

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

In re:

WALTER ENERGY, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-\_\_\_\_(\_\_\_\_)

Joint Administration Requested

**THE DEBTORS' MOTION FOR AN ORDER, PURSUANT TO SECTIONS 105(a),  
363(b), 363(c) AND 1107(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULES 6003 AND 6004(h) (A) AUTHORIZING THE DEBTORS TO (I) CONTINUE  
INSURANCE POLICIES AND AGREEMENTS RELATING THERETO,  
AND (II) HONOR CERTAIN PREPETITION OBLIGATIONS IN  
RESPECT THEREOF; AND (B) GRANTING RELATED RELIEF**

Walter Energy, Inc. and its affiliated debtors and debtors-in-possession (each a “Debtor” and, collectively, the “Debtors” and, together with its non-Debtor subsidiaries, the “Company”) hereby move this Court for entry of an order substantially in the form attached hereto as Exhibit A (the “Proposed Order”), pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of title 11 of the U.S. Code (the “Bankruptcy Code”) and rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”): (a) authorizing the Debtors to (i) continue insurance policies and agreements relating thereto and (ii) honor certain prepetition obligations in respect thereof; and (b) granting related relief. In support of this motion (the

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.



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“Motion”), the Debtors rely on the *Declaration of William G. Harvey in Support of Chapter 11 Petitions and First Day Relief* (the “First Day Declaration”)<sup>2</sup> and respectfully state as follows:

### **JURISDICTION**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b).

2. The statutory and legal predicates for the relief sought herein are sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004.

### **BACKGROUND**

3. On the date hereof (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code thereby commencing the instant cases (the “Chapter 11 Cases”). The Debtors continue to manage and operate their businesses as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code.

4. No trustee, examiner or official committee has been appointed in the Chapter 11 Cases.

5. Information regarding the Debtors’ businesses, their capital and debt structure and the events leading to the filing of the Chapter 11 Cases is contained in the First Day Declaration.

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<sup>2</sup> The First Day Declaration has been filed contemporaneously with this Motion and is incorporated by reference herein. Capitalized terms used herein that are not defined shall have the meaning set forth in the First Day Declaration.

## THE DEBTORS' INSURANCE PROGRAMS

6. By this Motion, the Debtors seek entry of an order authorizing, but not directing, the Debtors, in their sole discretion, to maintain their Insurance Programs (as defined below) and to satisfy all Insurance Obligations (as defined below) in the ordinary course of their business, including their Insurance Policies (as defined below).

7. The Debtors have reviewed the relief sought in this Motion with counsel to the Steering Committee, and such relief, including all payments and transfers authorized herein, shall be subject to and made in accordance with, the terms of the *Interim Order (A) Authorizing Postpetition Use of Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, (C) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b) and (D) Granting Related Relief* (the "Interim Cash Collateral Order") and related final order.

8. In the ordinary course of their operations, the Debtors maintain workers' compensation,<sup>3</sup> directors and officers liability, fiduciary, crime, umbrella and excess liability and various other liability, property, pollution and automobile insurance programs with respect to their domestic and foreign operations, described in part below (collectively, the "Insurance Programs"). The Insurance Programs include both self-insured programs and ones obtained from several different insurance carriers (the "Insurance Carriers") pursuant to the insurance

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<sup>3</sup> Additional detail with respect to and additional relief in respect of, the Debtors' workers' compensation program is set forth in the Debtors' motion seeking authority to pay employee wages and benefits (the "Wages Motion"), filed contemporaneously herewith. The Debtors request authority to honor and continue in the ordinary course of business their workers' compensation programs in the Wages Motion.

contracts listed on Exhibit B attached hereto.<sup>4</sup> The Insurance Programs cover the Debtors' multiple business lines and various mines and plants.

9. Pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code, the Debtors seek authorization to maintain the Insurance Programs in the ordinary course of their business on an uninterrupted basis. The Debtors also seek authority, but not direction, to renew the Insurance Programs in accordance with the same practices and procedures that were in effect before the Petition Date and to pay all premiums (including taxes), deductibles, claims, broker fees and all other obligations arising under or in connection with the Insurance Programs (collectively, the "Insurance Obligations") relating to the periods before or after the Petition Date.

10. Finally, the Debtors request an order directing their banks to honor, process and pay, to the extent funds are available in their accounts, any checks or wire transfer requests issued by the Debtors with respect to their Insurance Obligations.

11. Except in certain instances described below or in the Wages Motion, the Debtors pay the premiums for the Insurance Policies in full upfront in accordance with the terms set forth in each respective policy. Prior to the Petition Date, the Debtors had paid approximately \$21.5 million for insurance premiums (including applicable taxes) for the Insurance Policies then in effect and believe that no accrued and unpaid Insurance Obligations remain outstanding with respect to such policies, except as discussed in the Wages Motion. Many of the policies under

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<sup>4</sup> The Debtors have endeavored to identify all of their pertinent insurance contracts and policies and list them on Exhibit B hereto, with the exception of certain insurance policies and programs with respect to employee benefits that are addressed in the Wages Motion and, thus, are omitted intentionally from Exhibit B. Despite the Debtors' efforts to identify all pertinent contracts and policies, the Debtors may have inadvertently omitted certain contracts and policies from Exhibit B. For the avoidance of doubt, by this Motion, the Debtors request authority to honor and maintain all of their Insurance Programs, whether or not listed in Exhibit B. To the extent that the Debtors subsequently discover any material omitted insurance contracts or policies, the Debtors will file with the Court a supplemental listing of such contracts and policies.

the Insurance Programs (the “Insurance Policies”) expire on one of three dates: March 1, 2016, for liability and workers’ compensation policies; June 15, 2016, for property insurance policies; and July 1, 2016, for directors’ and officers’ policies. As of the Petition Date, the Debtors do not believe there are any outstanding prepetition amounts owed with respect to the Insurance Policies. However, given the nature of insurance claims and obligations, there may Insurance Obligations unrelated to premiums outstanding as of the Petition Date.

