

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
PATRIOT COAL CORPORATION, <u>et al.</u> ,	:	Case No. 12-12900 (SCC)
	:	(Jointly Administered)
Debtor.	:	

**LIMITED OBJECTION OF ACE AMERICAN INSURANCE COMPANY
TO DEBTORS' MOTION PURSUANT TO 11 U.S.C. § 362 FOR AN
ORDER MODIFYING THE AUTOMATIC STAY TO PERMIT PAYMENTS
OF DEFENSE COSTS UNDER CERTAIN INSURANCE POLICIES**

ACE American Insurance Company (“ACE”) hereby submits its limited objection (the “Objection”) to the motion of Patriot Coal Corporation and its subsidiaries (collectively, the “Debtors”) for relief from the automatic stay to permit payment of defense costs related to certain insurance policies (the “Motion”). While ACE generally agrees with the Debtors’ Motion, including the statement that the ACE Policy (defined below) is not property of the Debtors’ estates, ACE objects to the provisions in the proposed order that would require ACE to divulge confidential information related to coverage, expenditures and tasks performed for insureds who are not the the Debtors (and certainly not the unsecured creditors’ committee (the “Committee”). This information is confidential to the individual insureds – here, Richard Whiting and Mark Schroeder – and the Debtors are not entitled to the information, or to proceeds of the ACE Policy, pursuant to the policy’s terms. The provisions of the proposed order, requiring regular disclosure of this confidential information to the Debtors and the Committee, would require ACE to violate the obligations that it owes to its insureds under the Policy. In support of the Objection, ACE respectfully represents as follows:

Background

1. On November 17, 2011, ACE issued a CODA Premier Directors and Officers Liability Excess Policy to the Debtors, with a liability limit of \$10 million (the “ACE Policy”), a

copy of which is attached as Exhibit “A”. The Debtors are not included as an “Insured” under the ACE Policy; instead the ACE Policy provides that the “Insureds” include: directors, officers, and management committee members. See Ace Policy at 3. As such, the ACE Policy is typically referred to as a “Side-A” policy.

2. Because the Debtors are not insureds under the ACE Policy, ACE agrees with the Debtors’ argument in the Motion that the policy proceeds are not property of the Debtors’ estates and, therefore, that the automatic stay under 11 U.S.C. § 362 should not apply. Moreover, ACE submits that it is appropriate for the Court to enter an order making such a finding and providing for stay relief to the extent that the automatic stay does, in fact, apply to the ACE Policy.

3. ACE, however, objects to the following provision of the proposed order related to the Motion (the “Proposed Order”):

ORDERED that the Defendants, current or future, and the insurance providers will report to the Debtors quarterly, with a copy to the official committee of unsecured creditors, regarding the insurance coverage provided, the amounts paid, and the tasks carried out

Proposed Order at 3.

4. The ACE Policy does not include a provision requiring ACE to provide this information to any party other than the insureds (i.e., the directors and officers who are parties to the pending litigation). The information that the Debtors seek to compel ACE to provide relates to other insureds, is confidential and is only shared with the insured-defendants in a particular case.

Basis for Objection

5. The above provision of the Proposed Order should not be included in the Court’s order because the Debtors do not include any request for this relief in the Motion, nor does the Motion provide any basis for this relief to be granted. Bankruptcy Rule 9013 requires that a

motion “shall state with particularity the grounds therefor, and shall set forth the relief or order sought.” Fed. R. Bankr. P. 9013. See also Local Rule 9013-1 (requiring reference to rules, statutory provisions and legal authority on which the motion is based). There is no discussion, basis or authority in the Motion as to why ACE should be compelled to provide other insureds’ confidential information to the Debtors or the Committee. Therefore, the Court should not consider this relief and should remove the above paragraph from any order granting the Motion.

6. Even if the Court does consider the Debtors’ request for such a provision, the Court should still conclude that it is not appropriate relief. Because the ACE Policy proceeds are not property of the Debtors’ estates and because the ACE Policy provides Side-A coverage only, the coverage provided, expenditures and tasks completed are not relevant to the Debtors or the Committee. There is no prejudice to the Debtors or the Committee if they do not have this information because this is not information to which they are entitled under a Side-A policy (such as the ACE Policy). Moreover, tracking this information is not necessary for the Debtors and the Committee to monitor assets of the Debtor’s estates because the ACE Policy proceeds are not property of the Debtors’ estates. See In re World Health Alternatives, Inc., 369 B.R. 805, 810 (Bankr. D.Del. 2007) (Side-A policy proceeds are not an asset of the estate).

7. In addition, because the above provision of the proposed order would require ACE to take action not required under the ACE Policy, the Debtors are requesting injunctive relief. Pursuant to Bankruptcy Rule 7001(7), all requests for injunctive relief (outside of a plan provision), must be made by adversary proceeding. See Fed. R. Bankr. P. 7001(7).

8. Therefore, the Court’s order related to the Motion should not include any language that puts a burden on ACE, or any other party, to provide confidential information related to the ACE Policy, including coverage provided, amounts paid or tasks performed.

WHEREFORE, ACE respectfully requests that the Court modify an order granting the Motion as requested herein, and grant such other and further relief as is just and proper.

Dated: October 29, 2012

COZEN O'CONNOR, PC

By: /s/ Jerrold N. Poslusny, Jr.

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Jerrold N. Poslusny, Jr.
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
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Attorneys for ACE American Insurance
Company



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140 Broadway, 41st Floor 646-458-6903/6904 fax
New York NY 10005
www.ace-ina.com

Kevin M Smith
Underwriter - Professional Risk

November 17, 2011

Jordan Benshoof
AON Risk Insurance Services
707 Wilshire Blvd., Suite 2600
Los Angeles, CA 90017

RE: Insured: Patriot Coal Corporation
Coverage: CODA Premier® Directors and Officers Liability Excess DIC Policy
Policy No: DOX G23652936 005
Company Paper: ACE American Insurance Company
Policy Form: PF-24896 / PF-24895
Policy Period: 10/31/2011 to 10/31/2012

Dear Jordan,

We are pleased to enclose the original and two (2) copies of the captioned policy.

