

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

---

In re:	)	Chapter 11
	)	
WESTMORELAND COAL COMPANY, <i>et al.</i> , <sup>1</sup>	)	Case No. 18-35672 (MI)
	)	
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

---

**DEBTORS' EMERGENCY MOTION FOR ENTRY  
OF INTERIM AND FINAL ORDERS AUTHORIZING  
THE DEBTORS TO (I) CONTINUE INSURANCE POLICIES  
ENTERED INTO PREPETITION AND SATISFY PREPETITION  
OBLIGATIONS RELATED THERETO, (II) RENEW, AMEND,  
SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES,  
(III) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENT  
AND PAY PREMIUMS THEREUNDER, AND (IV) ENTER INTO NEW PREMIUM  
FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS**

**THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE. A HEARING WILL BE HELD ON THIS MATTER ON OCTOBER 9, 2018, AT 2:30 P.M. (CT) BEFORE THE HONORABLE DAVID R. JONES, 515 RUSK STREET, COURTROOM 400, HOUSTON, TEXAS 77002.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

---

<sup>1</sup> Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the proposed claims and noticing agent in these chapter 11 cases at [www.donlinrecano.com/westmoreland](http://www.donlinrecano.com/westmoreland). Westmoreland Coal Company's service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”)<sup>2</sup> respectfully state the following in support of this motion (this “Motion”).

**Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “Interim Order” and the “Final Order,” respectively), authorizing the Debtors to: (a) continue insurance policies entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business on a postpetition basis; (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (c) honor the terms of the Premium Financing Agreement (as defined below) and pay premiums thereunder; and (d) enter into new premium financing agreements in the ordinary course of business on a postpetition basis. In addition, the Debtors request a final hearing within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis.

**Jurisdiction and Venue**

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012 (the “Amended Standing Order”). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter

---

<sup>2</sup> A detailed description of the Debtors’ businesses and the reasons for commencing the chapter 11 cases is set forth in the *Declaration of Jeffrey S. Stein, Chief Restructuring Officer of Westmoreland Coal Company, in Support of Chapter 11 Petitions and First Day Pleadings*, to be filed in connection herewith (the “First Day Declaration”). The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a), 363(b), 364(c), and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and Bankruptcy Rule 6004, and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

### **Background**

4. Westmoreland Coal Company and its Debtor and non-Debtor affiliates operate the sixth-largest coal-mining enterprise in North America, including 19 coal mines in six states and Canada. The Debtors primarily produce and sell thermal coal to investment grade power plants under long-term, cost-protected contracts, as well as to industrial customers and barbeque charcoal manufacturers. Headquartered in Englewood, Colorado, the Debtors and their non-Debtor subsidiaries employ approximately 2,971 individuals. The Debtors’ revenue for the twelve-month period that ended August 31, 2018, totaled approximately \$850 million. As of the Petition Date, the Debtors’ aggregate prepetition indebtedness totaled approximately \$1.1 billion.

5. On the date hereof (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

### **The Insurance Policies**

6. In the ordinary course of business, the Debtors maintain approximately 60 insurance policies that are administered by approximately 36 third-party insurance carriers (collectively, the “Insurance Carriers”). These policies provide coverage for,

among other things, the Debtors' property, cargo, railroad, general liability, automobile liability, excess umbrella liability, directors' and officers' liability, employment practices liability, fiduciary liability, captive property coverage, business travel coverage, special risk and terrorism coverage, and pollution and environmental legal liability (collectively, the "Insurance Policies"). A schedule of the Insurance Policies is attached hereto as Exhibit 1 to each of the proposed orders.<sup>3</sup> Non-Debtor affiliate Westmoreland Risk Management, Inc. ("WRMI"), a captive insurer organized under Montana law, administers certain of the Insurance Policies for the Debtors.<sup>4</sup>

7. The aggregate annual premium for the Insurance Policies is approximately \$14.0 million, not including applicable taxes and surcharges, deductibles, brokerage and consulting fees, and commissions. The policy period for the majority of the Insurance Policies generally are one year in length (although the period for certain policies may be longer than one year based on market conditions and availability at the time) and the Insurance Policies renew primarily in July of each calendar year.

8. Continuation of the Insurance Policies and entry into new insurance policies is essential to the preservation of the value of the Debtors' businesses and operations. Moreover, in many instances, insurance coverage is required by the regulations, laws, debt documents, and

---

<sup>3</sup> The descriptions of the Insurance Policies set forth in this Motion are for illustrative purposes only. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this Motion. The Debtors request authority to honor obligations and renew all insurance policies, as applicable, regardless of whether the Debtors inadvertently fail to include a particular insurance policy on Exhibit 1 to each of the proposed orders, and any such omitted insurance policy is included in the defined term "Insurance Policies" as used herein and in the Order. Moreover, and in addition to the Insurance Policies listed on Exhibit 1 to each of the proposed orders, the Debtors maintain numerous insurance policies with respect to, among other things, workers' compensation, employee health, disability, stop loss medical coverage, and life insurance benefits. These programs are described, and relief is requested with respect to such programs, in the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Programs* (the "Wages Motion"), to be filed contemporaneously herewith.

<sup>4</sup> WRMI is a domestic insurance company that cannot file for chapter 11 protection. See 11 U.S.C. §109 (b)(2), (d) ("A person may be a debtor . . . only if such person is not a domestic insurance company . . ."). WRMI, as a captive insurance company, licensed and domiciled in the state of Montana, is regulated by the Montana Commissioner of Securities and Insurance.

contracts that govern the Debtors' commercial activities, including the requirement by the Office of the United States Trustee (the "U.S. Trustee") that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors seek authorization to maintain their existing Insurance Policies, pay prepetition obligations related thereto, and enter into new insurance policies in the ordinary course of business on a postpetition basis.<sup>5</sup>

### **The Premium Finance Agreement**

9. The Debtors finance premiums under certain of their Insurance Policies (collectively, the "Financed Policies")<sup>6</sup> because it is not economically advantageous for the Debtors to pay the premiums on the Insurance Policies in full on or around the start date of each applicable policy period. With respect to the Financed Policies, the Debtors currently finance their premium obligations through a premium financing agreement with BankDirect Capital Finance, a division of Texas Capital Bank ("BankDirect"), a copy of which is attached hereto as **Exhibit C** (the "Premium Financing Agreement").

10. The Debtors' obligations under the Premium Financing Agreement are secured by all sums payable to the applicable Debtor under the Financed Policies, including, among other things, any gross unearned premiums and any payment on account of loss that results in a reduction of unearned premiums in accordance with the terms of the Financed Policies. If the Debtors were unable to continue honoring their obligations under the Premium Financing Agreement, BankDirect may seek relief from the automatic stay to terminate the Financed Policies to recoup

---

<sup>5</sup> Certain Insurance Policies require the Debtors to pay a per-incident deductible (collectively, "Deductibles"). Generally, if a claim is made against the Insurance Policies, the Debtors' applicable third-party administrator or insurance carrier will administer the claim and make payments in connection therewith. The Deductible, if any, is offset against such payments. The Deductibles range up to \$1 million. As of the Petition Date, the Debtors do not believe that they owe any unpaid or outstanding prepetition Deductibles due and owing under the Insurance Policies. Out of an abundance of caution, however, the Debtors seek authority to continue honoring any Deductible that may exist currently or arise under the Insurance Policies in the ordinary course of business and to ensure uninterrupted coverage under the Insurance Policies.

<sup>6</sup> The Financed Policies are indicated on **Exhibit C** attached hereto.

their losses. The Debtors could then be required to obtain replacement insurance on an expedited basis and likely at significant cost to their estates. Even if the Financed Policies were not terminated, any interruption in the Debtors' payments could have an adverse effect on the Debtors' ability to finance premiums for future policies.

11. The Debtors pay approximately \$860,000 per month under the Premium Financing Agreement, and, in exchange, BankDirect pays the Debtors' insurance premiums on account of the Financed Policies. The Premium Financing Agreement expires on March 20, 2019 after the final installment is paid to BankDirect.

12. Under the remainder of the Insurance Policies (the "Non-Financed Policies"), the Debtors pay premiums directly to the insurance provider. The Non-Financed Policies include, among others, the Debtors' directors' and officers' liability insurance coverage and captive property coverage. The Debtors have fully paid all premiums associated with their directors' and officers' liability coverage. For the Non-Financed Policies managed by WRMI, the Debtors make various cash disbursements for insurance-related services and premiums on an intercompany basis through cash revenues from the Debtors' operations. The Debtors estimate that approximately \$700,300 in premiums to WRMI will come due throughout the remainder of the 2018-2019 policy period.<sup>7</sup>

13. As of the Petition Date, the Debtors do not believe there are any unpaid prepetition obligations due and owing in connection with the Premium Financing Agreement or the Non-Financed Policies. Nevertheless, to the extent any such prepetition amounts are determined to remain outstanding, the Debtors seek authority to honor their obligations under the Premium

<sup>7</sup> In addition to the premiums owed, WRMI issued a \$500,000 note bearing simple interest to Debtor Westmoreland Coal Company. The Debtors do not believe that there are any outstanding prepetition amounts owed to WRMI on account of the note. Out of an abundance of caution, the Debtors request the authority to make payments in the ordinary course throughout the postpetition period on account of the note as required by WRMI to ensure uninterrupted coverage under the policies managed by WRMI.

Financing Agreement and the Non-Financed Policies. Furthermore, the Debtors seek authority to continue making payments under the Premium Financing Agreement and the Non-Financed Policies as amounts come due in the ordinary course throughout these chapter 11 cases, including the next installment payment under the Premium Financing Agreement due October 20, 2018. Finally, to the extent that the Premium Financing Agreement expires during the course of these chapter 11 cases, the Debtors seek authority to renew their Premium Financing Agreement, or enter into new premium financing agreements, without further Court approval.