12. The Debtors also seek authority to pay Insurance Obligations related to the Black Warrior Companies (as defined below). Specifically, Jim Walter Resources, Inc., one of the Debtors in these Chapter 11 Cases (“Jim Walter”) and unaffiliated third party, ARP Production Company LLC (“ARP”), a subsidiary of Atlas Resource Partners, LP, each own 50% of the stock of (a) Black Warrior Methane Corp. (“BW Methane”) and (b) Black Warrior Transmission Corp. (“BW Transmission” and together with BW Methane, the “Black Warrior Companies”). The Black Warrior Companies extract coal bed methane gas from Jim Walter’s No. 4 and No. 7 mines and sell such gas to third-party customers. The Black Warrior Companies are not debtors in the Chapter 11 Cases or any other proceeding.

13. The Black Warrior Companies function as stand-alone corporations. As noted above, the Black Warrior Companies sell the methane they extract to third parties. The Black Warrior Companies have two metered sales points through which they flow gas to customers. Each of the shareholders, Jim Walter and ARP, is entitled to receive the revenues from these sales points based on the actual gas volume flowing through to customers and various other factors. The Black Warrior Companies calculate the actual revenue due to each shareholder based on the differences in the volumes at each sales point, as well as differences in well participation (ARP does not participate in all of the wells), and remit a sales settlement

adjustment to Jim Walter. The Black Warrior Companies also calculate the royalties due to Jim Walter for the Black Warrior Companies' use of certain Jim Walter mineral rights, and remit such amount to Jim Walter.

14. Jim Walter, in turn, calculates a monthly invoice to the Black Warrior Companies for payments made by Jim Walter on their behalf (including payroll for the Black Warrior Companies' employees and certain other vendor payments), as well as for direct charges to the Black Warrior Companies for services performed by Jim Walter (e.g., horizontal drilling and a management fee).

15. Based on the various amounts owed to and from the shareholders discussed above, as well as amounts due to third party vendors, revenues credited to ARP, and the maintenance of a \$400,000 cash balance at the Black Warrior Companies, the Black Warrior Companies calculate a monthly cash call invoice for each of Jim Walter and ARP. Jim Walter and ARP then each remits its portion of the cash call to the Black Warrior Companies so that the companies can fund their third party payments and make payments back to Jim Walter under the invoices.

16. The Debtors pay certain Insurance Obligations of the Black Warrior Companies as part of the transactions discussed above. The Debtors do not believe any amounts are owed as of the Petition Date. However, to the extent any Insurance Obligations are owed to the Black Warrior Companies, the Debtors seek authority to pay such amounts (including for amounts incurred prepetition).

**A. General and Excess Liability Policies**

17. The Debtors maintain a self-administered, self-insured retention policy of \$5 million per claim with respect to general liability insurance (the "GL Policy") covering all of

the Debtors.<sup>5</sup> Pursuant to the GL Policy, the Debtors pay directly for the general liability losses as they are incurred (the “GL Losses”) up to the self-insured retention amount. As of the Petition Date, the Debtors have reserved approximately \$150,000 on account of accrued and unpaid GL Losses.

18. The Debtors also maintain a general liability policy with Catlin Canada Inc. (“Catlin Canada”) that provides coverage specifically for Walter Energy’s non-Debtor Canadian subsidiaries. As of the Petition Date, all premiums in connection with the Canadian general liability policy have been paid in full. The Debtors charge amounts paid on behalf of the non-Debtor Canadian Subsidiaries to the respective subsidiaries through transfer pricing protocols.

19. The Debtors also maintain three umbrella policies (collectively, the “Umbrella Policies”): one with National Fire & Marine Insurance Company for all of the Debtors, which expires on March 1, 2016; one with Catlin Canada for the non-Debtor Canadian subsidiaries, which expires on June 30, 2016; and one with American Guarantee & Liability Insurance Company for the Black Warrior Companies, which expires on November 1, 2015.<sup>6</sup> The Debtors’ annual premiums for the Umbrella Policies total approximately \$1.35 million in aggregate, including taxes accrued in connection with such premiums. All premiums in connection with the Umbrella Policies have been paid in full.

20. The Debtors also maintain four excess liability policies (collectively, the “EL Policies”), which cover the entire Company: one each with Starr Surplus Lines Insurance Company, Ironshore Europe Ltd, XL Insurance Co. PLC and Argo RE. The EL Policies are

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<sup>5</sup> The Black Warrior Companies are not covered by the GL Policy. Instead, the Debtors maintain a general liability policy with Zurich American Insurance Company that provides coverage especially for the Black Warrior Companies. As of the Petition Date, all premiums in connection with the Black Warrior Companies’ general liability policy have been paid in full.