As producer of record, you are responsible for collecting and filing all necessary surplus lines taxes, fees and documentation in accordance with state surplus lines laws and/or regulations, if applicable.

Also, as a reminder, all claim notices under this policy should be provided in writing to the following address:

ACE USA
P.O. Box 5105
Scranton, PA 18505-0518
Fax: 877-746-4641
Email address for submitting Management Liability Claims,
ManagementLiabilityFirstNotice@acegroup.com
Email address for all other correspondence, ApolloProRskACEIncoming@acegroup.com

We have reviewed the policy and trust you will find it to be in order. Should you have any questions or concerns, please advise us promptly.

Thank you for working with us on the placement of this risk. We appreciate your support and look forward to working with you in the future.

Regards,

A handwritten signature in cursive script that reads "Jason Bonello".

Jason Bonello
Underwriting Assistant

One of the ACE Group of Insurance & Reinsurance Companies



ACE American Insurance Company

CODA Premier®
Directors and Officers Liability
Excess DIC Policy
Declarations

This Policy is issued by the stock insurance company listed above.

THIS POLICY IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED LOSS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS.

TERMS THAT APPEAR IN CAPITAL LETTERS HAVE SPECIAL MEANING. PLEASE REFER TO CLAUSE 2, DEFINITIONS.

Policy No.	DOX G23652936 005	
Item I.	COMPANY:	Patriot Coal Corporation
	Principal Address:	12312 Olive Boulevard, Suite 400 St. Louis, MO 63141
Item II.	POLICY PERIOD:	From 12:01 a.m. 10/31/2011 To 12:01 a.m. 10/31/2012 (Local time at the address shown in Item I)
Item III.	LIMIT OF LIABILITY:	<u>\$10,000,000</u> Aggregate LIMIT OF LIABILITY for all LOSS paid on behalf of all INSUREDS arising from all CLAIMS first made during each POLICY PERIOD.
Item IV.	POLICY PREMIUM:	\$64,039
	DISCOVERY PERIOD PREMIUM:	<u>150</u> % of POLICY PREMIUM

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Item V.	<p>NOTICE TO COMPANY:</p> <p>Any notice to the COMPANY or, except in accordance with Clause 16 (Authority) of this POLICY, to the INSUREDS, shall be given or made to the individual listed above, if any, or otherwise to the individual designated in the APPLICATION, if any, or otherwise to the signer of the APPLICATION, and shall be given or made in accordance with Clause 15 (Notice) of this POLICY.</p>																																											
Item VI.	<p>NOTICE TO INSURER:</p> <p>Any notice to be given or payment to be made to the INSURER under this POLICY shall be given or made in accordance with Clause 15 (Notice) of this POLICY to:</p> <p>A. Notice of CLAIM or WRONGFUL ACT:</p> <p style="padding-left: 40px;">ACE USA P.O. Box 5105 Scranton, PA 18505-0518 Fax: 877-746-4641 Email address for submitting Management Liability Claims, ManagementLiabilityFirstNotice@acegroup.com Email address for all other correspondence, ApolloProRskACEIncoming@acegroup.com</p> <p>B. All payments or other notices:</p> <p style="padding-left: 40px;">Chief Underwriting Officer ACE USA - Professional Risk 140 Broadway, 41st Floor New York, New York 10005</p>																																											
Item VII.	<p>SCHEDULE OF UNDERLYING DIRECTORS' AND OFFICERS' INSURANCE:</p> <table border="1" data-bbox="167 1113 1481 1913"> <thead> <tr> <th data-bbox="167 1113 341 1155"><u>Carrier</u></th> <th data-bbox="341 1113 503 1155"><u>Policy No.</u></th> <th data-bbox="503 1113 763 1155"><u>Policy Period</u></th> <th data-bbox="763 1113 925 1155"><u>Limits</u></th> <th data-bbox="925 1113 1481 1155"><u>Attachment</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="167 1176 341 1281"><u>Primary:</u> XL Specialty Insurance Company</td> <td data-bbox="341 1176 503 1281">ELU123382-11</td> <td data-bbox="503 1176 763 1281">10/31/11 – 10/31/12</td> <td data-bbox="763 1176 925 1281">\$15,000,000</td> <td data-bbox="925 1176 1481 1281"></td> </tr> <tr> <td data-bbox="167 1302 341 1428"><u>Excess:</u> National Union Fire Insurance Company of Pittsburgh, Pa.</td> <td data-bbox="341 1302 503 1428">01-301-28-80</td> <td data-bbox="503 1302 763 1428">10/31/11 – 10/31/12</td> <td data-bbox="763 1302 925 1428">\$15,000,000</td> <td data-bbox="925 1302 1481 1428">\$15,000,000</td> </tr> <tr> <td data-bbox="167 1449 341 1522">Twin City Fire Insurance Company</td> <td data-bbox="341 1449 503 1522">00 DA 0246241 11</td> <td data-bbox="503 1449 763 1522">10/31/11 – 10/31/12</td> <td data-bbox="763 1449 925 1522">\$10,000,000</td> <td data-bbox="925 1449 1481 1522">\$30,000,000</td> </tr> <tr> <td data-bbox="167 1543 341 1617">AXIS Insurance Company</td> <td data-bbox="341 1543 503 1617">MLN735294/01/2011</td> <td data-bbox="503 1543 763 1617">10/31/11 – 10/31/12</td> <td data-bbox="763 1543 925 1617">\$10,000,000</td> <td data-bbox="925 1543 1481 1617">\$40,000,000</td> </tr> <tr> <td data-bbox="167 1638 341 1711">Berkley Insurance Company</td> <td data-bbox="341 1638 503 1711">18004351</td> <td data-bbox="503 1638 763 1711">10/31/11 – 10/31/12</td> <td data-bbox="763 1638 925 1711">\$10,000,000</td> <td data-bbox="925 1638 1481 1711">\$50,000,000</td> </tr> <tr> <td data-bbox="167 1732 341 1806">Continental Casualty Company</td> <td data-bbox="341 1732 503 1806">287300168</td> <td data-bbox="503 1732 763 1806">10/31/11 – 10/31/12</td> <td data-bbox="763 1732 925 1806">\$10,000,000</td> <td data-bbox="925 1732 1481 1806">\$60,000,000</td> </tr> <tr> <td data-bbox="167 1827 341 1900">U.S. Specialty Insurance Company</td> <td data-bbox="341 1827 503 1900">14-MGU-11-A25136</td> <td data-bbox="503 1827 763 1900">10/31/11 – 10/31/12</td> <td data-bbox="763 1827 925 1900">\$10,000,000</td> <td data-bbox="925 1827 1481 1900">\$70,000,000</td> </tr> </tbody> </table>				<u>Carrier</u>	<u>Policy No.</u>	<u>Policy Period</u>	<u>Limits</u>	<u>Attachment</u>	<u>Primary:</u> XL Specialty Insurance Company	ELU123382-11	10/31/11 – 10/31/12	\$15,000,000		<u>Excess:</u> National Union Fire Insurance Company of Pittsburgh, Pa.	01-301-28-80	10/31/11 – 10/31/12	\$15,000,000	\$15,000,000	Twin City Fire Insurance Company	00 DA 0246241 11	10/31/11 – 10/31/12	\$10,000,000	\$30,000,000	AXIS Insurance Company	MLN735294/01/2011	10/31/11 – 10/31/12	\$10,000,000	\$40,000,000	Berkley Insurance Company	18004351	10/31/11 – 10/31/12	\$10,000,000	\$50,000,000	Continental Casualty Company	287300168	10/31/11 – 10/31/12	\$10,000,000	\$60,000,000	U.S. Specialty Insurance Company	14-MGU-11-A25136	10/31/11 – 10/31/12	\$10,000,000	\$70,000,000
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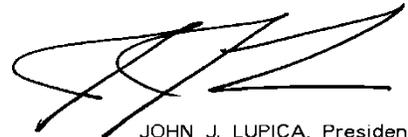
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IN WITNESS WHEREOF, the INSURER has caused this POLICY to be countersigned by a duly authorized representative of the INSURER.