### **The Debtors' Insurance Brokers**

14. The Debtors obtain the Insurance Policies primarily through their insurance brokers, Willis Towers Watson and Aon Risk Solutions (collectively, the "Brokers"). The Brokers assist the Debtors in obtaining comprehensive insurance coverage for the Debtors' operations in the most cost-effective manner, negotiating policy terms, provisions, and premiums, assisting the Debtors with claims, and providing ongoing support throughout the applicable policy periods. The Brokers collect commission payments for services rendered in addition to or as part of the premiums paid on the Insurance Policies (the "Brokerage Fees"). In 2017, the total amount paid on account of the Brokerage Fees was approximately \$225,000. As of the Petition Date, the Debtors do not believe that they owe any amounts to the Brokers on account of prepetition Brokerage Fees. To the extent any such prepetition amounts are determined to remain outstanding, the Debtors seek authority to honor any Brokerage Fees in full in cash to ensure uninterrupted coverage under their Insurance Policies.

### **Basis for Relief**

#### **I. Continuation of the Insurance Policies Is Required by the Bankruptcy Code and U.S. Trustee Operating Guidelines.**

15. Section 1112(b)(4)(C) of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory

conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). In addition, in many instances, the coverage provided under the Insurance Policies is required by the regulations, laws, certain credit agreements, and contracts that govern the Debtors' commercial activities, including the operating guidelines issued by the Office of the United States Trustee (the "U.S. Trustee Operating Guidelines"). Given this backdrop, the Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Operating Guidelines, that they maintain and continue to make all payments required under their Insurance Policies, including in connection with the Premium Financing Agreement and have the authority to supplement, amend, extend, renew, or replace their Insurance Policies as needed, in their judgment, without further order of the Court.<sup>8</sup>

## **II. Paying Obligations Under the Insurance Policies Is Warranted.**

16. The Debtors are unaware of any outstanding prepetition obligations under the Insurance Policies. Out of an abundance of caution, however, given the importance of the Insurance Policies to the continued operation of the Debtors' businesses, the Debtors request authority to pay any prepetition amounts due on account of the Insurance Policies or the Brokerage Fees.

17. Courts in the Fifth Circuit and elsewhere have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of pre-petition debt

---

<sup>8</sup> The Debtors believe that continuation of the Insurance Policies and the ability to supplement, amend, extend, renew, or replace such Insurance Policies is authorized in the ordinary course. 11 U.S.C. § 363(c)(1). The Debtors therefore seek such relief out of an abundance of caution given the importance of the Insurance Policies to the protection of their estates.



when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”); *Armstrong World Indus., Inc. v. James A. Phillips, Inc., (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983) (affirming bankruptcy court order authorizing payments by debtor in possession to prepetition creditors because payments were essential to the debtor in possession’s survival). In doing so, these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

18. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. at 497). Moreover, under section 105(a) of the Bankruptcy Code, “the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code.” 11 U.S.C. § 105(a); *see also In re CoServ, L.L.C.*, 273 B.R. at 497 (holding that the “Court has inherent authority, through section 105(a) of the Bankruptcy Code to grant this motion, in the interest of preservation of Debtors’ bankruptcy estate.”); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor’s business). The above-referenced sections of the Bankruptcy Code therefore authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor’s estate, as is the case here. *See, e.g., In re CoServ, L.L.C.*, 273 B.R.

at 497 (noting that “it is only logical that the bankruptcy court be able to use section 105(a) of the [Bankruptcy] Code to authorize satisfaction of the pre-petition claim in aid of preservation or enhancement of the estate.”).

19. Here, the Debtors seek to continue, amend, supplement, and extend their existing Insurance Policies, and purchase new policies, as is required by applicable law, in the ordinary course of business. Related to that process, the Debtors believe that failure to timely honor any outstanding prepetition obligations on account of the Insurance Policies could negatively affect the Debtors’ ability to enter into such amendments, supplements, extensions, or new policies. As described above, continuation of the Insurance Policies is essential to preserving the value of the Debtors’ assets and minimizing exposure to risk during the pendency of these chapter 11 cases. Furthermore, insurance coverage is required by the U.S. Trustee as well as the laws of various jurisdictions in which the Debtors operate. *See U.S. Trustee Operating Guidelines; see also* 11 U.S.C. § 1112 (noting that “failure to maintain appropriate insurance that poses a risk to the estate or the public” constitutes “cause” for mandatory conversion or dismissal of a chapter 11 case). Therefore, continuation of the Insurance Policies during these chapter 11 cases is an essential part of preserving the value of the Debtors’ estates, and the Debtors should be authorized to pay any prepetition obligations related to such Insurance Policies.

20. Courts in this district routinely grant similar relief. *See, e.g., In re EXCO Res., Inc.*, No. 18-30155 (MI) (authorizing debtors to pay prepetition insurance policy premiums and enter into new insurance policies in the ordinary course); *In re Seadrill Ltd.*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. Sept. 13, 2017); *In re GenOn Energy, Inc.*, No. 17-33695 (DRJ) (Bankr. S.D. Tex. July 13, 2017) (same); *In re Ameriforge Grp. Inc.*, No. 17-32660 (DRJ) (Bankr. S.D. Tex.

May 2, 2017) (same); *In re Goodman Networks Inc.*, No. 17-31575 (MI) (Bankr. S.D. Tex. Mar. 14, 2017) (same).<sup>9</sup>

**III. The Court Should Authorize the Debtors to Honor and Renew the Premium Financing Agreement.**

21. Payment of prepetition premiums and amounts owing under the Premium Financing Agreement is necessary and appropriate and may be authorized under sections 105(a) and 363(b) of the Bankruptcy Code. Moreover, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur secured postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interests of the estate. As discussed above, the Debtors believe that continuing to perform under the Premium Financing Agreement on a postpetition basis is in the best interests of their estates. In light of their financial circumstances, alternative insurance premium finance companies may not be willing to provide insurance premium financing to the Debtors on attractive market terms on a postpetition basis. As a result, it is critical for the Debtors to continue to perform under their existing Premium Financing Agreement. The Debtors also seek express authority to renew or enter into new premium financing agreements in the ordinary course of business.

22. Courts in this jurisdiction and others recognize the importance of a debtor honoring obligations under and renewing premium financing agreements and have granted relief similar to the relief requested in this motion. *See, e.g., In re EXCO Res., Inc.*, No. 18-30155 (MI) (authorizing debtors to honor and enter into premium financing agreements in the ordinary course of business); *In re Goodman Networks Inc.*, No. 17-31575 (MI) (Bankr. S.D. Tex. March 14, 2017) (same); *In re CJ Holding Co.*, No. 16-33590 (DRJ) (Bankr. S.D. Tex. Sept. 12, 2016); *In re*

---

<sup>9</sup> Because of the voluminous nature of the orders cited herein, individual orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

*Goodrich Petrol. Corp.*, No. 16-31975 (MI) (Bankr. S.D. Tex. June 20, 2016) (same); *In re ATP Oil & Gas Corp.*, No. 12-36187 (MI) (Bankr. S.D. Tex. Aug. 21, 2012) (same).

**IV. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.**

23. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and postpetition financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Insurance Policies or the Premium Financing Agreement, including payments to WRMI. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be inadvertently honored. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

**Emergency Consideration**

24. Pursuant to Bankruptcy Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases could severely disrupt the Debtors' operations at this critical juncture and imperil the Debtors' restructuring. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule

6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

**The Requirements of Bankruptcy Rule 6003 Are Satisfied**

25. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” For the reasons discussed above, and granting the relief requested herein is integral to the Debtors’ ability to transition their operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtors to operate their businesses in the ordinary course and preserve the ongoing value of the Debtors’ operations and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

26. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**Reservation of Rights**

27. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Interim Order and Final Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay

any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

### **Notice**

28. The Debtors will provide notice of this Motion to the following parties or their respective counsel (collectively, the "Notice Parties"): (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) the indenture trustee under the WLB Debtors' 8.75% senior secured notes due 2022; (d) the ad hoc group of lenders under the WLB Debtors' prepetition term loan facility due 2020 and the WLB Debtors' 8.75% senior secured notes due 2022; (e) the administrative agent under the WLB Debtors' prepetition term loan facility due 2020; (f) the administrative agent under the WLB Debtors' bridge loan facility due 2019; (g) the administrative agent under the WMLP Debtors' term loan facility due 2018; (h) the ad hoc committee of certain lenders under the WMLP Debtors' term loan facility due 2018; (i) the administrative agent under the WLB Debtors' proposed debtor-in-possession financing facility; (j) the lenders under the WLB Debtors' proposed debtor-in-possession financing facility; (k) any statutory committee appointed in these cases; (l) the United States Attorney's Office for the Southern District of Texas; (m) the Internal Revenue Service; (n) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (o) the offices of the attorneys general for the states in which the Debtors operate; (p) the Securities

and Exchange Commission; (q) the Pension Benefit Guaranty Corporation; (r) the Insurance Carriers; (s) the Brokers; (t) BankDirect; and (u) the any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

29. No prior motion for the relief requested herein has been made to this or any other court.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas  
October 9, 2018

*/s/ Patricia B. Tomasco*

---

Patricia B. Tomasco (Bar No. 01797600)  
Matthew D. Cavanaugh (Bar No. 24062656)  
Jennifer F. Wertz (Bar No. 24072822)  
**JACKSON WALKER L.L.P.**  
1401 McKinney Street, Suite 1900  
Houston, Texas 77010  
Telephone: (713) 752-4200  
Facsimile: (713) 752-4221  
Email: ptomasco@jw.com  
mcavanaugh@jw.com  
jwertz@jw.com