<sup>6</sup> The Debtors also maintain a foreign liability policy for all of the Company. This policy expires on March 1, 2016, and its annual premium is approximately \$12,000. The premium in connection with the foreign liability policy has been paid in full.

scheduled to expire on March 1, 2016. The Debtors' annual premiums for the EL Policies total approximately \$835,000 in aggregate, including taxes accrued in connection with such premiums. All premiums in connection with their EL Policies have been paid in full.

**B. Property Insurance Policies**

21. The Debtors maintain both primary and excess property insurance policies (respectively, the "Primary Property Insurance Policies" and the "Excess Property Insurance Policies" and, collectively, the "Property Insurance Policies"). The Primary Property Insurance Policies and certain of the Excess Property Insurance Policies cover all of the Debtors. Certain of the Excess Property Insurance Policies provide specific excess coverage for Jim Walter Resources, the Debtor that runs and manages mines Nos. 4 and 7 in Brookwood, Alabama.<sup>7</sup>

22. Mostly for reasons of tax efficiency, the Debtors obtain certain of the Property Insurance Policies from their non-Debtor Bermuda subsidiary, Cardem Insurance Co., Ltd. ("Cardem"). Cardem is managed by Willis of Bermuda's Captive Management Services division ("Willis of Bermuda"). Generally, since 2009, Cardem has written the Property Insurance Policies for the Debtors.<sup>8</sup> The Debtors then pay the premiums associated with such Policies, plus a \$500,000 mark-up (the "Mark-Up") to Cardem. The Debtors' Insurance Brokers<sup>9</sup> then places the Debtors' Property Insurance Policies in the reinsurance markets located in London, Bermuda and the U.S. (such carriers, the "Reinsurers"), where 100% of the Property

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<sup>7</sup> The Debtors also maintain two property insurance policies for the Black Warrior Companies (collectively, the "BW Property Insurance Policies"). The BW Property Insurance Policies are scheduled to expire on November 1, 2015. The BW Property Insurance Policies' premiums are approximately \$365,000 annually in aggregate and have been paid in full as of the Petition Date.

<sup>8</sup> Historically, Cardem has performed this function in connection with various types of insurance policies for the Debtors' current and former business operations. For example, in the 1980s, when the Debtors had an active home building business in Florida, Cardem wrote certain mortgage insurance policies.

<sup>9</sup> Two third-party insurance brokers assist the Debtors in obtaining comprehensive insurance coverage in the most cost-effective manner: (a) Marsh USA, for the D&O Liability Policies, fiduciary, crime and all Canadian policies and (b) Willis of Georgia, Inc., for the remaining Insurance Policies (together, the "Insurance Brokers").

Insurance Policies are reinsured. The Debtors' premium payments are then divided among the applicable Reinsurers and the Debtors pay a 3.5% commission to the Insurance Broker. All amounts owed on account of management fees to Willis of Bermuda total approximately \$140,000 annually and are paid out of the Mark-Up.

23. Annual premiums for the Property Insurance Policies total \$11.8 million in aggregate. The Property Insurance Policies are scheduled to expire on June 15, 2016. All premiums owed on account of their Property Insurance Policies have been paid in full.

**C. Automobile Insurance Policies**

24. The Debtors maintain three automobile policies: one for the Company generally held with Rockwood Casualty Insurance Company (the "Company Auto Policy") and two for the Canadian subsidiaries, one for primary liability coverage and one for excess liability coverage (respectively, the "Canadian Primary Auto Policy" and the "Canadian Excess Auto Policy" and, together with the Company Auto Policy, the "Auto Policies"). The annual premiums for the Auto Policies total approximately \$230,000 in aggregate. Absent renewal, the Company Auto Policy expires on March 1, 2016, the Canadian Primary Auto Policy expires on April 30, 2016, and the Canadian Excess Auto Policy expires on June 30, 2016. All premiums owed on account of their Auto Policies have been paid in full.

**D. D&O, EPL, Fiduciary and Crime Insurance Policies**

25. The Debtors maintain a policy (the "Primary D&O Policy") with XL Specialty for coverage relating to directors and officers ("D&O"), twelve excess D&O liability policies (the "Excess D&O Policies," and together with the Primary D&O Policy, the "D&O Liability Policies"). The annual premium for the Primary D&O Policy totals \$500,000 and the annual premiums for the Excess D&O Policies total approximately \$1.7 million in aggregate. The D&O

Liability Policies are scheduled to expire on July 1, 2016. The Debtors also have obtained run-off coverage for each of the D&O Liability Policies. The premiums associated with the run-off coverage total \$3.1 million. The Debtors also maintain five Canadian run-off D&O policies. The Debtors also maintain a D&O policy with Chubb related to the Black Warrior Companies with an annual premium of approximately \$9,000. Finally, the Debtors maintain crime and fiduciary policies with annual premiums of approximately \$120,000 in aggregate. As of the Petition Date, all premiums owed on account of the D&O Liability Policies and other such policies have been paid in full.

**E. Pollution Liability, Marine Cargo and Other Insurance Policies**

26. The Debtors also maintain certain pollution liability (the “Pollution Liability Policies”), international insurance (the “International Policy”) and certain other specialized policies, including marine cargo and operational policies (collectively, the “Specialized Policies”). More specifically, the Debtors maintain certain Pollution Liability Policies for Debtors in West Virginia, for the non-Debtor subsidiaries in Canada and for the Black Warrior Companies. The annual premiums for the Pollution Liability Policies total approximately \$230,000 in aggregate. In addition, the Debtors maintain the International Policy that covers, among other things, automobile, medical, workers’ compensation, supplemental repatriation, disease and travel accident and sickness liability. The annual premiums for the International Policy are \$4,000. In sum, the Debtors’ annual premiums for the Specialized Policies total approximately \$36,000 in aggregate. As of the Petition Date, all premiums owed on account of their Pollution Liability Policies, International Policy and Specialized Policies have been paid in full.

