stock.

ALLEGHANY CORPORATE GOVERNANCE

Board of Directors

Pursuant to Alleghany s Restated Certificate of Incorporation and By-Laws, Alleghany s Board is divided into three separate classes of directors which are required to be as nearly equal in number as practicable. At each Annual Meeting of Stockholders, one class of directors is elected to a term of three years. Alleghany s Board currently consists of ten directors. Currently, there are four standing committees of the Board, consisting of an Audit

Table of Contents

Committee, Compensation Committee, Nominating and Governance Committee and Executive Committee. Additional information regarding these committees is set out below.

The Board held nine meetings in 2008. Each director attended more than 75% of the aggregate number of meetings of the Board and meetings of the committees of the Board on which he served that were held in 2008. There are two regularly scheduled executive sessions for non-management directors of Alleghany and one regularly scheduled executive session for independent directors each year. The independent directors annually designate an independent director to preside at these executive sessions. The independent director designated to preside over such executive sessions during 2008 was James F. Will, and Mr. Will will continue in such role during 2009. Alleghany does not have a policy with regard to attendance by directors at Annual Meetings of Stockholders. Three directors attended the 2008 Annual Meeting of Stockholders.

Director Independence

Pursuant to the New York Stock Exchange s listing standards, Alleghany is required to have a majority of independent directors, and no director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with Alleghany. The Board has determined that Rex D. Adams, Dan R. Carmichael, William K. Lavin, Thomas S. Johnson, James F. Will and Raymond L.M. Wong have no material relationship with Alleghany other than in their capacities as members of the Board and committees thereof, and thus are independent directors of Alleghany, based upon the fact that none of such directors has any material relationship with Alleghany either directly or as a partner, shareholder or officer of an organization that has a relationship with Alleghany. As a result, six of Alleghany s current ten directors are independent. Of the four director nominees, Messrs. Carmichael, Lavin and Wong are independent. If Messrs. Carmichael, Lavin and Wong are re-elected, Alleghany will continue to have six independent directors out of ten total directors.

Committees of the Board of Directors

Audit Committee

The current members of the Audit Committee are Messrs. Lavin, Adams, Carmichael and Wong. The Board has determined that each of these members has the qualifications set forth in the New York Stock Exchange s listing standards regarding financial literacy and accounting or related financial management expertise, and is an audit committee financial expert as defined by the SEC. The Board has also determined that each of the members of the

Table of Contents

Audit Committee is independent as defined in the New York Stock Exchange s listing standards. The Audit Committee operates pursuant to a Charter, a copy of which is available on Alleghany s website at www.alleghany.com or may be obtained, without charge, upon written request to the Secretary of Alleghany at Alleghany s principal executive offices. Pursuant to its Charter, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm, including approving in advance all audit services and permissible non-audit services to be provided by the independent registered public accounting firm. The Audit Committee is also directly responsible for the evaluation of such firm s qualifications, performance and independence. The Audit Committee also reviews and makes reports and recommendations to the Board with respect to the following matters:

- the audited consolidated annual financial statements of Alleghany and its subsidiaries, including Alleghany s specific disclosures under management s discussion and analysis of financial condition and results of operation and critical accounting policies, to be included in Alleghany s Annual Report on Form 10-K to the SEC and whether to recommend this inclusion,
- the unaudited consolidated quarterly financial statements of Alleghany and its subsidiaries, including management s discussion and analysis thereof, to be included in Alleghany s Quarterly Reports on Form 10-Q to the SEC,
- Alleghany s policies with respect to risk assessment and risk management,
- the adequacy and effectiveness of Alleghany s internal controls and disclosure controls and procedures,
- the compensation, activities and performance of Alleghany s internal auditors, and
- the quality and acceptability of Alleghany s accounting policies, including critical accounting policies and practices and the estimates and assumptions used by management in the preparation of Alleghany s financial statements.

The Audit Committee held eight meetings in 2008.

Compensation Committee

The current members of the Compensation Committee are Messrs. Carmichael, Lavin and Will, each of whom the Board has determined is independent as defined in the New York Stock Exchange s listing standards. The Compensation Committee operates pursuant to a Charter, a copy of which is available on Alleghany s website at www.alleghany.com or may be obtained, without charge, upon written request to the Secretary of Alleghany at Alleghany s

Table of Contents

principal executive offices. Alleghany s executive compensation program is administered by the Compensation Committee. Pursuant to its Charter, the Compensation Committee is, among other things, charged with:

reviewing and approving the financial goals and objectives relevant to the compensation of the chief executive officer,

evaluating the chief executive officer s performance in light of such goals and objectives, and

determining the chief executive officer s compensation based on such evaluation.