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

James H.M. Sprayregen, P.C.  
Michael B. Slade (Bar No. 24013521)  
Gregory F. Pesce (*pro hac vice* admission pending)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
300 North LaSalle  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200  
Email: james.sprayregen@kirkland.com  
michael.slade@kirkland.com  
gregory.pesce@kirkland.com

-and-

Edward O. Sassower, P.C.  
Stephen E. Hessler, P.C. (*pro hac vice* admission pending)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Email: edward.sassower@kirkland.com  
stephen.hessler@kirkland.com

-and-

Anna G. Rotman, P.C. (TX Bar No. 24046761)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
609 Main Street  
Houston, Texas 77002  
Telephone: (713) 836-3600  
Email: anna.rotman@kirkland.com

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



**Certificate of Service**

I certify that on October 9, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Patricia B. Tomasco*

\_\_\_\_\_  
Patricia B. Tomasco

**Exhibit A**

**Interim Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
WESTMORELAND COAL COMPANY, <i>et al.</i> , <sup>1</sup>	)	Case No. 18-35672 (MI)
Debtors.	)	(Joint Administration Requested)
	)	
	)	<b>Re: Docket No. __</b>

**INTERIM ORDER AUTHORIZING THE DEBTORS TO  
(I) CONTINUE INSURANCE POLICIES ENTERED INTO  
PREPETITION AND SATISFY PREPETITION OBLIGATIONS  
RELATED THERETO, (II) RENEW, AMEND, SUPPLEMENT,  
EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR  
THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND  
PAY PREMIUMS THEREUNDER, AND (IV) ENTER INTO NEW PREMIUM  
FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), authorizing the Debtors to (a) continue insurance policies entered into prepetition and satisfy prepetition obligations related thereto, (b) renew, amend, supplement, extend, or purchase insurance policies, (c) honor the terms of the Premium Financing Agreement and pay premiums thereunder, and (d) enter into new premium financing agreements in the ordinary course of business, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction

---

<sup>1</sup> Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent in these chapter 11 cases at [www.donlinrecano.com/westmoreland](http://www.donlinrecano.com/westmoreland). Westmoreland Coal Company’s service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion. The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2018, at \_\_: \_\_ .m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on \_\_\_\_\_, 2018, and shall be served on: (a) the Debtors, Westmoreland Coal Company, 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112, Attn.: Jennifer Grafton; (b) proposed counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Gregory F. Pesce and Timothy R. Bow; (c) proposed co-counsel for the Debtors, Jackson Walker L.L.P., 1401 McKinney Street, Suite 1900, Houston, Texas 77010, Attn.: Patricia B. Tomasco, Matthew D. Cavanaugh, and Jennifer F. Wertz; (d) counsel to the indenture trustee under the Debtors' 8.75% senior secured notes due 2022; (e) counsel to the ad hoc group of lenders under the Debtors'

prepetition term loan due 2020 and the Debtors' 8.75% senior secured notes due 2022; (f) counsel to the administrative agent under the Debtors' prepetition term loan facility due 2020; (g) counsel to the administrative agent under Westmoreland Resource Partners LP's term loan facility due 2018; (h) counsel to the ad hoc committee of certain lenders under Westmoreland Resource Partners LP's term loan facility due 2018; (i) counsel to the administrative agent under the Debtors' proposed debtor-in-possession financing facility; (j) counsel to the Conflicts Committee of the Board of Directors for Westmoreland Resource Partners GP, LLC, Jones Day, Attn.: Timothy Hoffman and Heather Lennox; (k) counsel to any statutory committee appointed in these cases; and (l) Office of The United States Trustee, 515 Rusk Street Houston, Texas 77002. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized to continue the Insurance Policies, including the Insurance Policies identified on **Exhibit 1** attached hereto, and to pay any prepetition or postpetition obligations related to the Insurance Policies (including any amounts owed to WRMI or the Brokers), to the extent that the Debtors determine that such payment is necessary or appropriate.

4. The Debtors are authorized to renew, amend, supplement, extend, or purchase insurance policies in the ordinary course to the extent that the Debtors determine that such action is in the best interest of their estates; *provided* that the Debtors will use best efforts to notify the U.S. Trustee and any statutory committee appointed in these chapter 11 cases if the Debtors increase or decrease existing coverage, change carriers, or purchase additional coverage.

5. The Debtors are authorized to honor their Premium Financing Agreement and other prepetition or postpetition obligations related thereto, without interruption and in accordance with

the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases; *provided* that if the Debtors do not timely make any of the payments due under the Premium Financing Agreement as they become due, subject to any applicable grace period under the Premium Financing Agreement, the automatic stay shall automatically be modified to permit BankDirect and the applicable Insurance Carriers under the Insurance Policies financed by the Premium Financing Agreement, subject in all respects to the Premium Financing Agreement (including the notice provisions and other applicable thereof), to cancel the Insurance Policies, collect the applicable collateral, and/or apply any such collateral to the indebtedness owed to BankDirect by the Debtors pursuant to the Premium Financing Agreement.

6. The Debtors are authorized to renew or enter into new premium financing agreements in connection with their Insurance Policies in the ordinary course, including, without limitation, upon the expiration or termination of any Premium Financing Agreement; *provided* that the Debtors will use best efforts to notify the U.S. Trustee and any statutory committee appointed in these chapter 11 cases if the Debtors enter into any new premium financing agreements.

7. Every four weeks, the WLB Debtors will provide the advisors to the Required Consenting Stakeholders (as defined in the Restructuring Support Agreement, attached to the First Day Declaration), the advisors to the DIP Lenders (as defined in the DIP Order), counsel to the DIP Agent (as defined in the DIP Order), counsel to the MLP Secured Lenders (as defined in the Cash Collateral Order) (only to the extent that the relief herein affects the WMLP Debtors), and counsel to any statutory committee appointed in these chapter 11 cases, with a schedule of payments related to the Insurance Policies made pursuant to this Interim Order.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized

to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

9. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

10. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

11. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

12. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any of the Insurance Policies, including those prepetition amounts owed in connection with the Premium Financing Agreement.

13. Solely with respect to the WMLP Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WMLP Debtors under any orders authorizing the WMLP Debtors' use of cash collateral (in each case, the "Cash Collateral Order"), including any budget in connection therewith (the "WMLP Budget"); and (b) to the extent there is any inconsistency between the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order and the WMLP Budget shall control.

14. Solely with respect to the WLB Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WLB Debtors under the WLB Debtors' postpetition financing agreement (including with respect to any budgets governing or relating therewith, the "DIP Documents") and any orders (in each case, the "DIP Order") approving the DIP Documents and governing the WLB Debtors' use of cash collateral; and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and DIP Documents shall control.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.



16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

18. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: \_\_\_\_\_, 2018  
Houston, Texas

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Insurance Policies**

<b>Type of Policy Coverage</b>	<b>Insurance Carrier(s)</b>	<b>Policy Number</b>	<b>Policy Term</b>	<b>Approximate Annualized Gross Premium</b>	<b>Premium Financing Agreement Coverage</b>
General Liability (All states other than Texas)	Zurich American Insurance Company	GLO6541479-09	July 1, 2018, to July 1, 2019	\$125,536	Yes
General Liability (Texas)	Zurich American Insurance Company	GLO 6541480-09	July 1, 2018, to July 1, 2019	\$36,969	Yes
General Liability (Canada)	Lloyds of London	B080127451G18	July 1, 2018, to July 1, 2019	\$345,000	Yes
Automobile Liability	Zurich American Insurance Company	BAP 6541478-09	July 1, 2018, to July 1, 2019	\$176,616	Yes
Auto (Canada)	Northbridge General Insurance Corporation	194956900	July 1, 2018, to July 1, 2019	\$53,807	Yes
Stevedores/Wharfingers <sup>1</sup>	Travelers Property Casualty Company of America	ZOL51M35577	July 1, 2018, to July 1, 2019	\$7,060	Yes
Excess Marine	Travelers Property Casualty Company of America	ZOX41M34546	July 1, 2018, to July 1, 2019	\$5,150	Yes
Umbrella (US)	ACE Property & Casualty Insurance Company	XOO M00982556 003	July 1, 2018, to July 1, 2019	\$371,040	Yes
Excess Liability (US)	Ironshore Europe Ltd	B080116993U18	July 1, 2018, to July 1, 2019	\$205,445	Yes

<sup>1</sup> Policy covers business operations conducted by non-Debtor Westmoreland Resource Partners, LP.