## **BASIS FOR RELIEF**

27. Consistent with the Debtors' historical practices, the Debtors may need to revise, extend, renew, supplement or change certain of their Insurance Programs during the pendency of the Chapter 11 Cases. The nonpayment of any premiums (including taxes), related fees, deductibles, claims or other obligations under any of the Insurance Programs could result in one or more of the Insurance Carriers increasing future insurance premiums, declining to renew the Insurance Programs or refusing to enter into new Insurance Policies. Moreover, if the Insurance Policies lapse without renewal, the Debtors risk being exposed to substantial liability at a later date to the detriment of all parties-in-interest.

28. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). A bankruptcy court may use its equitable powers under section 105 of the Bankruptcy Code to permit a debtor-in-possession to pay prepetition claims when payment is necessary to effectuate a debtor's bankruptcy goals and essential to the continued operation of the business. See Miltenberger v. Logansport C. & S.W.R. Co., 106 U.S. 286, 311 (1882); In re Lehigh & New Eng. Ry. Co., 657 F.2d 570, 581 (3d Cir. 1981); In re Just for Feet, Inc., 242 B.R. 821, 825 (D. Del. 1999) (under necessity of payment doctrine prepetition, claims may be paid if "essential to the continued operation of the debtor"); In re Columbia Gas Sys., Inc., 171 B.R. 189, 192 (Bankr. D. Del. 1994) (recognizing that necessity of payment doctrine authorizes payment of prepetition claims when such "payment is essential to the continued operation of the business") (citations omitted).

29. In a long line of well-established cases, federal courts consistently have permitted postpetition payment of prepetition obligations where necessary to preserve or enhance the value

of a debtor's estate for the benefit of all creditors. See, e.g., In re Just for Feet, Inc., 242 B.R. at 826 (granting approval to pay prepetition claims of certain trade vendors that were "critical to the Debtors' reorganization"); In re Columbia Gas Sys., Inc., 171 B.R. at 192 (noting that debtors may pay prepetition claims that are essential to continued operation of business); In re Chateaugay Corp., 80 B.R. 279, 285–86 (S.D.N.Y. 1987) (approving lower court's order authorizing payment of prepetition wages, salaries, expenses and benefits); Miltenberger, 106 U.S. at 311–12 (payment of pre-receivership claim prior to reorganization permitted to prevent stoppage of crucial "business relations").

30. In addition, the Court may authorize the Debtors to pay prepetition premiums to maintain insurance coverage under section 363(b) of the Bankruptcy Code. In particular, section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." Thus, under this section, a court may authorize a debtor to pay certain prepetition claims. See In re Ionosphere Clubs, 98 B.R. 174, 175–77 (S.D.N.Y. 1989) (affirming lower court order authorizing payment of prepetition wages pursuant to section 363(b) of the Bankruptcy Code); In re UAL Corp., Case No. 02-48191 (ERW) (Bankr. N.D. Ill. Dec. 9, 2002) (authorizing payment of prepetition claims under section 363 of the Bankruptcy Code as an out-of-the-ordinary-course transaction).

31. Finally, section 363(c) of the Bankruptcy Code permits a debtor to continue to engage in ordinary course of business transactions without the need for Court approval. 11 U.S.C. § 363(c). Maintaining the Insurance Programs, including paying associated premiums and other amounts that may be due, is an ordinary course of business practice of the Debtors, as it is for substantially all companies in all industries.

32. The Debtors must maintain their Insurance Programs and satisfy their Insurance Obligations, including by continuing to make payments related thereto including the payment of any amounts in respect of premiums (including taxes), deductibles, and claims that accrued prior to the Petition Date. Additionally, out of an abundance of caution and because of the importance of the protection afforded by the Insurance Policies, the Debtors seek authority, but not direction, to make all future payments required in respect of the Insurance Obligations notwithstanding the fact that such payments could be based, in whole or in part, on prepetition liabilities with respect to the Insurance Obligations, including, without limitation and by way of example, deductibles relating to prepetition claims under the Insurance Policies. If the Insurance Policies were allowed to lapse, or if the Debtors were unable to trigger coverage under the Insurance Policies due to non-payment of deductibles, the Debtors would be exposed to substantial liability for any damages or loss resulting to persons or property of the Debtors or others. It is essential to the continued operation of the Debtors' businesses and the maximization of the value of these estates that all amounts owing under the Insurance Policies are paid on a timely basis. Consequently, the Debtors believe, in the exercise of their sound business judgment, that maintaining the Insurance Programs and satisfying all Insurance Obligations as described herein is necessary and appropriate under the circumstances.

33. Finally, maintenance of the Insurance Policies is necessary to provide adequate protection of the Debtors' prepetition secured lenders' collateral.

34. To the extent this Motion is granted, the Debtors intend to pay all obligations arising under or related to the Insurance Obligations, including premiums (including taxes), deductibles, claims, and other costs subsequent to the Petition Date in the ordinary course of business, in accordance with the terms of the Insurance Policies.