DATE: 11/17/2011



JOHN J. LUPICA, President
Authorized Representative

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ACE American Insurance Company

CODA Premier[®]
Directors and Officers
Liability
Excess DIC Policy

The COMPANY, the INSUREDS, and the INSURER agree as follows:

1. INSURING CLAUSE

- (a) The INSURER shall pay on behalf of the INSUREDS all NON-INDEMNIFIABLE LOSS that the INSUREDS become legally obligated to pay by reason of any CLAIM first made against the INSUREDS during the POLICY PERIOD or, if elected, the DISCOVERY PERIOD, for any WRONGFUL ACTS that are actually or allegedly caused, committed, or attempted prior to the end of the POLICY PERIOD by the INSUREDS, but only if:
1. the insurer(s) of the UNDERLYING INSURANCE:
 - i. wrongfully refuses to indemnify the INSUREDS as required under the terms of the UNDERLYING INSURANCE; or
 - ii. fails to indemnify the INSUREDS within 60 days after the INSUREDS request such indemnification; or
 - iii. is financially unable to indemnify the INSUREDS; or
 - iv. files an action to rescind, or states in writing its intent to rescind, the UNDERLYING INSURANCE; or
 - v. as a result of a liquidation or reorganization proceeding commenced by or against the COMPANY pursuant to the U.S. Bankruptcy Code, as amended, is unable or refuses to pay the INSUREDS solely because the proceeds of such UNDERLYING INSURANCE are subject to the automatic stay; or
 2. according to the terms and conditions of the UNDERLYING INSURANCE, the insurer(s) of the UNDERLYING INSURANCE is not liable for such portion of the LOSS; or
 3. the limit(s) of liability of the UNDERLYING INSURANCE has been exhausted by reason of LOSS paid thereunder.
- (b) With respect to (a)(1) and (2) above, any coverage shall be subject to all terms, definitions, conditions, exclusions and limitations of this POLICY.
- (c) With respect to (a)(3) above, and notwithstanding anything in this POLICY to the contrary, except Clause 4 (Limits Of Liability), Clause 6 (Assistance, Cooperation And Consent), Clause 13 (LOSS Provisions), Clause 15 (Notice), Clause 16 (Authority), and any endorsement to this POLICY, this POLICY is amended to follow and be subject to the terms and conditions of the Primary Policy set forth in Item VII of the Declarations.

2. DEFINITIONS

(a) "APPLICATION" shall mean:

1. the signed, written application for this POLICY, and for any policy issued by the

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INSURER of which this POLICY is a direct or indirect renewal or replacement, including the schedules thereto; and

2. all publicly available documents filed by the COMPANY with the Securities and Exchange Commission during the 12 months preceding inception of this POLICY.

All such applications and materials are deemed attached to and incorporated into this POLICY.

(b) "CLAIM" shall mean:

1. any written demand, or any civil, criminal, arbitration, administrative, or regulatory proceeding, for monetary damages or non-monetary or injunctive relief, or any investigation, including a Wells Notice, against any INSURED for a WRONGFUL ACT, including any appeal therefrom;
2. an EXTRADITION PROCEEDING;
3. written notice to the INSURER by the INSUREDS and/or the COMPANY during the POLICY PERIOD describing circumstances that may reasonably be expected to give rise to a CLAIM described in subpart (b)(1) or (b)(2) above being made against the INSUREDS; or
4. any request or demand by a regulatory, administrative, governmental or similar authority to interview or depose an INSURED.

(c) "COMPANY" shall mean:

1. the company shown in Item I of the Declarations;
2. any company that, prior to the starting date of the POLICY PERIOD, merged into or consolidated with the company shown in Item I of the Declarations and was not the surviving entity;
3. any SUBSIDIARY of either such company;
4. if covered in accordance with subpart (a) of Clause 20 (Acquisition, Creation Or Disposition Of A Subsidiary) below, any other SUBSIDIARY;
5. any foundation, charitable trust or political action committee controlled or exclusively sponsored by one or more organizations described in (1) through (4) above; and
6. any organization described in (1) through (5) above as a debtor-in-possession under United States bankruptcy law or an equivalent status under the law of any other

country.