<b><u>Type of Policy Coverage</u></b>	<b><u>Insurance Carrier(s)</u></b>	<b><u>Policy Number</u></b>	<b><u>Policy Term</u></b>	<b><u>Approximate Annualized Gross Premium</u></b>	<b><u>Premium Financing Agreement Coverage</u></b>
Excess Liability (Worldwide)	XL Europe Ltd / Lloyds	B080117048U18	July 1, 2018, to July 1, 2019	\$245,349	Yes
Cargo	Zurich American Insurance Company	OC5845067 / 8842120	July 1, 2018, to July 1, 2019	\$19,978	Yes
EPL	Chubb (Federal Insurance Company)	8222-3426	September 1, 2018 to July 1, 2019	\$62,530	Yes
Fiduciary (US)	Chubb (Federal Insurance Company)	6802-2927	September 1, 2017 to July 1, 2019	\$69,850	Yes
Fiduciary (Canada)	Chubb Indemnity Insurance Company	8240-5705	September 1, 2018 to July 1, 2019	\$5,750	Yes
Crime (US)	Axis Insurance Company	MAN775028/01/2018	July 1, 2018, to July 1, 2019	\$24,003	Yes
Crime (Canada)	Axis Reinsurance Company	CTS782151/01/2018	July 1, 2018, to July 1, 2019	\$24,000	Yes
Business Travel Accident	National Union Fire Insurance Co of Pittsburgh	GTP0009038830-C	July 1, 2018, to July 1, 2019	\$2,475	Yes
Special Contingency Risk	U.S. Specialty Insurance Company	U718-85713	July 1, 2018, to July 1, 2019	\$4,041	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Pollution (Canada)	Ironshore Insurance Ltd	C445452718	July 15, 2018, to July 15, 2019	\$259,451.00	Yes
Excess Pollution - Canada	Allied World Specialty Insurance Company	0310-2490	July 15, 2018, to July 1, 2019	\$132,418.00	Yes
Pollution - San Juan	Ironshore Specialty Insurance Company	002852102	July 15, 2018, to July 1, 2019	\$345,837.00	Yes
Railroad	Steadfast Insurance Company	SCO0180690-03	July 31, 2018, to July 31, 2019	\$4,500.00	Yes
Property Reinsurance	Lloyds of London	B080111516U18 Sec 1	July 1, 2018, to July 1, 2019	\$905,250.00	Yes
Property Reinsurance	Lloyds of London	B080111516U18 Sec 2	July 1, 2018, to July 1, 2019	\$159,375.00	Yes
Property Reinsurance	Lloyds of London	B080117719U18	July 1, 2018, to July 1, 2019	\$1,014,300.00	Yes
Property Reinsurance	Lloyds of London	B080117720U18	July 1, 2018, to July 1, 2019	\$83,500.00	Yes
Property Reinsurance	Lloyds of London	B080117721U18	July 1, 2018, to July 1, 2019	\$356,250.00	Yes
Property Reinsurance	Lloyds of London	B080117723U18	July 1, 2018, to July 1, 2019	\$222,464.00	Yes
Property Reinsurance	Ironshore Insurance Ltd	443099918A	July 1, 2018, to July 1, 2019	\$817,500.00	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Property Reinsurance	Allied World Assurance Company Ltd	P000665/017	July 1, 2018, to July 1, 2019	\$735,000.00	Yes
Property Reinsurance	Markel Bermuda Limited	1374759-9723-PRMAN-2018	July 1, 2018, to July 1, 2019	\$192,000.00	Yes
Property Reinsurance	Ariel Re Bda Limited on behalf of Ariel Syndicate 1910	P133645 Sec 2	July 1, 2018, to July 1, 2019	\$125,000.00	Yes
Property Reinsurance	Ariel Re Bda Limited on behalf of Ariel Syndicate 1910	P133645 Sec 1	July 1, 2018, to July 1, 2019	\$80,000.00	Yes
Property Reinsurance	Barbican	042768071811	July 1, 2018, to July 1, 2019	\$67,500.00	Yes
Property Reinsurance	Oil Casualty Insurance Ltd	P-100854-0718	July 1, 2018, to July 1, 2019	\$65,000.00	Yes
Property Reinsurance	Chubb Bermuda Insurance Ltd	WESTMOR01182P10A/WESTMOR01182P10B	July 1, 2018, to July 1, 2019	\$225,000.00	Yes
Property Reinsurance	Sompo International dba Endurance Specialty Insurance Ltd	BPF10009147203	July 1, 2018, to July 1, 2019	\$216,000.00	Yes
Property	Zurich American Insurance Company	MNG9819606-05	July 1, 2018, to July 1, 2019	\$700,000.00	Yes
Property	Zurich American Insurance Company	MNG9819606-05	July 1, 2018, to July 1, 2019	\$121,500.00	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Property Reinsurance	Axis Surplus Insurance Company	RAF768290-18	July 1, 2018, to July 1, 2019	\$150,000.00	Yes
Property Reinsurance	ACE American Insurance Company	EPRN14324008/GPRN14323995	July 1, 2018, to July 1, 2019	\$220,500.00	Yes
Property Canada Front	Zurich American Insurance Company	MNG0180837-02 / 8843281	July 1, 2018, to July 1, 2019	\$0.00	Yes
Terrorism	Lloyds of London	B080112161L18	July 1, 2018, to July 1, 2019	\$31,570.00	Yes
Medical Stop Loss Coverage <sup>2</sup>	ReliaStar Life Insurance Company	68743-0	January 1, 2018 to December 31, 2018	\$577,938.00	No
Captive Stop Loss Medical <sup>3</sup>	Westmoreland Risk Management Inc.	WRMI-SL010115	January 1, 2018 to December 31, 2018	\$1,157,004	No
Captive General Liability	Westmoreland Risk Management Inc.	WRMGL18	July 1, 2018, to July 1, 2019	\$375,156.00	No
Captive Property	Westmoreland Risk Management Inc.	WRMPR17	July 1, 2018, to July 1, 2019	\$558,598.00	No

<sup>2</sup> Authority to pay prepetition amounts owing, if any, under this policy will be requested pursuant to the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Programs* (the "Wages Motion"), filed contemporaneously herewith.

<sup>3</sup> Authority to pay prepetition amounts owing, if any, under this policy will be requested pursuant to the *Wages Motion*, filed contemporaneously herewith.

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Captive Property Reinsured	Westmoreland Risk Management Inc.	WRMPRXS17	July 1, 2018, to July 1, 2019	\$0.00	No
Directors & Officers	AIG (National Union Fire Insurance Company of Pittsburgh, PA)	01-592-34-51	July 1, 2018, to July 1, 2019	\$184,655	No
Directors & Officers	AIG (National Union Fire Insurance Company of Pittsburgh, PA)	01-592-30-35	July 1, 2018, to July 1, 2019	\$112,158	No
Directors & Officers	Chubb (Federal Insurance Company)	6802-2924	July 1, 2018, to July 1, 2019	\$109,675	No
Directors & Officers	Axis (Axis Insurance Company)	MLN760869/01/2017	July 1, 2018, to July 1, 2019	\$66,000	No
Directors & Officers	Navigators (Navigators Insurance Company)	CH17DOL325734IV	July 1, 2018, to July 1, 2019	\$47,557	No
Directors & Officers	Starr (Starr Indemnity and Liability Company)	1000059175171	July 1, 2018, to July 1, 2019	\$40,000	No
Directors & Officers	Berkley Pro (Berkley Professional Liability)	BPRO8027183	July 1, 2018, to July 1, 2019	\$38,000	No
Directors & Officers	Sompo Endurance (Endurance American Insurance Company)	DOX10005833703	July 1, 2018, to July 1, 2019	\$37,240	No



<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Directors & Officers	CNA (Continental Casualty Company)	596515319	July 1, 2018, to July 1, 2019	\$18,380	No
Directors & Officers	Old Republic (Old Republic Insurance Company)	ORPRO 39685	July 1, 2018, to July 1, 2019	\$40,000	No
Directors & Officers	Old Republic (Old Republic Insurance Company)	ORPRO 39686	July 1, 2018, to July 1, 2019	\$40,250	No
Directors & Officers	XL (XL Speciality Insurance Company)	ELU150790-17	July 1, 2018, to July 1, 2019	\$35,000	No
Directors & Officers	XL (XL Speciality Insurance Company)	ELU151510-17	July 1, 2018, to July 1, 2019	\$19,000	No
<b><u>TOTAL</u></b>				<b>\$12,471,125</b>	

**Exhibit B**

**Final Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
WESTMORELAND COAL COMPANY, <i>et al.</i> , <sup>1</sup>	)	Case No. 18-35672 (MI)
Debtors.	)	(Joint Administration Requested)
	)	
	)	<b>Re: Docket No. __</b>

**FINAL ORDER AUTHORIZING THE DEBTORS TO  
(I) CONTINUE INSURANCE POLICIES ENTERED INTO  
PREPETITION AND SATISFY PREPETITION OBLIGATIONS  
RELATED THERETO, (II) RENEW, AMEND, SUPPLEMENT,  
EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR  
THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND  
PAY PREMIUMS THEREUNDER, AND (IV) ENTER INTO NEW PREMIUM  
FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto, (b) renew, amend, supplement, extend, or purchase insurance policies, (c) honor the terms of the Premium Financing Agreement and pay premiums thereunder, and (d) enter into new premium financing agreement in the ordinary course of business, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter

---

<sup>1</sup> Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent in these chapter 11 cases at [www.donlinrecano.com/westmoreland](http://www.donlinrecano.com/westmoreland). Westmoreland Coal Company’s service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion. The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

pursuant to 28 U.S.C. §§ 157 and 1334; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized to continue the Insurance Policies, including the Insurance Policies identified on Exhibit 1 to this Order, and to pay any prepetition or postpetition obligations related to the Insurance Policies and any amounts owed to non-Debtor WRMI or the Brokers, to the extent that the Debtors determine that such payment is necessary or appropriate.
3. The Debtors are authorized to renew, amend, supplement, extend, or purchase insurance policies in the ordinary course to the extent that the Debtors determine that such action is in the best interest of their estates; *provided* that the Debtors will use best efforts to notify the U.S. Trustee and any statutory committee appointed in these chapter 11 cases if the Debtors increase or decrease existing coverage, change carriers, or purchase additional coverage.
4. The Debtors are authorized to honor their Premium Financing Agreement and other

prepetition or postpetition obligations related thereto, without interruption and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases; *provided* that if the Debtors do not timely make any of the payments due under the Premium Financing Agreement as they become due, subject to any applicable grace period under the Premium Financing Agreement, the automatic stay shall automatically be modified to permit BankDirect and the applicable Insurance Carriers under the Insurance Policies financed by the Premium Financing Agreement, subject in all respects to the Premium Financing Agreement (including the notice provisions and other applicable thereof), to cancel the Insurance Policies, collect the applicable collateral, and/or apply any such collateral to the indebtedness owed to BankDirect by the Debtors pursuant to the Premium Financing Agreement.