35. To the extent that any Insurance Policy or other agreement described herein is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, the Debtors are not at this time seeking to assume such agreements. Court authorization of payments made with respect to the Insurance Policies shall not be deemed to constitute postpetition assumption, pursuant to section 365 of the Bankruptcy Code, of any such Insurance Policy. The Debtors will continue to review the Insurance Policies during the course of these cases and hereby reserve all of their rights with respect thereto.

36. Where a debtor's payment of insurance-related obligations proves essential to a successful chapter 11 case, courts in this District have granted relief similar to that requested here. See, e.g., In re Bruno's Supermarkets, LLC, Case No. 09-00634 (BGC), ECF No. 42 (Bankr. N.D. Ala. Feb. 6, 2009) (order authorizing debtors to pay all prepetition amounts related to the debtors' insurance program and maintain and continue insurance program); In re Citation Corp., Case No. 04-08130 (TOM), ECF No. 59 (Bankr. N.D. Ala. Sept. 20, 2004) (same); see also In re Patriot Coal Corp., Case No. 1532450 (KLP), ECF No. 240 (Bankr. E.D. Va. June 4, 2015) (same); In re James River Coal Co., Case No. 14-31848 (KRJ), ECF No. 83 (Bankr. E.D. Va. Apr. 10, 2014) (same); In re AbitibiBowater Inc., Case No. 09-11296 (KJC), ECF No. 74 (Bankr. D. Del. Apr. 17, 2009) (same).

37. Because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, the requirements of Bankruptcy Rule 6003 have been satisfied.

38. To successfully implement the foregoing, the Debtors respectfully seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay under Bankruptcy Rule 6004(h).

**SATISFACTION OF BANKRUPTCY RULE 6003  
AND WAIVER OF BANKRUPTCY RULE 6004**

39. The Debtors seek immediate authorization for the relief contemplated by this Motion notwithstanding Bankruptcy Rules 6003 and 6004. Specifically, Bankruptcy Rule 6003(b) provides that the Court shall not, within twenty-one (21) days after filing a petition, grant “a motion to use, sell, lease or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” unless the relief is “necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003(b). Likewise, Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.”

40. Obtaining immediate authorization to pay all Insurance Obligations is necessary to avoid immediate and potentially irreparable harm to the estates. As set forth above, maintaining the Insurance Programs and satisfying all Insurance Obligations is necessary and appropriate under the circumstances. Accordingly, the requirements of Bankruptcy Rule 6003(b) are met and ample cause exists to justify a waiver of the fourteen (14) day stay imposed by Bankruptcy Rule 6004(h).

**NOTICE**

Notice of this Motion will be provided to: (i) the Office of the Bankruptcy Administrator for the Northern District of Alabama; (ii) counsel to the administrative agent for the Debtors’ prepetition secured credit facility; (iii) the indenture trustee for each of the Debtors’ outstanding bond issuances; (iv) counsel to the steering committee of first lien debt holders; (v) the Internal Revenue Service; (vi) the Securities and Exchange Commission; (vii) the U.S. Environmental Protection Agency; (viii) the U.S. Attorney for the Northern District of Alabama;

(ix) counsel to the UMWA; (x) the USW; (xi) the holders of the fifty (50) largest unsecured claims against the Debtors, on a consolidated basis; and (xii) all persons and entities that have filed a request for service of filings in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, no other or further notice is necessary.

*[Remainder of Page Intentionally Left Blank]*

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested herein and such other and further relief as is just and proper.

Dated: July 15, 2015  
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

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*Proposed Counsel to the Debtors and  
Debtors-in-Possession*

**EXHIBIT A**  
**PROPOSED ORDER**

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

In re:

WALTER ENERGY, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-\_\_\_\_(\_\_\_\_)

Joint Administration Requested

**ORDER PURSUANT TO SECTIONS 105(a), 363(b), 363(c) AND 1107(a) OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004(h)  
(A) AUTHORIZING THE DEBTORS TO (I) CONTINUE INSURANCE POLICIES AND  
AGREEMENTS RELATING THERETO AND (II) HONOR CERTAIN PREPETITION  
OBLIGATIONS IN RESPECT THEREOF; AND (B) GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Debtors, seeking entry of an order, pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of title 11 of the U.S. Code (the “Bankruptcy Code”) and rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”): (a) authorizing the Debtors to (i) continue Insurance Policies and agreements relating thereto and (ii) honor certain prepetition obligations in respect thereof; and (b) granting related relief; and it appearing that jurisdiction is proper pursuant to 28 U.S.C. §§ 157 and 1334; and venue of these Chapter 11 Cases and the motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and upon consideration of the First Day Declaration; and it

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties-in-interest; and it appearing that such relief is necessary to avoid immediate and irreparable harm and, thus, the requirements of Rule 6003 of the Federal Rules of Bankruptcy Procedure have been satisfied; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED that:

1. The Motion is GRANTED, as set forth herein.
2. The Debtors are authorized and empowered to maintain all of their Insurance Programs, whether listed on Exhibit B to the Motion or not and satisfy all Insurance Obligations (including the Insurance Obligations related to the Black Warrior Companies) in the ordinary course of their business, including the Insurance Policies, without interruption on the same basis and to the extent consistent with the practices and procedures in effect prior to the commencement of the Chapter 11 Cases.
3. The Debtors are authorized and empowered to revise, extend, renew, supplement or change the Insurance Programs, including the Insurance Policies, to the extent necessary, consistent with the practices and procedures in effect prior to the Petition Date, without further Order of this Court; provided, however, to the extent that the Debtors seek to enter into any premium financing arrangement program, the Debtors shall obtain the Steering Committee's prior consent.
4. The Debtors are authorized, but not required, to pay, in their sole discretion, all premiums (including taxes), claims, deductibles, retrospective adjustments, administrative fees, and all other Insurance Obligations including those Insurance Obligations that were due and

payable or related to the period prior to the commencement of these Chapter 11 Cases.