- (d) "DEFENSE COSTS" shall mean that portion of LOSS consisting of reasonable and necessary costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses incurred in the defense or investigation of a CLAIM, whether such CLAIM is ultimately settled or adjudicated, including but not limited to: (i) the cost of defending an EXTRADITION PROCEEDING; (ii) reasonable fees and expenses incurred by the INSUREDS at the INSURER'S request to assist the INSURER in investigating the CLAIM; (iii) costs assessed against the INSUREDS; and, (iv) the premium for appeal, attachment or similar bonds, but shall not include wages, salaries, fees, benefits or office expenses of INSUREDS or employees of the COMPANY.

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- (e) "DISCOVERY PERIOD" shall mean, if elected pursuant to Clause 21, the continuation of the reporting period of this POLICY in respect of any CLAIMS first made against an INSURED during the one-year period after the end of the POLICY PERIOD, but only if CLAIMS are based on WRONGFUL ACTS alleged to have been committed prior to the end of the POLICY PERIOD.
- (f) "DOMESTIC PARTNER" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the COMPANY.
- (g) "EXTRADITION PROCEEDING" shall mean any formal process by which an INSURED located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.
- (h) "INDEPENDENT DIRECTORS" shall mean one or more past, present or future directors or MANAGERS of the COMPANY who are not and have never been an officer or employee of any COMPANY.
- (i) "INSUREDS" shall mean one or more of the following:
1. all natural persons who were, now are, or shall be duly elected or appointed directors, trustees, governors, officers, management committee members, MANAGERS, in-house general counsel, comptrollers or risk managers of the COMPANY, or with respect to any COMPANY chartered outside the United States, the functional equivalent of any such executive;
 2. all other persons not described in (1) above who were, now are, or shall be full-time or part-time, seasonal or temporary employees of the COMPANY, provided coverage for such other persons shall apply only:
 - i. if such other persons are insureds under the UNDERLYING INSURANCE with respect to the CLAIM against such other persons; and,
 - ii. the CLAIM:
 - (A) is by securities holders of the COMPANY in their capacity as such, including without limitation any shareholder derivative or securities class action lawsuit; or
 - (B) is made and continuously maintained against a person described in (1) above;

3. all persons who were, now are, or shall be serving as directors, officers, trustees, governors, or the equivalent thereof for any OUTSIDE ENTITY if:
 - i. such activity is part of their duties regularly assigned by the COMPANY; or
 - ii. such activity is at the written direction or request of the COMPANY; or
 - iii. they are a member of a class of persons so directed to serve by the COMPANY; and
 4. the estates, heirs, legal representatives or assigns of deceased INSUREDS and the legal representatives or assigns of INSUREDS in the event of their incompetency, insolvency or bankruptcy.
- (j) "INSURER" shall mean the insurance company indicated in the Declarations.

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- (k) "LOSS" shall mean any and all amounts that the INSUREDS are legally obligated to pay by reason of a CLAIM made against the INSUREDS for any WRONGFUL ACT, and shall include but not be limited to compensatory, exemplary, punitive and multiple damages, judgments, settlements, pre-judgment and post-judgment interest, and DEFENSE COSTS; provided, however, LOSS shall not include taxes, fines or penalties imposed by law, or matters that may be deemed uninsurable under the law pursuant to which this POLICY shall be construed. The INSURER shall not assert that any LOSS incurred by an INSURED is uninsurable due to the INSURED's actual or alleged violation of Section 11 or 12 of the Securities Act of 1933, as amended. ("Fines or penalties" do not include punitive, exemplary, or multiple damages or civil penalties assessed against an INSURED pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. Sec. 78dd-2(g)(2)(B)). The insurability of punitive, exemplary and multiple damages shall be governed by the law of the applicable jurisdiction that most favors coverage for such punitive, exemplary and multiple damages. If the INSUREDS present to the INSURER a written opinion from legal counsel that such punitive, exemplary or multiple damages are insurable under such applicable law, the INSURER shall not challenge that determination.

LOSS also means, where permissible by law: (i) DEFENSE COSTS incurred by an INSURED in connection with the defense or appeal of an EXTRADITION PROCEEDING; and, (ii) the premium for a bail bond, if bail is available for an EXTRADITION PROCEEDING in the country at issue, but the INSURER shall be under no obligation to provide such bail bond.

- (l) "MANAGERS" shall mean any one or more natural persons who were, now are or shall be a manager, member of the board of managers or equivalent executive of a COMPANY that is a limited liability company.
- (m) "NON-INDEMNIFIABLE LOSS" means LOSS for which the COMPANY or, with respect to INSUREDS described in Clause 2(i)(3) above, the OUTSIDE ENTITY, is not required or permitted to pay on behalf of or to indemnify the INSUREDS pursuant to law, or the charter or other similar formative document or by-laws or written agreements of the COMPANY or the OUTSIDE ENTITY duly effective under applicable law, that determines and defines such rights of indemnity; provided, however, a COMPANY or OUTSIDE ENTITY shall not be considered to be required or permitted to pay on behalf of or to indemnify an INSURED if:

1. the COMPANY and/or the OUTSIDE ENTITY refuses to indemnify or advance DEFENSE

COSTS or other LOSS as required or permitted, or is financially unable to indemnify, or fails to indemnify within 60 days after the INSUREDS request such indemnification; and the INSUREDS comply with Clause 19 (Subrogation) below; or

2. any receiver, conservator, liquidator, trustee, rehabilitator or similar official is appointed by any state or federal official, agency or court to take control of, supervise, manage or liquidate the COMPANY, or the COMPANY becomes a debtor-in-possession.
- (n) "OUTSIDE ENTITY" shall mean: (i) any organization chartered and operated as a not-for-profit organization; and, (ii) any other not-for-profit or for-profit organization, provided that coverage under this POLICY for any person serving any such other organization shall apply only if such person is a current or former director, chief executive officer, president, chief operating officer, chief financial officer or executive vice president of the COMPANY.
- (o) "POLICY" shall mean this insurance policy, including the APPLICATION, the Declarations, and any endorsements hereto issued by the INSURER.
- (p) "POLICY PERIOD" shall mean the period of time stated in Item II of the Declarations. If this POLICY is cancelled in accordance with subpart (b) of Clause 7 (Material Changes In

Conditions And Cancellation) below, the POLICY PERIOD shall end upon the effective date of such cancellation.