In addition, the Compensation Committee also is responsible for reviewing the annual recommendations of the chief executive officer concerning:

the compensation of the other Alleghany officers and determining such officers compensation, and

the adjustments proposed to be made to the compensation of the three most highly paid officers of each Alleghany operating subsidiary as recommended by the compensation committee for each such operating subsidiary.

The Compensation Committee provides a report on the actions described above to the Board and makes recommendations with respect to such actions to the Board as the Compensation Committee may deem appropriate. Compensation adjustments and awards are generally made annually by the Compensation Committee at a meeting in December or January.

In addition, the Compensation Committee is responsible for reviewing the compensation of the directors on an annual basis, including compensation for service on committees of the Board, and proposing changes, as appropriate, to the Board. The Compensation Committee also administers Alleghany s 2002 Long-Term Incentive Plan, or the 2002 LTIP, the 2007 Long-Term Incentive Plan, or the 2007 LTIP, and the 2005 Management Incentive Plan, or the 2005 MIP.

Alleghany s Senior Vice President, General Counsel and Secretary, Robert M. Hart, supports the Compensation Committee in its work. In addition, during 2008, the Compensation Committee engaged Grahall Partners, or the Compensation Consultant, as independent outside compensation consultant, to advise it on executive compensation matters. The Compensation Consultant also advised the Compensation Committee and management on various executive compensation matters involving Alleghany s subsidiaries. The Chairman of the Compensation Committee reviews and approves all fees Alleghany pays to the Compensation Consultant. The Compensation Committee held five meetings in 2008.

Nominating and Governance Committee

The current members of the Nominating and Governance Committee are Messrs. Adams, Johnson and Will, each of whom the Board has determined is independent as defined in the New York Stock Exchange s listing standards. The Nominating and Governance Committee operates pursuant to a Charter, a copy of which is available on Alleghany s website at www.alleghany.com or may be obtained, without charge, upon written request to the Secretary of Alleghany at Alleghany s principal executive offices. Pursuant to its Charter, the Nominating and Governance Committee is charged with:

identifying and screening director candidates, consistent with criteria approved by the Board,

making recommendations to the Board as to persons to be (i) nominated by the Board for election to the Board by stockholders or (ii) chosen by the Board to fill newly created directorships or vacancies on the Board,

developing and recommending to the Board a set of corporate governance principles applicable to Alleghany, and

overseeing the evaluation of the Board, individual directors and Alleghany s management.

The Nominating and Governance Committee will receive at any time and will consider from time to time suggestions from stockholders as to proposed director candidates. In this regard, a stockholder may submit a recommendation regarding a proposed director nominee in writing to the Nominating and Governance Committee in care of the Secretary of Alleghany at Alleghany s principal executive offices. Any such persons recommended by a stockholder will be evaluated in the same manner as persons identified by the Nominating and Governance Committee. The Nominating and Governance Committee has not identified specific, minimum qualifications for director nominees or any specific qualities or skills that it believes are necessary for one or more of Alleghany s directors to possess. In this regard, the Board seeks members with diverse business and professional backgrounds and outstanding integrity and judgment, and such other skills and experience as will enhance the Board s ability to best serve Alleghany s interests. The Board, similar to the Nominating and Governance Committee, has not approved any specific criteria for nominees for director and believes that establishing such criteria is best left to an evaluation of Alleghany s needs at the time that a nomination is to be considered. In view of the infrequency of vacancies on the Board, the Nominating and

Table of Contents

Governance Committee does not have an established process for identifying and evaluating nominees for director. The Nominating and Governance Committee held four meetings in 2008.

Executive Committee

The current members of the Executive Committee are Allan P. Kirby, Jr., John J. Burns, Jr., Weston M. Hicks and Thomas S. Johnson. The Executive Committee of the Board may exercise certain powers of the Board regarding the management and direction of the business and affairs of Alleghany when the Board is not in session. The Executive Committee reports to the Board on all action it takes, and the Board reviews such action. The Executive Committee held one meeting in 2008.

Communications with Directors

Interested parties may communicate directly with any individual director, the non-management directors as a group or the Board as a whole by mailing such communication to the Secretary of Alleghany at Alleghany s principal executive offices. Any such communications will be delivered unopened:

- if addressed to a specific director, to such director,
- if addressed to the non-management directors, to the Chairman of the Nominating and Governance Committee who will report thereon to the non-management directors, or
- if addressed to the Board, to the Chairman of the Board who will report thereon to the Board.