5. All applicable cash management banks are authorized to receive, process, honor and pay any and all checks or drafts drawn on the Debtors' accounts in connection with the Insurance Obligations whether those checks were issued or presented prior to or after the Petition Date and make other transfers, provided that sufficient funds are available in the applicable accounts, whether deposited prepetition or postpetition, to make the payments.

6. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the basis for, or amount or priority of, any claims against the Debtors in connection with, under or relating to any Insurance Programs or Insurance Obligation and all related rights are fully reserved.

7. To the extent any Insurance Policy or related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Order nor any payments made in accordance with this Order shall constitute the postpetition assumption of such Insurance Policy or related agreements under section 365 of the Bankruptcy Code.

8. Any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the terms of the Interim Cash Collateral Order and related final order.

9. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

10. This order shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay any of the obligations discussed herein or in the Motion and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay such obligations and nothing in this Order shall be deemed to increase,

reclassify, elevate to an administrative expense status or otherwise affect such obligations to the extent they are not paid.

11. Nothing in this Order or the Motion is intended or shall be construed to constitute relief from the automatic stay pursuant to section 362 of the Bankruptcy Code.

12. Notwithstanding Bankruptcy Rule 6003, this Order shall be effective and enforceable upon entry hereof.

13. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

14. The Court shall retain jurisdiction over any matters arising from or related to the implementation or interpretation of this Order.

Dated: July [ ], 2015  
Birmingham, Alabama

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT B**  
**INSURANCE POLICIES**

**LIST OF INSURANCE CONTRACTS<sup>1</sup>**

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
Self-Insured (NA)/ N/A	General Liability	3/1/15 - 3/1/16	N/A
Rockwood Casualty Insurance Company/ BAP106664	Auto Liability	3/1/15 - 3/1/16	\$183,011
Rockwood Casualty Insurance Company/ WC455754	Insured Workers' Comp.	3/1/15 - 3/1/16	\$131,545
Rockwood Casualty Insurance Company/ XSWC5010	Excess Workers' Comp.	3/1/15 - 3/1/16	\$144,946
Rockwood Casualty Insurance Company/ XSWC5011	Excess Workers' Comp.	3/1/15 - 3/1/16	\$857,863
Rockwood Casualty Insurance Company/ XSWC5009	Excess Workers' Comp.	3/1/15 - 3/1/16	\$185,706
The Insurance Company of the State of Pennsylvania/ WS11005382	Foreign Liability	3/1/15 - 3/1/16	\$12,108
National Fire & Marine Insurance Company/ 42RLO10017702	Umbrella Liability	3/1/15 - 3/1/16	\$1,245,500
Starr Surplus Lines Insurance Company/ 1000030258151	Excess Liability	3/1/15 - 3/1/16	\$402,800
Ironshore Europe Ltd/ B080115948U15	Excess Liability	3/1/15 - 3/1/16	\$173,665
XL Insurance Company Limited/ B080115949U15	Excess Liability	3/1/15 - 3/1/16	\$164,013
Argo Re Ltd./ B080115948U15	Excess Liability	3/1/15 - 3/1/16	\$94,372
Beazley Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$1,139,531
Argo Global / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$78,891
Hiscox /33/ 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$52,594
QBE Syndicate 1886 / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$39,445
XL Catlin /1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$52,594
Cathedral Syndicate 2010 / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$78,891
Apollo 1969 at Lloyd's / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$39,445
BRIT Global Specialty / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$52,594
W.R. Berkley / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$105,188
MSF Pritchard Syndicate 318 / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$78,891
Aegis London / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$78,891

<sup>1</sup> The descriptions of the Debtors' Insurance Policies herein are intended only as a summary and the actual terms of such Insurance Policies shall govern in the event of any inconsistency with the descriptions set forth herein.