- (q) "SUBSIDIARY" shall mean any entity, other than a partnership, in which the COMPANY named in Item I of the Declarations:
1. owns interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the board of directors if such entity is a corporation, the management committee members if such entity is a joint venture, or the members of the management board if such entity is a limited liability company; or
 2. has the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a COMPANY, to elect, appoint or designate a majority of the board of directors if such entity is a corporation, the management committee members if such entity is a joint venture, or the members of the management board if such entity is a limited liability company,

on or before the inception date of the POLICY, either directly or indirectly, in any combination, by one or more other SUBSIDIARIES.

- (r) "UNDERLYING INSURANCE" shall mean the directors and officers liability insurance policies scheduled in Item VII of the Declarations.
- (s) "WRONGFUL ACT" shall mean any actual or alleged error, misstatement, misleading statement or act, omission, neglect, or breach of duty by the INSUREDS while acting, individually or collectively, in their capacities as INSUREDS, or any other matter claimed against them by reason of their serving in such capacities.

All such errors, misstatements, misleading statements or acts, omissions, neglects or breaches of duty actually or allegedly caused, committed, or attempted by or claimed against one or more of the INSUREDS arising out of or relating to the same or series of related facts, circumstances, situations, transactions or events shall be deemed to be a single WRONGFUL

ACT.

3. CONDUCT EXCLUSION

The INSURER shall not be liable to make any payment for LOSS in connection with that portion of any CLAIM based upon or attributable to the INSUREDS having gained any personal profit or remuneration to which they were not legally entitled, or having committed any deliberate fraud or deliberate criminal act, if a final adjudication in an underlying proceeding adverse to such INSUREDS establishes that such INSUREDS gained any such personal profit or remuneration, or committed such deliberate fraud or deliberate criminal act; however, this limitation shall not apply to DEFENSE COSTS or to INDEPENDENT DIRECTORS.

Any fact pertaining to any INSURED shall not be imputed to any other INSURED for the purpose of determining the application of this exclusion.

4. LIMITS OF LIABILITY

The Limit of Liability in Item III of the Declarations is the maximum aggregate liability of the INSURER under this POLICY for all covered LOSS arising from all CLAIMS first made during the POLICY PERIOD, regardless of the time of payment of LOSS by the INSURER or the number of CLAIMS.

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Solely with respect to Clause 1, Insuring Clause, section (a)(3) above, liability for any covered LOSS shall attach to the INSURER only after the insurer(s) of the UNDERLYING INSURANCE shall have paid the full amount of the UNDERLYING INSURANCE, and only excess of any required retention and co-insurance amounts under such UNDERLYING INSURANCE.

DEFENSE COSTS shall be part of and not in addition to the Limits of Liability as stated in Item III of the Declarations, and payment by the INSURER of DEFENSE COSTS shall reduce the applicable Limit of Liability.

Multiple demands, suits or proceedings arising out of the same WRONGFUL ACT shall be deemed to be a single CLAIM, which shall be treated as a CLAIM first made during the POLICY PERIOD in which the first of such multiple demands, suits or proceedings is made against any INSURED or in which notice of circumstances relating thereto is first given in accordance with subpart (b) of Clause 13 (Loss Provisions) below, whichever occurs first.

5. ALTERNATE DISPUTE RESOLUTION

Only if requested by the INSUREDS, the INSURER shall submit any dispute, controversy or claim arising out of or relating to this POLICY or the breach, termination or invalidity thereof to non-binding mediation and/or to non-binding arbitration pursuant to such rules and procedures as the parties may agree. If the parties cannot agree on the arbitration rules and procedures, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing commercial arbitration rules. The arbitration panel shall consist of one arbitrator selected by the INSUREDS, one arbitrator selected by the INSURER, and a third independent arbitrator selected by the first two arbitrators. In any such arbitration, each party will bear its own legal fees and expenses.

6. ASSISTANCE, COOPERATION AND CONSENT

The INSUREDS shall provide to the INSURER all information, assistance and cooperation which the INSURER may reasonably request, and the INSUREDS shall use diligence and prudence in the investigation, defense, negotiation of settlement and settlement of any CLAIM. The INSUREDS shall do nothing that could prejudice the INSURER'S position or its potential or actual rights of recovery with respect to any CLAIM.

The INSURER has no duty to defend any CLAIM and shall not be called upon to assume charge of the investigation, settlement or defense of any CLAIM. However, the INSURER shall have the right, but not the duty, and shall be given the opportunity to fully and effectively associate with the INSUREDS, and shall be consulted in advance, regarding the control, investigation, defense, negotiation of settlement and settlement of any CLAIM that is or may be covered in whole or in part by, or that may cause liability to attach under, this POLICY.

The INSUREDS shall not offer to settle or settle, assume any obligation, admit any liability or stipulate to any judgment with respect to any CLAIM that is or may be covered in whole or in part by, or that may cause liability to attach under, this POLICY without the INSURER'S prior written consent, which shall not be unreasonably withheld. The INSURER shall not be liable for or as a result of any offer to settle, settlement, assumed obligation, admission of liability or stipulated judgment to which it has not given its prior written consent.

The failure of any INSURED to comply with his or her obligations under this Clause, shall not impair the rights of any other INSURED under this POLICY.

7. MATERIAL CHANGES IN CONDITIONS AND CANCELLATION

(a) In the event during the POLICY PERIOD:

1. the company named in Item I of the Declarations shall merge into or consolidate with another organization in which the company named in Item I of the Declarations is not the surviving entity; or
2. any person or entity or group of persons and/or entities acting in concert shall acquire securities or voting rights which results in ownership or voting control by such person or entity or group of persons or entities of more than 50% of the outstanding securities representing the present right to vote for election or appointment of the board of directors of the company named in Item I of the Declarations if the company is a corporation, the management committee members if the company is a joint venture, or the management board if the company is a limited liability company;

this POLICY shall remain in force until the termination of the POLICY PERIOD, but only with respect to CLAIMS for WRONGFUL ACTS actually or allegedly taking place before the effective date of said merger, consolidation or acquisition. All premiums paid or due at the time of said merger, consolidation or acquisition shall be fully earned and in no respect refundable.