5. The Debtors are authorized to renew or enter into new premium financing agreements in connection with their Insurance Policies in the ordinary course, including, without limitation, upon the expiration or termination of any Premium Financing Agreement; *provided* that the Debtors will use best efforts to notify the U.S. Trustee and any statutory committee appointed in these chapter 11 cases if the Debtors enter into any new premium financing agreements.

6. every four weeks, the WLB Debtors will provide the advisors to the Required Consenting Stakeholders (as defined in the Restructuring Support Agreement, attached to the First Day Declaration), the advisors to the DIP Lenders (as defined in the DIP Order), counsel to the DIP Agent (as defined in the DIP Order), counsel to the MLP Secured Lenders (as defined in the Cash Collateral Order) (only to the extent that the relief herein affects the WMLP Debtors), and counsel to any statutory committee appointed in these chapter 11 cases, with a schedule of payments related to the Insurance Policies made pursuant to this Final Order.

7. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

9. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

10. Solely with respect to the WMLP Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WMLP Debtors under any orders authorizing the WMLP Debtors' use of cash collateral (in each case, the "Cash Collateral Order"), including any budget in connection therewith (the "WMLP Budget"); and (b) to the extent there is any inconsistency

between the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order and the WMLP Budget shall control.

11. Solely with respect to the WLB Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WLB Debtors under the WLB Debtors' postpetition financing agreement (including with respect to any budgets governing or relating therewith, the "DIP Documents") and any orders (in each case, the "DIP Order") approving the DIP Documents and governing the WLB Debtors' use of cash collateral; and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and DIP Documents shall control.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

13. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Dated: \_\_\_\_\_, 2018  
Houston, Texas

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Insurance Policies**



<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
General Liability (All states other than Texas)	Zurich American Insurance Company	GLO6541479-09	July 1, 2018, to July 1, 2019	\$125,536	Yes
General Liability (Texas)	Zurich American Insurance Company	GLO 6541480-09	July 1, 2018, to July 1, 2019	\$36,969	Yes
General Liability (Canada)	Lloyds of London	B080127451G18	July 1, 2018, to July 1, 2019	\$345,000	Yes
Automobile Liability	Zurich American Insurance Company	BAP 6541478-09	July 1, 2018, to July 1, 2019	\$176,616	Yes
Auto (Canada)	Northbridge General Insurance Corporation	194956900	July 1, 2018, to July 1, 2019	\$53,807	Yes
Stevedores/Wharfingers <sup>1</sup>	Travelers Property Casualty Company of America	ZOL51M35577	July 1, 2018, to July 1, 2019	\$7,060	Yes
Excess Marine	Travelers Property Casualty Company of America	ZOX41M34546	July 1, 2018, to July 1, 2019	\$5,150	Yes
Umbrella (US)	ACE Property & Casualty Insurance Company	XOO M00982556 003	July 1, 2018, to July 1, 2019	\$371,040	Yes
Excess Liability (US)	Ironshore Europe Ltd	B080116993U18	July 1, 2018, to July 1, 2019	\$205,445	Yes

<sup>1</sup> Policy covers business operations conducted by non-Debtor Westmoreland Resource Partners, LP.

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Excess Liability (Worldwide)	XL Europe Ltd / Lloyds	B080117048U18	July 1, 2018, to July 1, 2019	\$245,349	Yes
Cargo	Zurich American Insurance Company	OC5845067 / 8842120	July 1, 2018, to July 1, 2019	\$19,978	Yes
EPL	Chubb (Federal Insurance Company)	8222-3426	September 1, 2018 to July 1, 2019	\$62,530	Yes
Fiduciary (US)	Chubb (Federal Insurance Company)	6802-2927	September 1, 2017 to July 1, 2019	\$69,850	Yes
Fiduciary (Canada)	Chubb Indemnity Insurance Company	8240-5705	September 1, 2018 to July 1, 2019	\$5,750	Yes
Crime (US)	Axis Insurance Company	MAN775028/01/2018	July 1, 2018, to July 1, 2019	\$24,003	Yes
Crime (Canada)	Axis Reinsurance Company	CTS782151/01/2018	July 1, 2018, to July 1, 2019	\$24,000	Yes
Business Travel Accident	National Union Fire Insurance Co of Pittsburgh	GTP0009038830-C	July 1, 2018, to July 1, 2019	\$2,475	Yes
Special Contingency Risk	U.S. Specialty Insurance Company	U718-85713	July 1, 2018, to July 1, 2019	\$4,041	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Pollution (Canada)	Ironshore Insurance Ltd	C445452718	July 15, 2018, to July 15, 2019	\$259,451.00	Yes
Excess Pollution - Canada	Allied World Specialty Insurance Company	0310-2490	July 15, 2018, to July 1, 2019	\$132,418.00	Yes
Pollution - San Juan	Ironshore Specialty Insurance Company	002852102	July 15, 2018, to July 1, 2019	\$345,837.00	Yes
Railroad	Steadfast Insurance Company	SCO0180690-03	July 31, 2018, to July 31, 2019	\$4,500.00	Yes
Property Reinsurance	Lloyds of London	B080111516U18 Sec 1	July 1, 2018, to July 1, 2019	\$905,250.00	Yes
Property Reinsurance	Lloyds of London	B080111516U18 Sec 2	July 1, 2018, to July 1, 2019	\$159,375.00	Yes
Property Reinsurance	Lloyds of London	B080117719U18	July 1, 2018, to July 1, 2019	\$1,014,300.00	Yes
Property Reinsurance	Lloyds of London	B080117720U18	July 1, 2018, to July 1, 2019	\$83,500.00	Yes
Property Reinsurance	Lloyds of London	B080117721U18	July 1, 2018, to July 1, 2019	\$356,250.00	Yes
Property Reinsurance	Lloyds of London	B080117723U18	July 1, 2018, to July 1, 2019	\$222,464.00	Yes
Property Reinsurance	Ironshore Insurance Ltd	443099918A	July 1, 2018, to July 1, 2019	\$817,500.00	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Property Reinsurance	Allied World Assurance Company Ltd	P000665/017	July 1, 2018, to July 1, 2019	\$735,000.00	Yes
Property Reinsurance	Markel Bermuda Limited	1374759-9723-PRMAN-2018	July 1, 2018, to July 1, 2019	\$192,000.00	Yes
Property Reinsurance	Ariel Re Bda Limited on behalf of Ariel Syndicate 1910	P133645 Sec 2	July 1, 2018, to July 1, 2019	\$125,000.00	Yes
Property Reinsurance	Ariel Re Bda Limited on behalf of Ariel Syndicate 1910	P133645 Sec 1	July 1, 2018, to July 1, 2019	\$80,000.00	Yes
Property Reinsurance	Barbican	042768071811	July 1, 2018, to July 1, 2019	\$67,500.00	Yes
Property Reinsurance	Oil Casualty Insurance Ltd	P-100854-0718	July 1, 2018, to July 1, 2019	\$65,000.00	Yes
Property Reinsurance	Chubb Bermuda Insurance Ltd	WESTMOR01182P10A/WESTMOR01182P10B	July 1, 2018, to July 1, 2019	\$225,000.00	Yes
Property Reinsurance	Sompo International dba Endurance Specialty Insurance Ltd	BPF10009147203	July 1, 2018, to July 1, 2019	\$216,000.00	Yes
Property	Zurich American Insurance Company	MNG9819606-05	July 1, 2018, to July 1, 2019	\$700,000.00	Yes
Property	Zurich American Insurance Company	MNG9819606-05	July 1, 2018, to July 1, 2019	\$121,500.00	Yes

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Property Reinsurance	Axis Surplus Insurance Company	RAF768290-18	July 1, 2018, to July 1, 2019	\$150,000.00	Yes
Property Reinsurance	ACE American Insurance Company	EPRN14324008/GPRN14323995	July 1, 2018, to July 1, 2019	\$220,500.00	Yes
Property Canada Front	Zurich American Insurance Company	MNG0180837-02 / 8843281	July 1, 2018, to July 1, 2019	\$0.00	Yes
Terrorism	Lloyds of London	B080112161L18	July 1, 2018, to July 1, 2019	\$31,570.00	Yes
Medical Stop Loss Coverage <sup>2</sup>	ReliaStar Life Insurance Company	68743-0	January 1, 2018 to December 31, 2018	\$577,938.00	No
Captive Stop Loss Medical <sup>3</sup>	Westmoreland Risk Management Inc.	WRMI-SL010115	January 1, 2018 to December 31, 2018	\$1,157,004	No
Captive General Liability	Westmoreland Risk Management Inc.	WRMGL18	July 1, 2018, to July 1, 2019	\$375,156.00	No
Captive Property	Westmoreland Risk Management Inc.	WRMPR17	July 1, 2018, to July 1, 2019	\$558,598.00	No

<sup>2</sup> Authority to pay prepetition amounts owing, if any, under this policy will be requested pursuant to the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Programs* (the "Wages Motion"), filed contemporaneously herewith.

<sup>3</sup> Authority to pay prepetition amounts owing, if any, under this policy will be requested pursuant to the *Wages Motion*, filed contemporaneously herewith.