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
ANV Syndicates / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$26,297
AIG Europe Limited/ 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$1,122,000
Hardy Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$1,187,450
Montpelier Reinsurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$225,463
Allied World Assurance Company, Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$920,741
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$895,163
Aspen Specialty Insurance Company/ PRA70NT15	Property - US Markets	6/15/15 - 6/15/16	\$198,758
Houston Casualty Company/ 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	\$1,375,000
Great Lakes Reinsurance (UK) PLC/ 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	\$1,090,000
Landmark American Insurance Company/ LHT393099	Property - US Markets	6/15/15 - 6/15/16	\$447,416
Starr Technical Risk Agency, Inc./ PGNL09171216004	Property - US Markets	6/15/15 - 6/15/16	\$400,114
Westchester Surplus Lines Insurance Company/ D35895437009	Property - US Markets	6/15/15 - 6/15/16	\$315,823
Partner Reinsurance Europe SE / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$219,632
AIG Europe Limited/ 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
ANV Syndicates / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$22,440
Ark Syndicate Management Ltd / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$89,760
Hardy Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$368,821
Oil Company Insurance Limited / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$135,474
ACE Bermuda Insurance Ltd./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$583,608
Aspen Specialty Insurance Company/ PXA763015	Property - U.S. Markets	6/15/15 - 6/15/16	\$56,386
Houston Casualty Company/ 1-15714-00-15	Property - U.S. Markets	6/15/15 - 6/15/16	Included
Landmark American Insurance Company (RSUI)/ LHD393100	Property - U.S. Markets	6/15/15 - 6/15/16	\$184,230
Great Lakes Reinsurance (UK) PLC / 1-15714-00-15	Property - U.S. Markets	6/15/15 - 6/15/16	Included
Westchester Surplus Lines Insurance Company/ D35895437009	Property - U.S. Markets	6/15/15 - 6/15/16	Included
Partner Reinsurance Europe SE / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Incl Above
ANV Syndicates / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Incl Above
Ark Syndicate Management Ltd / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Incl Above
AIG Europe Limited/ 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Incl Above
Hardy Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Incl Above
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Incl Above
Oil Company Insurance Limited / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Incl Above
ACE Bermuda Insurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Incl Above

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
Aspen Specialty Insurance Company/ PXA763015	Property - US Markets	6/15/15 - 6/15/16	Incl Above
Landmark American Insurance Company/ LHD393100	Property - US Markets	6/15/15 - 6/15/16	Incl Above
Westchester Surplus Lines Insurance Company/ D35895437009	Property - US Markets	6/15/15 - 6/15/16	Incl Above
QBE Syndicate 1886 / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$14,063
Atrium Underwriting Group Limited / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$7,313
ANV Syndicates / 1-15714-00-15)	Property - London Markets	6/15/15 - 6/15/16	\$1,000
Ark Syndicate Management Ltd / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$4,000
Hardy Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
ACE Bermuda Insurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$18,887
Oil Company Insurance Limited / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$2,765
Aspen Specialty Insurance Company/ PXA763015	Property - US Markets	6/15/15 - 6/15/16	Included
Great Lakes Reinsurance (UK) PLC / 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Houston Casualty Company/ 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Landmark American Insurance Company (RSUI)/ LHD393100	Property - US Markets	6/15/15 - 6/15/16	Included
Westchester Surplus Lines Insurance Company/ D35895437009	Property - US Markets	6/15/15 - 6/15/16	Included
QBE Syndicate 1886 / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$5,625
Atrium Underwriting Group Limited / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	\$2,925
ANV Syndicates / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
Ark Syndicate Management Ltd / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
AIG Europe Limited/ 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
Hardy Group / 1-15714-00-15	Property - London Markets	6/15/15 - 6/15/16	Included
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
Oil Company Insurance Limited / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
ACE Bermuda Insurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
Aspen Specialty Insurance Company/ PXA763015	Property - US Markets	6/15/15 - 6/15/16	Included
Houston Casualty Company/ 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Great Lakes Reinsurance (UK) PLC / 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Landmark American Insurance Company (RSUI)/ LHD393100	Property - US Markets	6/15/15 - 6/15/16	Included
Westchester Surplus Lines Insurance Company/ D35895437009	Property - US Markets	6/15/15 - 6/15/16	Included
Ark Syndicate Management Ltd / 1-15714-00-15	Property - London Market	6/15/15 - 6/15/16	\$3,000

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
Hardy Group / 1-15714-00-15	Property - London Market	6/15/15 - 6/15/16	Included
Ironshore Indemnity Inc./ 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
ACE Bermuda Insurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	\$37,774
Oil Company Insurance Limited / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
ACE Bermuda Insurance Ltd / 1-15714-00-15	Property - Bermuda Markets	6/15/15 - 6/15/16	Included
Aspen Specialty Insurance Company/ PXA763015	Property - US Markets	6/15/15 - 6/15/16	Included
Great Lakes Reinsurance (UK) PLC / 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Houston Casualty Company/ 1-15714-00-15	Property - US Markets	6/15/15 - 6/15/16	Included
Landmark American Insurance Company (RSUI)/ LHD393100	Property - US Markets	6/15/15 - 6/15/16	Included
Westchester Surplus Lines Insurance Company/ D35895437009	Property - US Markets	6/15/15 - 6/15/16	Included
XL Specialty Insurance Company/ ELU135071-14	Directors & Officers	7/1/15 - 7/1/16	\$500,000
Executive Risk Indemnity Inc./ 6804-3124	Directors & Officers	7/1/15 - 7/1/16	\$375,000
National Union Fire Insurance Company of Pittsburgh, PA/ 01-354-62-13	Directors & Officers	7/1/15 - 7/1/16	\$262,500
ACE USA, Professional Risk; Ace American Insurance Company/ DOX G26809745 002	Directors & Officers	7/1/15 - 7/1/16	\$187,500
Executive Risk Indemnity Inc./ 8240-9181	Directors & Officers	7/1/15 - 7/1/16	\$150,000
Freedom Specialty Insurance Company/ XMF1400777	Directors & Officers	7/1/15 - 7/1/16	\$115,000
Old Republic Insurance Company/ CUG 36820	Directors & Officers	7/1/15 - 7/1/16	\$100,000
National Union Fire Insurance Company of Pittsburgh, PA/ 01-354-64-69	Directors & Officers	7/1/15 - 7/1/16	\$158,750
XL Specialty Insurance Company/ ELU135070-14	Directors & Officers	7/1/15 - 7/1/16	\$75,000
Allied World National Assurance Company/ 304-7609	Side A DIC D&O Excess	7/1/15 - 7/1/16	\$108,750
Ironshore Indemnity Inc./ 537705	Side A DIC D&O Excess	7/1/15 - 7/1/16	\$65,000
Executive Risk Indemnity Inc./ 8169-2335	Side A DIC D&O Excess	7/1/15 - 7/1/16	\$90,000
National Union Fire Insurance Company of Pittsburgh, PA/ 01-354-85-59	Side A DIC D&O Excess	7/1/15 - 7/1/16	\$56,250
XL Specialty Insurance Company/ ELU135071-14	Directors & Officers	6 years from emergence	\$700,000
Executive Risk Indemnity Inc./ 6804-3124	Directors & Officers	6 years from emergence	\$525,000
National Union Fire Insurance Company of Pittsburgh PA/ 01-354-62-13	Directors & Officers	6 years from emergence	\$367,500
ACE USA, Professional Risk; Ace American Insurance Company/ DOX G26809745 002	Directors & Officers	6 years from emergence	\$262,500
Executive Risk Indemnity Inc./ 8240-9181	Directors & Officers	6 years from emergence	\$210,000