(b) This POLICY may only be cancelled by the INSURER for nonpayment of premium by sending notice, in accordance with Clause 15 (Notice) below, to the COMPANY stating when, not less than 15 days thereafter, the cancellation shall be effective. The effective date of cancellation

stated in the notice shall become the end of the POLICY PERIOD. All premiums paid or due for this POLICY shall be fully earned at the time of said end of the POLICY PERIOD.

If this POLICY is cancelled by the COMPANY, the INSURER shall refund the unearned premium computed at the customary short rate. If this POLICY is cancelled by the INSURER, the INSURER shall refund the unearned premium computed pro rata. Payment or tender of any unearned premium by the INSURER shall not be a condition precedent to the effectiveness of such cancellation, but such payment shall be made as soon as practicable.

8. CHANGES AND ASSIGNMENTS

The terms and conditions of this POLICY shall not be waived or changed, nor shall an assignment of interest under this POLICY be binding, except by an endorsement to this POLICY issued by the INSURER.

9. ADVANCEMENT OF DEFENSE COSTS

Except in those instances when the INSURER has denied liability for the CLAIM because of the application of one or more coverage issues, if the COMPANY refuses or is financially unable to advance DEFENSE COSTS, and if the insurer(s) of the UNDERLYING INSURANCE fails or refuses to advance such costs as provided in Clause 1(a) above, the INSURER shall, upon request and if proper documentation accompanies the request, advance on behalf of the INSUREDS, or any of them, such DEFENSE COSTS on a current basis. In the event that the INSURER so advances DEFENSE COSTS and it is finally established that the INSURER has no liability hereunder, such INSUREDS on whose behalf advances have been made and the COMPANY, to the full extent legally permitted, agree to repay to the INSURER, upon demand, all monies advanced.

10. CURRENCY

All premium, limits, retentions, LOSS and other amounts under this POLICY are expressed and payable in the currency of the United States of America.

11. HEADINGS

The descriptions in the headings and sub-headings of this POLICY are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

12. INSUREDS' REPORTING DUTIES

The INSUREDS and/or the COMPANY shall give written notice to the INSURER of any of the following as soon as practicable after the in-house general counsel or risk manager of the COMPANY first learns thereof:

- (a) any CLAIM described in Clause 2 (Definitions) above;
- (b) any notice of circumstances described in subpart (b) of Clause 13 (Loss Provisions), which notice shall include the nature of the WRONGFUL ACT, the alleged injury, the names of the claimants, and the manner in which the INSUREDS or COMPANY first became aware of the

CLAIM; or

- (c) any event described in subpart (a) of Clause 7 (Material Changes And Cancellation) above.

If the INSUREDS and/or the COMPANY fail to provide notice of a CLAIM to the INSURER as specified above, the INSURER shall not be entitled to deny coverage for the CLAIM based solely upon late notice unless the INSURER can demonstrate its interests were materially prejudiced by reason of such late notice.

The INSUREDS and the COMPANY shall cooperate with the INSURER and give such additional information as the INSURER may reasonably require.

The INSUREDS and/or the COMPANY shall give written notice to the INSURER within 30 days after the in-house general counsel or risk manager of the COMPANY first receives or has notice of any:

- (a) material change in the terms or conditions of the UNDERLYING INSURANCE; or
(b) nonrenewal or cancellation of the UNDERLYING INSURANCE,

occurring during the POLICY PERIOD or the DISCOVERY PERIOD (if elected pursuant to Clause 21 below) and any additional premium reasonably required by the INSURER as a result of such change, nonrenewal or cancellation shall be paid within 30 days of the request thereof by the INSURER.

13. LOSS PROVISIONS

- (a) The time when a CLAIM shall be made for purposes of determining the application of Clause 1 (Insuring Clause) above shall be the date on which the CLAIM is first made against the INSURED.

- (b) If during the POLICY PERIOD or the DISCOVERY PERIOD (if elected pursuant to Clause 21 below), the INSUREDS or the COMPANY shall become aware of any circumstances that may reasonably be expected to give rise to a CLAIM being made against the INSUREDS and shall give written notice to the INSURER of the circumstances and the reasons for anticipating a CLAIM, with particulars as to dates and persons involved, then any CLAIM that is subsequently made against the INSUREDS arising out of such circumstances shall be treated as a CLAIM made during the POLICY PERIOD in which the INSUREDS or the COMPANY gave such notice.
- (c) The COMPANY and the INSUREDS shall give the INSURER such information and cooperation as it may reasonably require and as shall be in the COMPANY's and the INSUREDS' power.

14. OTHER INSURANCE

If other valid and collectible insurance with any other insurer, whether such insurance is issued before, concurrent with, or after inception of this POLICY, is available to the INSUREDS covering a CLAIM also covered by this POLICY, other than the UNDERLYING INSURANCE and insurance

that is issued specifically as insurance in excess of the insurance afforded by this POLICY, this POLICY shall be in excess of and shall not contribute with such other insurance. Without limiting the foregoing, this POLICY is specifically excess of and shall not contribute with any insurance which is maintained by an OUTSIDE ENTITY and available to an INSURED.

15. NOTICE

All written notices of cancellation and nonrenewal from the INSURER to the COMPANY shall be mailed by certified mail to the COMPANY, and by first-class mail to the agent or broker of record, at the last mailing addresses known to the INSURER. Notice of cancellation and nonrenewal shall state the reason(s) for such, where required by law.

All other notices under any provision of this POLICY shall be in writing and given by prepaid express courier or electronic service properly addressed to the appropriate party at the respective addresses as shown in Items V and VI of the Declarations. Notice so given shall be deemed to be received and effective upon actual receipt thereof by the party or one day following the date such notice is sent, whichever is earlier. Notice to the INSURER of any CLAIM or WRONGFUL ACT, or any other notice, shall be directed to the attention of the INSURER's Professional Risk Unit.

Proof of mailing shall be sufficient proof of notice.