Director Retirement Policy

Alleghany s retirement policy for directors was adopted by Old Alleghany in 1979 and by Alleghany upon its formation in 1986. In December 2008, the retirement policy was amended to provide that, except in respect of directors serving when the policy was first adopted, a director must retire from the Board at the next Annual Meeting of Stockholders following his or her seventy-second birthday. Messrs. Burns and Allan P. Kirby, Jr. are not subject to this retirement policy because each of them was a director of Old Alleghany in 1979.

Related Party Transactions

The Board has adopted a written Related Party Transaction Policy, or the Policy. Pursuant to the Policy, all related party transactions must be approved in advance by the

Table of Contents

Board. Under the Policy, a related party transaction means any transaction, other than compensation for services as an officer or director authorized and approved by the Compensation Committee or Board, in which Alleghany or any of its subsidiaries is a participant and in which any:

- director or officer of Alleghany, or
- immediate family member of such director or officer, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and any person (other than a tenant or employee) sharing the household of such director or officer,

has or will have a direct or indirect material interest. A person who has a position or relationship with a firm, corporation or other entity may be deemed to have an indirect interest in any transaction in which that entity engages. However, a person is not deemed to have an interest if such interest arises only from such person s position as a director of another corporation and/or such person s direct and indirect ownership of less than 10% of the equity of such firm, corporation, or other entity.

Under the Policy, all newly proposed related party transactions are referred to the Nominating and Governance Committee for review and consideration of its recommendation to the Board. Following this review, the related party transaction and the Nominating and Governance Committee s analysis and recommendations are presented to the full Board (other than any directors interested in the transaction) for approval. The Nominating and Governance Committee reviews existing related party transactions annually, with the goals of ensuring that such transactions are being pursued in accordance with all of the understandings and commitments made at the time they were approved, ensuring that payments being made with respect to such transactions are appropriately reviewed and documented and reaffirming that such transactions remain in the best interests of Alleghany. The Nominating and Governance Committee reports any such findings to the Board.

Codes of Ethics

Alleghany has adopted a Financial Personnel Code of Ethics for its chief executive officer, chief financial officer, chief accounting officer, vice president for tax matters and all professionals serving in a finance, accounting, treasury or tax role, a Code of Ethics and Business Conduct for its directors, officers and employees, and Corporate Governance Guidelines. Copies of each of these documents are available on Alleghany s website at www.alleghany.com or may be obtained, without charge, upon written request to the Secretary of Alleghany at Alleghany s principal executive offices.

Table of Contents

Majority Election of Directors

Alleghany s By-Laws provide for a majority voting standard for the election of directors for uncontested elections. In connection with such By-Laws provision, Alleghany s Corporate Governance Guidelines provide that a director nominee, as a condition of his or her nomination, shall tender to the Board, at the time of nomination, an irrevocable resignation in the event that the director fails to receive the majority vote required by the By-Laws, effective upon the Board s acceptance of such resignation. In the event that a director nominee fails to receive the requisite majority vote, the Nominating and Governance Committee will evaluate such resignation in light of Alleghany s best interests and make a recommendation to the Board as to whether the Board should accept the resignation. In making its recommendation, the Nominating and Governance Committee may consider any factors it deems relevant, including:

- the director s qualifications,
- the director s past and expected future contributions to Alleghany,
- the overall composition of the Board, and
- whether accepting the tendered resignation would cause Alleghany to fail to meet any applicable rule or regulation (including New York Stock Exchange listing standards and federal securities laws).

The Board, by vote of independent directors other than the director whose resignation is being evaluated, will act on the tendered resignation, and publicly disclose its decision and rationale, within 90 days following certification of the stockholder vote.

Table of Contents

Director Stock Ownership Guidelines

Directors are expected to achieve ownership of common stock, or equivalent deferred common stock units, with a value equal to at least five times the annual board retainer within five years of election to the Board, and to maintain such a level thereafter.

Table of Contents

SECURITIES OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of March 2, 2009, the beneficial ownership of common stock of each of the nominees named for election as a director, each of the other current directors and each of the executive officers named in the Summary Compensation Table on page 42, except for James P. Slattery who retired as Senior Vice President Insurance on July 1, 2008.