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
Freedom Specialty Insurance Company/ XMF1400777	Directors & Officers	6 years from emergence	\$161,000
Old Republic Insurance Company (CUG)/ CUG 36820	Directors & Officers	6 years from emergence	\$140,000
National Union Fire Insurance Company of Pittsburgh, PA/ 01-354-64-69	Directors & Officers	6 years from emergence	\$222,250
XL Specialty Insurance Company/ ELU135070-14	Directors & Officers	6 years from emergence	\$105,000
Allied World National Assurance Company/ 304- 7609	Side A DIC D&O Excess	6 years from emergence	\$152,250
Ironshore Indemnity Inc./ 537705	Side A DIC D&O Excess	6 years from emergence	\$91,000
Executive Risk Indemnity Inc./ 8169-2335	Side A DIC D&O Excess	6 years from emergence	\$126,000
National Union Fire Insurance Company of Pittsburgh, PA/ 01-354-85-59	Side A DIC D&O Excess	6 years from emergence	\$78,750
National Union Fire Insurance Company/ 53811546	Fiduciary	7/1/15 - 7/1/16	\$84,104
National Union Fire Insurance Company of Pittsburgh, PA / 01-462-97-20	Crime	7/1/15 - 7/1/16	\$35,436
U.S. Specialty Insurance Company/ U713-85292	Special Crime	5/1/13 - 5/1/16	\$7,356
ACE American Insurance Company/ ADDN04832176	Business Travel Accident	4/1/13 - 4/1/16	\$12,267
XL Specialty Insurance Company/ UM00013261CR15A	Marine Cargo	6/15/15 - 6/15/16	\$25,500
First Mercury Insurance Company/ TX-CGL- 0000049864-01	WV GL Parkway Authority Completed Operations Policy	12/1/14 - 12/1/17	\$34,537
Liberty Mutual Insurance Company/ 4NAAD9PK004	Property and B&M	11/1/14 - 11/1/15	\$181,084
Starr Technical Risks Agency, Inc./ EPRN09165083	Property and B&M	11/1/14 - 11/1/15	\$185,000
Zurich American Insurance Company/ GLO6556002-05	General Liability	11/1/14 - 11/1/15	\$166,456
Zurich American Insurance Company/ WC6556003-04	Workers' Compensation	11/1/14 - 11/1/15	\$13,231
American Guarantee & Liability Insurance Company/ AUC6556043-04	Umbrella	11/1/14 - 11/1/15	\$68,802
Aspen Specialty Insurance Company/ ERA90G612	Pollution Liability	11/1/12 - 11/1/15	\$99,125
Chubb Insurance Company of Canada/ 8226-0525	Directors & Officers	11/1/14 - 11/1/15	\$9,102
Admiral Insurance Company/ FEI-EIL-10330-02	Pollution Liability	12/1/14 - 12/1/15	\$43,029
Insurance Corporation of British Columbia/ Various per vehicle	Auto Primary Liability (Mandatory by Canada)	4/30/15 - 4/30/16	\$41,365
Intact Insurance Company/ 7V0002121	Auto Excess Liability	6/30/15 - 6/30/16	\$3,559
Catlin Canada Inc./ GL1174220	General Liability	6/30/15 - 6/30/16	\$25,000

<b>CARRIER &amp; POLICY NUMBER</b>	<b>COVERAGE TYPE</b>	<b>POLICY TERM</b>	<b>APPROX. PREMIUM FOR CURRENT POLICY TERM</b>
XL Insurance Company Limited/ PCN002043907	Pollution Liability	6/30/14 - 6/30/16	\$301,000
Catlin Canada Inc./ UM1174220	Umbrella Liability	6/30/15 - 6/30/16	\$35,000
ACE INA Insurance an ACE Group Company/ DO024195	D&O - Western Coal Run-off	6/30/10 - 3/31/17	\$241,026
Lloyd's Underwriters/ XTFF0402	D&O - Western Coal Run-off	6/30/10 - 3/31/17	\$116,436
Chubb Insurance Company of Canada/ 8210-0958	D&O - (Side A DIC) Western Coal Run-off	6/30/10 - 3/31/17	\$71,447