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Captive Property Reinsured	Westmoreland Risk Management Inc.	WRMPRXS17	July 1, 2018, to July 1, 2019	\$0.00	No
Directors & Officers	AIG (National Union Fire Insurance Company of Pittsburgh, PA)	01-592-34-51	July 1, 2018, to July 1, 2019	\$184,655	No
Directors & Officers	AIG (National Union Fire Insurance Company of Pittsburgh, PA)	01-592-30-35	July 1, 2018, to July 1, 2019	\$112,158	No
Directors & Officers	Chubb (Federal Insurance Company)	6802-2924	July 1, 2018, to July 1, 2019	\$109,675	No
Directors & Officers	Axis (Axis Insurance Company)	MLN760869/01/2017	July 1, 2018, to July 1, 2019	\$66,000	No
Directors & Officers	Navigators (Navigators Insurance Company)	CH17DOL325734IV	July 1, 2018, to July 1, 2019	\$47,557	No
Directors & Officers	Starr (Starr Indemnity and Liability Company)	1000059175171	July 1, 2018, to July 1, 2019	\$40,000	No
Directors & Officers	Berkley Pro (Berkley Professional Liability)	BPRO8027183	July 1, 2018, to July 1, 2019	\$38,000	No
Directors & Officers	Sompo Endurance (Endurance American Insurance Company)	DOX10005833703	July 1, 2018, to July 1, 2019	\$37,240	No

<u>Type of Policy Coverage</u>	<u>Insurance Carrier(s)</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Approximate Annualized Gross Premium</u>	<u>Premium Financing Agreement Coverage</u>
Directors & Officers	CNA (Continental Casualty Company)	596515319	July 1, 2018, to July 1, 2019	\$18,380	No
Directors & Officers	Old Republic (Old Republic Insurance Company)	ORPRO 39685	July 1, 2018, to July 1, 2019	\$40,000	No
Directors & Officers	Old Republic (Old Republic Insurance Company)	ORPRO 39686	July 1, 2018, to July 1, 2019	\$40,250	No
Directors & Officers	XL (XL Speciality Insurance Company)	ELU150790-17	July 1, 2018, to July 1, 2019	\$35,000	No
Directors & Officers	XL (XL Speciality Insurance Company)	ELU151510-17	July 1, 2018, to July 1, 2019	\$19,000	No
<b><u>TOTAL</u></b>				<b>\$12,471,125</b>	

**Exhibit C**

**Premium Finance Agreement**



**COMMERCIAL INSURANCE PREMIUM  
FINANCE AND SECURITY AGREEMENT**

THIS COMMERCIAL INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT (this "Agreement") is between Insured named below as borrower and BankDirect Capital Finance, a division of Texas Capital Bank, N.A. ("BankDirect") as lender, concerning the financing of the premium(s) for one or more commercial insurance policies listed in the Schedule of Policies below (the "Loan"). The terms of this Agreement are stated below and on all subsequent pages of this document.

<b>Insured / Borrower ("Insured") Name &amp; Business Address (as stated in Policy)</b> Westmoreland Coal Company 9540 S Maroon Circle Suite 300 Englewood, CO 80112 Telephone Number: 303-922-6463 Taxpayer ID #:	<b>Insured's Agent or Broker ("Agent") Name &amp; Business Address</b> Willis of Tennessee Inc - Knoxville 265 Brookview Center Way Suite 505 Knoxville, TN 37919 Telephone Number: 865-588-8101 Agency Code: 6110
---	---

**SCHEDULE OF POLICIES (each, a "Policy")**

Policy Prefix and Number	Effective Date of Policy MM/DD/YY	Name & City of Insurance Company and Name & City of General or Policy Issuing Agent or Company Office	Type of Coverage	Policy Subject to Audit (✓)	Policy Term in Months Covered	Min Earned Prem %	Days to Cancel	Short Rate (✓)	Premium Amounts
GLO654147 9-09	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest IL 60045	GENERAL LIABILITY		12	0%	10	✓	Premium: \$123,536.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00

Additional Policies are listed on the attached Schedule of Policies

**TOTAL PREMIUMS**

**\$10,592,480.99**

TOTAL PREMIUMS	DOWN PAYMENT	UNPAID PREMIUM BALANCE	FLORIDA DOC STAMP TAX Applicable in Florida only	AMOUNT FINANCED Amount of Loan provided to or on behalf of Insured	FINANCE CHARGE The dollar amount of interest the Loan will cost over the term of the Loan	TOTAL OF PAYMENTS Amount of interest and principal which will have been paid on the Loan after making all scheduled Loan payments	ANNUAL PERCENTAGE INTEREST RATE The cost of interest on the Loan as a yearly percentage rate.
\$10,592,480.99	\$3,000,000.00	\$7,592,480.99	\$0.00	\$7,592,480.99	\$158,803.66	\$7,751,284.65	5.39%

<b>Payment Schedule:</b> The Loan payment schedule will be:	<b>Number of Loan Payments</b>	<b>Amount of Each Loan Payment*</b>	<b>When Loan Payments are Due ("Due Dates")</b>	
	9	\$861,253.85	<b>First Due Date</b>	<b>Subsequent Monthly Due Dates**</b>
			7/20/2018	20th

\*Non-payment of the Loan may result in cancellation of any Policy. \*\*Subsequent payments are due on the same day of each succeeding period until paid in full.

**Prepayment:** Insured may prepay the outstanding principal balance of the Loan in full at any time. If Insured prepays the Loan in full, Insured will receive a refund of the unearned finance charge, calculated according to the Rule of 78's or the actuarial method as provided by applicable law. Minimum refund is \$1.

**Security Interest:** Insured assigns and grants a security interest to BankDirect as security for payment of all amounts payable under this Agreement, in all of Insured's right, title and interest in and to each Policy and all amounts which are or may become payable to Insured under or with reference to the Policies including, among other things, any gross unearned premiums, dividend payments, and all payments on account of loss which results in reduction of any unearned premium in accordance with the term(s) of said Policies.

**Delinquency Charge:** Insured agrees to pay a delinquency charge to BankDirect on any payment required to be made by Insured hereunder which is not received by BankDirect within five (5) days of its due date, unless a longer period is specified under applicable law, in which case the delinquency charge will be imposed on any payment not received by BankDirect within this longer period. The delinquency charge will be the lesser of: (1) 5% of the overdue amount; or (2) the maximum delinquency charge allowed by applicable law.

**Cancellation Charge:** If a default results in cancellation of a Policy, Insured agrees to pay a cancellation charge of \$25 or the maximum amount permitted by applicable law.

**IMPORTANT INFORMATION ABOUT YOUR LOAN:** To help the Federal government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies the Insured. We will require such information as we deem reasonably necessary to allow us to properly identify you, such as your name, address and Taxpayer ID # (TIN).

**NOTICE TO INSURED:** 1. DO NOT SIGN THIS AGREEMENT UNTIL YOU READ ALL PAGES OF THE AGREEMENT AND FILL IN ANY BLANK SPACES. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS AGREEMENT. 3. YOU UNDERSTAND AND HAVE RECEIVED A COPY OF THIS AGREEMENT, KEEP IT TO PROTECT YOUR LEGAL RIGHTS. 4. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 5. SEE ADDITIONAL PAGES FOR IMPORTANT INFORMATION.

**REPRESENTATIONS AND WARRANTIES:**

The undersigned Agent and Insured have read the Representations and Warranties on page two of this document, make all such representations and warranties and understand that BankDirect will rely on all such representations and warranties in determining whether or not to accept this Agreement, and agree to be bound by the terms of this Agreement. Insured further acknowledges that upon satisfactory completion of the Agreement, the undersigned Agent may receive a fee from BankDirect for the origination and administration of this Agreement as allowed by applicable law.

All Insureds must sign as named in Policies. If corporation, authorized officers must sign; if partnership, partner must sign as such; signatory acting in representative capacity represents that has authorized this transaction and has authorized signatory to receive all notices hereunder. By signing below Insured agrees to make all payments required by this Agreement and to be bound by all provisions of this Agreement, including those on page two. Insured is not required to enter into an insurance premium financing arrangement as a condition to the purchase of any insurance policy.

(Signature of Agent)

(Title)

BANKDIRECT 1 040114 -DS

(Signature of Insured)

(Printed Name & Title)

JENNIFER GRAFTON 7/1/18  
CAO, CLO and SECRETARY

(Date)

Name of Insured: Westmoreland Coal Company

Insured (jointly and severally if more than one) agrees as follows:

**1. Promise to Pay.** In consideration of the payment by BankDirect of the Amount Financed, Insured agrees to pay the Down Payment to the insurance company(ies) listed in the Schedule of Policies, and Insured agrees to pay to the order of BankDirect all of the principal amount of the Loan, all interest thereon and all other amounts payable by Insured hereunder in accordance with the Payment Schedule and the other terms of this Agreement.

**2. Representations and Warranties.** Insured represents and warrants that: (a) the Policies are in full force and effect; (b) the proceeds of the Loan are to be used to purchase insurance for business or commercial purposes; (c) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading; (d) Insured has no indebtedness to the insurers issuing the Policies; (e) Insured is not insolvent nor presently the subject of any insolvency proceeding; and (f) the person signing this Agreement on behalf of Insured is authorized to do so.

**3. Power of Attorney.** Insured hereby irrevocably appoints BankDirect as Attorney-in-Fact with full power of substitution and full authority upon the occurrence of an Event of Default (defined below) to (i) effect cancellation of the Policies, (ii) receive any unearned premium or other amounts with respect to the Policies assigned as security herein, (iii) sign any check or draft issued therefore in Insured's name and to direct the insurance companies to make said check or draft payable to BankDirect and (iv) sign any other instrument or document in the name of and on behalf of Insured to effectuate the purposes of this Agreement. Insured agrees that this appointment and authority cannot be revoked and is coupled with an interest and will terminate only after Insured's obligations under this Agreement are paid in full. Insured agrees that proof of mailing any notice hereunder constitutes proof of receipt of such notice.

**4. Payments Received after Notice of Cancellation.** Insured agrees that any payments made and accepted after a Notice of Cancellation has been sent to any insurance company do not constitute reinstatement or obligate BankDirect to request reinstatement of such insurance Policy(ies), and Insured acknowledges that BankDirect has no authority or duty to reinstate coverage, and that such payments may be applied to Insured's obligations hereunder or under any other agreement with BankDirect, and any such payments will not affect BankDirect's rights or remedies under this Agreement.