16. AUTHORITY

By acceptance of this POLICY, the company named in Item I of the Declarations agrees to represent the INSUREDS with respect to all matters under this POLICY, including, but not limited to, the giving and receiving of notice of CLAIM or cancellation or desire not to extend the POLICY or election of the DISCOVERY PERIOD, the payment of premiums, the receiving of LOSS payments and any return premiums that may become due under this POLICY, the requesting, receiving, and acceptance of any endorsement to this POLICY, and the submission of a dispute to arbitration.

The INSUREDS agree that said company shall represent them but, for purposes of the investigation, defense, settlement, or appeal of any CLAIM, all similarly situated INSUREDS who are named as defendants in the CLAIM may, upon notice to the INSURER, replace said COMPANY with another agent to represent them with respect to the CLAIM, including giving and receiving of notice of CLAIM and other correspondence, the receiving of LOSS payments, and the submission of a dispute to arbitration or mediation.

17. NON-RESCISSION

This POLICY shall not be rescinded by the INSURER in whole or in part for any reason.

18. SPOUSAL LIABILITY

If a CLAIM against an INSURED includes a claim against the INSURED's lawful spouse or DOMESTIC PARTNER solely by reason of: (i) such spouse's or DOMESTIC PARTNER's status as a spouse or DOMESTIC PARTNER of the INSURED; or, (ii) such spouse's or DOMESTIC PARTNER's ownership interest in property which the claimant seeks as recovery for alleged WRONGFUL ACTS of the INSURED, all loss which such spouse or DOMESTIC PARTNER becomes legally obligated to pay by reason of such CLAIM shall be treated for purposes of this POLICY as LOSS which the INSURED becomes legally obligated to pay by reason of the CLAIM made against the INSURED. Such spousal or DOMESTIC PARTNER loss shall be covered under

the POLICY only if and to the extent such loss would be covered if incurred by the INSURED.

The coverage extension afforded by this Clause 18 does not apply to the extent such CLAIM alleges a wrongful act or omission by the INSURED's spouse or DOMESTIC PARTNER.

19. SUBROGATION

- (a) Inasmuch as this POLICY is excess insurance, the INSUREDS' right of recovery against any person or organization cannot be exclusively subrogated to the INSURER. It is, therefore, understood and agreed that in case of any payment hereunder, the INSURER will act in concert with all other interests concerned (including the INSUREDS'), in the exercise of such rights of recovery. The apportioning of any amounts that may be so recovered shall follow the principle that any interest (including the INSUREDS') that has paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by it; the INSURER is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the INSUREDS') of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests concerned (including the INSUREDS'), in the proportion of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of the INSURER, the expenses thereof shall be borne by the INSURER.
- (b) The INSUREDS shall execute all papers reasonably required and shall take all reasonable actions that may be necessary to secure the rights of the INSURER, including the execution of such documents necessary to enable the INSURER effectively to bring suit in the name of the INSUREDS, including but not limited to an action against the COMPANY or the insurer(s) of the UNDERLYING INSURANCE for nonpayment of indemnity due and owing to the INSUREDS by the COMPANY or the insurer(s), respectively.
- (c) In no event shall the INSURER exercise its right of subrogation against an INSURED unless and to the extent Clause 3, Conduct Exclusion, applies to such INSURED.
- (d) With respect to Insuring Clause (a)(1)(v) above, any payment made by the INSURER under this POLICY ("BANKRUPTCY PAYMENT") is not intended to be a payment in satisfaction of the obligations under the UNDERLYING INSURANCE, but, rather, an advance of funds subject to repayment as provided in this Clause 19, and that, subject to reinstatement pursuant to section (d)(2) below, all BANKRUPTCY PAYMENTS shall reduce and/or exhaust the limits of liability of this POLICY to the same extent as any payment of LOSS by the INSURER to the INSUREDS hereunder.

In the event of any BANKRUPTCY PAYMENT:

1. the INSUREDS hereby assign to the INSURER all their rights under the UNDERLYING INSURANCE to obtain payment of the amounts of the BANKRUPTCY PAYMENTS, which assignment shall be the INSUREDS' sole obligation as respects their repayment of the BANKRUPTCY PAYMENTS; and
2. notwithstanding any subrogation provisions or other provisions of the POLICY, any recoveries by the INSURER pursuant to (1) above shall be the sole property of the INSURER, but an amount equal to the amount of such recoveries, minus all costs

incurred by the INSURER to obtain such recoveries, shall reinstate, in such amount, as of the date each recovery is received by the INSURER, the limits of liability of this POLICY that were eroded or exhausted by BANKRUPTCY PAYMENTS.

20. ACQUISITION, CREATION OR DISPOSITION OF A SUBSIDIARY

- (a) If, during the POLICY PERIOD, the COMPANY acquires voting securities in another organization or creates another organization which as a result of such acquisition or creation becomes a SUBSIDIARY, or acquires any organization by merger into or consolidation with the COMPANY, then, subject to the terms and conditions of this POLICY including the following paragraphs of this section (a), such organization's INSUREDS shall be covered under this POLICY but only with respect to CLAIMS for WRONGFUL ACTS taking place after such acquisition or creation, unless the INSURER agrees to provide coverage by endorsement for WRONGFUL ACTS taking place prior to such acquisition or creation.

If the total assets of such acquired or created organization, as reflected in the then most recent consolidated financial statements of the organization, exceed 15% of the total assets of the company named in Item I of the Declarations, and the SUBSIDIARIES as reflected in the then most recent consolidated financial statements of the company named in Item 1 of the Declarations, coverage shall be provided for any persons of such acquired or created organization who would otherwise fall within the definition of INSURED for a period of 30 days after the effective date of such acquisition or creation, or until the end of the POLICY PERIOD, whichever is earlier, so long as the company named in Item 1 of the Declarations gives written notice of such acquisition or creation to the INSURER prior to the end of the POLICY PERIOD. Coverage otherwise afforded under this paragraph for such persons of such acquired or created organization who would otherwise fall within the definition of INSURED shall terminate 30 days after the effective date of such acquisition or creation, or at the end of the POLICY PERIOD, whichever is earlier, unless the company named in Item 1 of the Declarations agrees to and pays any additional premium required by the INSURER, and agrees to any additional terms and conditions of this POLICY as required by the INSURER.