	Amount and Nature of Beneficial Ownership			
Name of Beneficial Owner	Sole Voting Power and/or Sole Investment Power	Shared Voting Power and/or Shared Investment Power	Total	Percent of Class
John J. Burns, Jr.	75,082		75,082(1)(2)	0.91
Dan R. Carmichael	20,287		20,287(1)(3)	0.24
William K. Lavin	11,242		11,242(1)	0.14
Raymond L.M. Wong	2,833		2,833(1)	0.03
Rex D. Adams	8,703		8,703(1)	0.11
Weston M. Hicks	72,150		72,150(4)	0.87
Thomas S. Johnson	11,759		11,759(1)	0.14
Allan P. Kirby, Jr.	553,058		553,058(5)	6.68
Jefferson W. Kirby	63,160	153,775	216,935(1)(6)	2.62
James F. Will	18,907	1,618	20,525(1)	0.25
Roger B. Gorham	7,407		7,407(7)	0.09
Robert M. Hart	17,822		17,822(8)	0.21
Jerry G. Borrelli	842		842	.01
All nominees, directors and executive officers as a group (13 persons)	863,252	155,393	1,018,645(9)	12.3(10)

(1) Includes 9,151 shares of common stock in the case of Messrs. Johnson, Will, Carmichael and Lavin, 7,190 shares of common stock in the case of Mr. Adams, 1,026 shares of common stock in the case of Messrs. Jefferson W. Kirby and Wong and 506 shares in the case of Mr. Burns, issuable under stock options granted pursuant to the 2005 Directors Plan, the 2000 Directors Plan, and the 1993 Amended Directors Plan. In addition, includes 765 shares of restricted common stock or restricted stock units granted to each of Messrs. Adams, Carmichael, Lavin, Johnson, Jefferson W. Kirby, Will, Wong and 505 shares of restricted common stock granted to Mr. Burns, pursuant to the 2005 Directors Plan.

Table of Contents

(2) Includes 2,224 shares of common stock held by a trust of which Mr. Burns s wife is sole trustee and 801 shares of common stock owned by Mr. Burns s wife. Mr. Burns had no voting or investment power over these shares, and he disclaims beneficial ownership of them.

(3) Includes 248 shares of common stock owned by Mr. Carmichael s wife. Mr. Carmichael had no voting or investment power over these shares, and he disclaims beneficial ownership of them.

(4) Includes 28,153 shares representing a restricted stock award and subsequent stock dividends in respect thereof, which are subject to Mr. Hicks s continuing employment with Alleghany and the achievement of certain performance goals, but does not include any shares that may be paid pursuant to outstanding restricted stock units held by Mr. Hicks.

(5) See Note (2) on page 2.

(6) Includes 131,720 shares of common stock held by a trust; such amount reflects Mr. Jefferson W. Kirby s share of such trust as co-trustee and secondary beneficiary. As such shares are held by a trust of which his father, Mr. F.M. Kirby, is a co-trustee and primary beneficiary, such 131,720 shares are also included in the amounts set forth for Mr. F.M. Kirby on page 1. Mr. Jefferson W. Kirby granted a proxy to his father with respect to an additional 22,055 shares held by a trust of which Mr. Jefferson W. Kirby is co-trustee and beneficiary and thus such additional 22,055 shares are included in the amounts set forth for Mr. F.M. Kirby on page 1. Mr. Jefferson W. Kirby held 62,395 shares directly, of which 1,020 shares were held by a limited partnership with Mr. Jefferson W. Kirby exercising sole voting and investment power in respect of such shares.

(7) Includes 3,858 shares representing a restricted stock award and subsequent stock dividends in respect thereof, which are subject to Mr. Gorham s continuing employment with Alleghany and the achievement of certain performance goals.

(8) Includes 4,000 shares of common stock held by a trust of which Mr. Hart is sole trustee.

(9) Includes a total of 3,273 shares of common stock over which certain of the above persons listed had no voting or investment power, as discussed in Notes (2) and (3) above.

(10) Based on the number of shares of outstanding common stock as of March 2, 2009, adjusted in the case of each director to include shares of common stock issuable within 60 days upon exercise of stock options held by such director.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Alleghany has determined that, except as set forth below, no person who at any time during 2008 was a director, officer or beneficial owner of more than 10% of common stock failed to file on a timely basis reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended, during 2008. This determination is based solely upon Alleghany s review of Forms 3, 4 and 5, and written representations that no Form 5 was required, which such persons submitted to Alleghany during or with respect to 2008. With regard to Ann Kirby Kirby who, prior to her death in 1996, Alleghany believed to be a beneficial owner of more than 10% of common stock based on her Schedule 13D statement filed with the SEC in 1982, Alleghany had not received any reports from Mrs. Kirby regarding changes in her ownership of common stock, and the representatives of the estate of Mrs. Kirby have declined to supply information with respect to ownership of common stock by her estate or beneficiaries. As a result, Alleghany does not know whether her estate or any beneficiary of her estate beneficially owned more than 10% of common stock during 2008 nor whether any such person was required to file reports required by Section 16(a). John J. Burns, Jr. filed a Form 4 report on September 2, 2008 reporting, among other things, three sale transactions for a total of 1,495 shares of common stock in April 2008, all of which were held indirectly by Mr. Burns.