**5. Assignments.** Insured agrees not to assign any rights, interests or obligations under any Policy or this Agreement without the prior written consent of BankDirect, except that BankDirect's consent is not required for the rights or interests of mortgagees and loss payees. BankDirect may assign its rights and interests under this Agreement without Insured's consent, and all rights and interests conferred upon BankDirect under this Agreement shall inure to BankDirect's successors and assigns.

**6. Insufficient Funds (NSF) Fees.** If an Insured's check or electronic funding is dishonored for any reason, Insured agrees to pay BankDirect a fee equal to \$25 or the maximum amount permitted by applicable law.

**7. Default.** An Event of Default occurs when: (a) Insured does not pay any installment according to the terms of this Agreement or any other agreement; (b) Insured fails to comply with any of the terms of the Agreement; (c) any of the Policies are cancelled for any reason; (d) Insured or its insurance companies are insolvent or involved in a bankruptcy or similar proceeding as a debtor; (e) premiums increase under any of the Policies and Insured fails to pay such increased premiums within thirty (30) days of the notification; or (f) Insured is in default under any other agreement with BankDirect.

**8. Rights Upon Default.** If an Event of Default occurs, BankDirect may at its option pursue any and all rights and remedies available, including but not limited to, the following: demand and receive immediate payment of the Loan and any other unpaid amounts due under this Agreement regardless of whether BankDirect has received any refund of unearned premium; BankDirect may take all necessary actions to enforce payment of any unpaid amounts due hereunder. To the extent not prohibited or limited by applicable law, BankDirect is entitled to collection costs and expenses paid or incurred by BankDirect as a result of or in connection with enforcing its rights and remedies under this Agreement and applicable law and to reasonable attorneys' fees if this Agreement is referred to an attorney who is not a salaried employee of BankDirect for collection or enforcement. BankDirect may cancel any or all of the Policies and collect any unearned premiums or other amounts payable under said Policies. Unearned premiums shall be payable to BankDirect only.

**9. Right of Offset.** BankDirect may offset and deduct from any amounts BankDirect owes to Insured with respect to any Policies financed hereunder, any amounts which Insured owes to BankDirect under this Agreement or any other agreement to the extent permitted by applicable law.

**In connection with the Policies scheduled herein, Agent represents and warrants to BankDirect and its successors and assigns that:**

**1. Payment.** Agent shall remit all funds received from BankDirect and Insured promptly to the insurance company(ies) issuing the financed policy(ies). Agent shall segregate and hold all payments received by it from Insured or any insurance company listed in the Schedule of Policies with respect to the Loan or this Agreement in trust for BankDirect, shall have no right or interest in any such payments and shall immediately deliver all such payments to BankDirect for application to Insured's obligations hereunder.

**2. Signatures Genuine.** Insured's signature on both pages of this Agreement is genuine and authorized.

**3. Authorization By Insured.** If this Agreement has been signed by Agent on behalf of Insured, Agent has been fully authorized to sign this Agreement on behalf of Insured and Insured has authorized this transaction. Agent has given Insured a complete copy of this Agreement.

**4. Authority of Agent.** For each Policy, Agent signing this Agreement is either the authorized policy-issuing agent of the issuing insurance company(ies) or the broker placing the coverage directly with the issuing insurance company(ies), except as indicated on the Schedule of Policies. The person signing this Agreement on behalf of Agent is authorized to do so. Agent is neither authorized to receive any payments from Insured under this Agreement nor to make any representations to Insured for or on behalf of BankDirect.

**5. Not Agent of BankDirect.** Agent is not an agent of BankDirect and is not authorized to bind BankDirect and has not made any representation to the contrary.

**6. Recognition of Assignment.** Agent recognizes the security interest granted in this Agreement, whereby Insured assigns to BankDirect all unearned premiums, dividends and certain loss payments. Upon cancellation of any of the Policies, Agent agrees to pay BankDirect all unearned commissions and unearned premiums upon receipt. If such funds are not remitted to BankDirect within ten (10) days of receipt by Agent, Agent agrees to pay BankDirect interest on such funds at the maximum rate permitted under applicable law. Agent shall not deduct any amounts which Insured owes to Agent from any amounts owing to BankDirect hereunder.

Total Premiums: \$10,592,480.99

**10. Finance Charge.** The Finance Charge includes interest on the outstanding principal amount of the Loan. The Finance Charge is computed using a 365-day year. Interest on the Loan shall accrue from the Effective Date of this Agreement or the earliest policy effective date indicated in the Schedule of Policies, whichever is earlier, and continue to accrue until the Loan is paid in full. If BankDirect terminates this Agreement after an Event of Default, Insured will pay interest on the outstanding principal balance of the Loan at the maximum rate permitted under applicable law from the date of such termination until Insured pays the Loan and all other amounts due under this Agreement in full.

**11. Additional Premiums.** Insured agrees to promptly pay to each applicable insurance company any additional premiums due on any Policy.

**12. Agent.** Agent is not the agent of BankDirect and Agent cannot bind BankDirect in any way. BankDirect is not Agent of any insurer and is not liable for any acts or omissions of any insurer. Agent is the agent of Insured, and Insured acknowledges that it has chosen to do business with Agent and the insurance companies issuing the Policies, and that the insolvency, fraud, defalcation or other action or failure to act by any of them shall not relieve or diminish Insured's obligations to BankDirect hereunder.

**13. Corrections.** Except if prohibited by applicable law, BankDirect may correct any errors or omissions in this Agreement and if not known or corrected at the time of signature by or for Insured.

**14. Force or Effect.** This Agreement shall have no force or effect until accepted in writing by BankDirect.

**15. Limitation of Liability: Claims Against BankDirect.** Neither BANKDIRECT nor its assignee shall be liable for any loss or damage to the Insured by reason of failure of any insurance company to issue or maintain in force any of the Policies or by reason of the exercise by BANKDIRECT or its assignee of the rights conferred herein, including but not limited to BANKDIRECT's exercise of the right of cancellation, except in the event of willful or intentional misconduct by BANKDIRECT.

**16. Governing Law.** This Agreement is governed by and construed and interpreted in accordance with the laws of the state where BankDirect accepts this Agreement. BankDirect shall, at its option, prosecute any action to enforce its rights and remedies hereunder in the Circuit Court of Cook County, Illinois, and Insured (i) irrevocably waives any objection to such venue and (ii) will honor any order issued by or judgment enforced in such court.

**17. Miscellaneous.** All rights and remedies in this Agreement are cumulative and not exclusive. If any provision of this Agreement is determined to be invalid or unenforceable under applicable law, the remaining provisions of this Agreement shall continue to be in full force and effect. This Agreement constitutes the entire agreement between BankDirect and Insured with respect to its subject matter and may not be modified except as agreed upon in writing. BankDirect's acceptance of late or partial payments shall not be deemed a waiver by BankDirect of any provisions of this Agreement, and BankDirect is entitled to require Insured to strictly comply with the terms hereof. If any amount contracted for or received by BankDirect hereunder is determined to violate any applicable law, BankDirect may return such prohibited amount to Insured without any further liability therefor or in respect thereof to the fullest extent permitted by law. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of Insured and Agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy.

**18. CALIFORNIA RESIDENTS: FOR INFORMATION CONTACT THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA.**

Insured agrees that, in accordance with Section 18608 of the California Financial Code, BankDirect's liability to Insured upon the exercise of BankDirect's authority to cancel the Policies shall be limited to the amount of the principal balance of this loan, except in the event of BankDirect's willful failure to mail the notice of cancellation required under California law.

**New York Residents:** No charges imposed for obtaining and servicing the financed policies, pursuant to Section 2119 (formerly 129) of the New York Insurance Laws, are financed hereunder unless specified in the Schedule of Policies.

**7. Down Payment.** The down payment and any other payments due from Insured which Agent has agreed to collect, have been collected from Insured.

**8. Policies:** (a) are all cancelable by standard short-rate or pro-rata tables; (b) are not audit or reporting form policies or policies subject to retrospective rating, unless so indicated on the Schedule of Policies in this Agreement, and if so indicated, the deposit premiums are not less than the anticipated premiums to be earned for the full term of the Policies; (c) upon cancellation by Insured or BankDirect, do not require advance notice of cancellation to any party, other than any notice required to be given by BankDirect; (d) are in full force and effect and the premiums indicated are correct for the term of the Policies; (e) have not been financed on an installment payment plan provided by the insurance company(ies); (f) are all cancelable policies; (g) are written for a term of at least one year; (h) are not for personal, family or household purposes; and (i) have no exceptions other than those indicated and comply with BankDirect's eligibility requirements. All information in this Agreement pertaining to the Policies is complete and correct.

**9. Insured:** (a) has not paid for the Policies other than as described in this Agreement; (b) has received a copy of this Agreement; and (c) is not the subject of any proceeding in bankruptcy, receivership or insolvency, or if Insured is the subject of such a proceeding, it is noted on the Agreement in the space in which Insured's name and address is placed. All information in this Agreement pertaining to Insured is complete and correct.

**10. Miscellaneous.** Agent agrees to indemnify and pay BankDirect for and hold BankDirect harmless from and against any losses, costs, damages, fees and expenses (including reasonable attorneys' fees, court costs and collection costs) paid or incurred by BankDirect or its assignee as a result of or in connection with any untrue or misleading representation or warranty made by Agent hereunder, any breach by Agent of this Agreement, any error committed by Agent in completing or failing to complete any portion of this Agreement, or any violation by Agent of any applicable law. Agent shall promptly notify BankDirect of any unpaid increased premiums for the Policies. This Agreement is a valid and enforceable agreement between BankDirect and Agent and there are no defenses to it.

Name of Insured: Westmoreland Coal Company Total Premiums: \$10,592,480.99

## Schedule of Policies

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY MM/DD/YY	NAME & CITY OF INSURANCE COMPANY AND NAME & CITY OF GENERAL AGENT OR COMPANY OFFICE	TYPE OF COVERAGE	POLICIES SUBJECT TO AUDIT (✓)	TERM IN MONTHS COVERED	MIN EARNED PREM	DAYS TO CANCEL	SHORT RATE (✓)	PREMIUM AMOUNTS
GLO6541480-09	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	GENERAL LIABILITY		12	0%	10	✓	Premium: \$36,969.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
WC5761215-05	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	WORKERS COMP - GUARANTEED COST		12	0%	10	✓	Premium: \$52,174.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
WC0222543-03	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	WORKERS COMP - GUARANTEED COST		12	0%	10	✓	Premium: \$1,276,432.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
BAP6541478-09	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	BAP		12	0%	10	✓	Premium: \$176,616.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
XOO M 00982555600	7/1/2018	ACE Property & Casualty Ins Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	UMBRELLA		12	0%	10	✓	Premium: \$371,040.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080116993U18	7/1/2018	Ironshore Europe Limited Willis Limited 150 North Field Drive Lake Forest, IL 60045	EXCESS LIABILITY		12	100%	10	✓	Premium: \$205,455.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080117048U18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	EXCESS LIABILITY		12	100%	10	✓	Premium: \$245,349.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$6,712.17 Inspection: \$0.00
B080127451G18	7/1/2018	Lloyds of London Brit Global Specialty USA 9375 E Shea Blvd Suite 251 Vision Offices Scottsdale, AZ 85260	GENERAL LIABILITY		12	0%	10	✓	Premium: \$345,000.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
OC5845067	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	CARGO		12	0%	10	✓	Premium: \$19,978.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
8222-3426	7/1/2018	Federal Insurance Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	EMPLOYMENT PRACTICES LIABILITY INS. (EPLI)		12	0%	10	✓	Premium: \$62,530.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
PAGE 3 TOTALS									\$10,468,944.99

Name of Insured: Westmoreland Coal Company Total Premiums: \$10,592,480.99

## Schedule of Policies

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY MM/DDYY	NAME & CITY OF INSURANCE COMPANY AND NAME & CITY OF GENERAL AGENT OR COMPANY OFFICE	TYPE OF COVERAGE	POLICIES SUBJECT TO AUDIT (✓)	TERM IN MONTHS COVERED	MIN EARNED PREM	DAYS TO CANCEL	SHORT RATE (✓)	PREMIUM AMOUNTS
6802-2927	7/1/2018	Federal Insurance Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	FIDUCIARY		12	0%	10	✓	Premium: \$69,850.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
8240-5705	7/1/2018	Federal Insurance Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	FIDUCIARY		12	0%	10	✓	Premium: \$5,750.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
MAN775028/0 1/2018	7/1/2018	Axis Insurance Willis Limited 150 North Field Drive Lake Forest, IL 60045	CRIME		12	0%	10	✓	Premium: \$24,003.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
CTS782151/0 1/2018	7/1/2018	Axis Insurance Willis Limited 150 North Field Drive Lake Forest, IL 60045	CRIME		12	0%	10	✓	Premium: \$24,000.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
GTP0009038 830-B	7/1/2018	AIG Willis Limited 150 North Field Drive Lake Forest, IL 60045	TRAVEL ACCIDENT		12	0%	10	✓	Premium: \$2,475.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
U717-85597	7/1/2018	HCC Insurance Holdings, Inc Willis Limited 150 North Field Drive Lake Forest, IL 60045	KIDNAP & RANSOM		12	0%	10	✓	Premium: \$4,041.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
ZOL51M3557 7	7/1/2018	St. Paul Travelers Willis Limited 150 North Field Drive Lake Forest, IL 60045	WHARFINGERS LIABILITY		12	0%	10	✓	Premium: \$7,060.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
ZOX41M3454 6	7/1/2018	St. Paul Travelers Willis Limited 150 North Field Drive Lake Forest, IL 60045	EXCESS MARINE LIABILITY		12	0%	10	✓	Premium: \$5,150.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
002852102	7/1/2018	Ironshore Holdings US Inc. Willis Limited 150 North Field Drive Lake Forest, IL 60045	POLLUTION		12	25%	10	✓	Premium: \$345,837.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$10,385.49 Inspection: \$0.00
C445452717	7/1/2018	Ironshore Holdings US Inc. Willis Limited 150 North Field Drive Lake Forest, IL 60045	POLLUTION		12	25%	10	✓	Premium: \$259,451.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
PAGE 3 TOTALS									\$10,468,944.99

Name of Insured: Westmoreland Coal Company Total Premiums: \$10,592,480.99

## Schedule of Policies

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY MM/DD/YY	NAME & CITY OF INSURANCE COMPANY AND NAME & CITY OF GENERAL AGENT OR COMPANY OFFICE	TYPE OF COVERAGE	POLICIES SUBJECT TO AUDIT (✓)	TERM IN MONTHS COVERED	MIN EARNED PREM.	DAYS TO CANCEL	SHORT RATE (✓)	PREMIUM AMOUNTS
0310-2490	7/1/2018	Allied World Assurance Company Willis Limited 150 North Field Drive Lake Forest, IL 60045	EXCESS POLLUTION		12	25%	10	✓	Premium: \$132,418.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
SCO0180690-03	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	RAILROAD LIABILITY		12	100%	10	✓	Premium: \$4,500.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$225.00 Inspection: \$0.00
B080111516U 18 Sec 1	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$905,250.00 Policy Fee: \$17,634.74 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080111516U 18 Sec 2	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$159,375.00 Policy Fee: \$3,104.71 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080117719U 18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$1,014,300.00 Policy Fee: \$19,759.09 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080117720U 18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$83,500.00 Policy Fee: \$1,626.62 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080117751U 18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$356,250.00 Policy Fee: \$6,939.94 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
B080117723U 18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$222,464.00 Policy Fee: \$4,333.71 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
443099918A	7/1/2018	Ironshore Holdings US Inc. Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$817,500.00 Policy Fee: \$20,012.82 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
P000665/017	7/1/2018	Allied World Assurance Company Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$735,000.00 Policy Fee: \$17,993.18 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
PAGE 3 TOTALS									\$10,468,944.99

Name of Insured: Westmoreland Coal Company Total Premiums: \$10,592,480.99

## Schedule of Policies

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY MM/DD/YY	NAME & CITY OF INSURANCE COMPANY AND NAME & CITY OF GENERAL AGENT OR COMPANY OFFICE	TYPE OF COVERAGE	POLICIES SUBJECT TO AUDIT (✓)	TERM IN MONTHS COVERED	MIN EARNED PREM	DAYS TO CANCEL	SHORT RATE (✓)	PREMIUM AMOUNTS
1360271-8907 -PRMAN-201	7/1/2018	Markel Bermuda Ltd Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	35%	10	✓	Premium: \$192,000.00 Policy Fee: \$4,700.26 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
P130462 Sec 1	7/1/2018	Ariel Re (Lloyds Syndicate) Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	35%	10	✓	Premium: \$125,000.00 Policy Fee: \$3,060.06 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
P130462 Sec 2	7/1/2018	Ariel Re (Lloyds Syndicate) Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	35%	10	✓	Premium: \$80,000.00 Policy Fee: \$1,958.44 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
XR70818ADF MA	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$67,500.00 Policy Fee: \$1,652.44 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
P-100854-071 8	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$65,000.00 Policy Fee: \$1,591.23 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
WESTMOR01 182P08A	7/1/2018	Ghubb-Bermuda-Insurance Ltd. Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	25%	10	✓	Premium: \$225,000.00 Policy Fee: \$5,508.12 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
BPF10009147 202	7/1/2018	Sompo America Fire & Marine Ins Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$216,000.00 Policy Fee: \$5,287.79 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
MNG9819606 -05	7/1/2018	Zurich American Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$821,500.00 Policy Fee: \$16,003.24 Broker Fee: \$0.00 Tax/Stamp: \$3.36 Inspection: \$0.00
RAF768290-1 8	7/1/2018	Axis Insurance Amwins Brokerage 3630 Peachtree Rd NE Ste 1700 Atlanta, GA 30326	PROPERTY		12	35%	10	✓	Premium: \$150,000.00 Policy Fee: \$2,922.08 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
GPRN143152 26	7/1/2018	ACE American Ins Co Willis Limited 150 North Field Drive Lake Forest, IL 60045	PROPERTY		12	0%	10	✓	Premium: \$220,500.00 Policy Fee: \$4,295.45 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
PAGE 3 TOTALS									\$10,468,944.99

Name of Insured: Westmoreland Coal Company Total Premiums: \$10,592,480.99

Schedule of Policies

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY MM/DD/YY	NAME & CITY OF INSURANCE COMPANY AND NAME & CITY OF GENERAL AGENT OR COMPANY OFFICE	TYPE OF COVERAGE	POLICIES SUBJECT TO AUDIT (✓)	TERM IN MONTHS COVERED	MIN EARNED PREM	DAYS TO CANCEL	SHORT RATE (✓)	PREMIUM AMOUNTS
B080112161L 18	7/1/2018	Lloyds of London Willis Limited 150 North Field Drive Lake Forest, IL 60045	TERRORISM		12	0%	10	✓	Premium: \$31,570.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$948.05 Inspection: \$0.00
FEE	7/1/2018	FEE 150 North Field Drive Lake Forest, IL 60045	FEE		12	100%	10	✓	Premium: \$148,500.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
									Premium: Policy Fee: Broker Fee: Tax/Stamp: Inspection:
PAGE 3 TOTALS									\$10,468,944.99