- (b) Coverage shall not apply to directors, MANAGERS, officers and employees of any subsidiary, including a SUBSIDIARY as defined in Clause 2 (Definitions) above, for CLAIMS for WRONGFUL ACTS actually or allegedly taking place subsequent to the date that the SUBSIDIARY ceases to be a SUBSIDIARY.

21. DISCOVERY PERIOD

- (a) If the INSURER or the COMPANY elects not to renew this POLICY, then the INSUREDS shall have the right, upon payment of an additional premium set forth in Item IV of the Declarations, to a continuation of the reporting period of this POLICY in respect of any CLAIMS first made against an INSURED during the one-year period after the end of the POLICY PERIOD, but only if the CLAIMS are based on WRONGFUL ACTS alleged to have been committed prior to

the end of the POLICY PERIOD. Such CLAIMS shall be deemed to have been made during the POLICY PERIOD, provided that notification of each CLAIM is in accordance with Clause 12 above. The right to elect the DISCOVERY PERIOD shall terminate, however, unless written notice of such election together with the additional premium is received by the INSURER within 30 days after the end of the POLICY PERIOD. Any premium paid for the DISCOVERY PERIOD is not refundable.

- (b) The offer by the INSURER of renewal at a premium different from the premiums for the expiring POLICY PERIOD shall not constitute an election by the INSURER not to renew this POLICY.
- (c) The Limit of Liability provided during the DISCOVERY PERIOD is part of and not in addition to the Limit of Liability provided during the POLICY PERIOD, and there shall be no separate or additional Limit of Liability for the DISCOVERY PERIOD.

22. BANKRUPTCY

Bankruptcy or insolvency of the COMPANY or any INSURED shall not relieve the INSURER of its obligations nor deprive the INSURER of its rights or defenses under this POLICY.

In the event a liquidation or reorganization proceeding is commenced by or against a COMPANY pursuant to the United States Bankruptcy Code, as amended, or any similar state, local, or foreign law, the COMPANY and the INSUREDS hereby: (i) waive and release any automatic stay or injunction which may apply in such proceeding to this POLICY or its proceeds under such Bankruptcy Code or law; and, (ii) agree not to oppose or object to any efforts by the INSURER, the COMPANY or any INSURED to obtain relief from any such stay or injunction.

In the event the COMPANY becomes a debtor-in-possession or equivalent status under the United States Bankruptcy Code or the law of any other country and the aggregate LOSS due under this POLICY exceeds the remaining available Limit of Liability, the INSURER shall:

1. first pay such LOSS allocable to WRONGFUL ACTS that are actually or allegedly caused, committed, or attempted prior to the COMPANY becoming a debtor-in-possession or such equivalent status, then
2. with respect to whatever remaining amount of the Limit of Liability is available after payment under (1) above, pay such LOSS allocable to WRONGFUL ACTS that are actually or alleged caused, committed, or attempted after the COMPANY became a debtor-in-possession.

23. APPEALS

In the event the INSUREDS or the insurer(s) of the UNDERLYING INSURANCE elect not to appeal a judgment, the INSURER may elect to make such appeal at its own expense, and shall be liable for any increased award, taxable costs and disbursements and any additional interest incidental to such appeal, to the extent such payments are not covered by other valid and collectible insurance.

24. TERRITORY

This POLICY shall apply to any CLAIM made against any INSURED anywhere in the world.

Named Insured Patriot Coal Corporation			Endorsement Number 1
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA (A stock company)
BANKERS STANDARD FIRE AND MARINE COMPANY (A stock company)
BANKERS STANDARD INSURANCE COMPANY (A stock company)
ACE AMERICAN INSURANCE COMPANY (A stock company)
ACE PROPERTY AND CASUALTY INSURANCE COMPANY (A stock company)
INSURANCE COMPANY OF NORTH AMERICA (A stock company)
PACIFIC EMPLOYERS INSURANCE COMPANY (A stock company)
ACE FIRE UNDERWRITERS INSURANCE COMPANY (A stock company)
WESTCHESTER FIRE INSURANCE COMPANY (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703



CARMINE A. GIGANTI, Secretary



JOHN J. LUPICA, President



JOHN J. LUPICA, President
Authorized Agent

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 2
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

AMENDATORY ENDORSEMENT – MISSOURI

IF THERE IS ANY CONFLICT BETWEEN THE POLICY, OTHER ENDORSEMENTS TO THE POLICY AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

It is agreed that:

1. Clause 2 (Definitions), subpart (k), the definition of LOSS, is amended by adding the following:

Notwithstanding anything to the contrary in this definition, punitive and exemplary damages awarded in Missouri shall not be insurable.

2. Clause 5 (Alternate Dispute Resolution) is amended as follows:

The following is added:

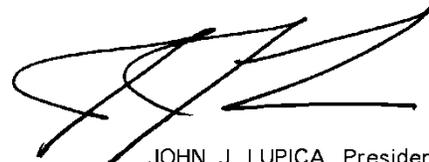
The alternate dispute resolution process shall be conducted in the county in which the COMPANY resides or has a principal place of business.

3. The following clause is added to the POLICY:

- **NONRENEWAL**

If the INSURER decides not to renew this POLICY, the INSURER will mail to the COMPANY written notice of nonrenewal, which will include the reason(s) for nonrenewal, at least 60 days before the end of the POLICY PERIOD. The notice of nonrenewal will be mailed or delivered to the COMPANY'S last mailing address known to the INSURER. Proof of mailing will be sufficient proof of notice.

All other terms and conditions of this policy remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

**Defense Within Limits
Disclosure - Missouri**



ace usa

PLEASE NOTE: ANY DEFENSE COSTS PAID UNDER THIS POLICY WILL REDUCE THE AVAILABLE LIMITS OF LIABILITY AND MAY EXHAUST THEM COMPLETELY. PLEASE REFER TO THE DEFINITIONS SECTION OF THE POLICY FOR THE DEFINITION OF DEFENSE COSTS.



ace usa

Notice to Policyholders

QUESTIONS ABOUT YOUR INSURANCE?

Answers to questions about your insurance, coverage information, or assistance in resolving complaints can be obtained by contacting:

**ACE USA
Customer Support Service Department
436 Walnut Street
PO Box 1000
Philadelphia, PA 19106-3703
1-800-352-4462**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

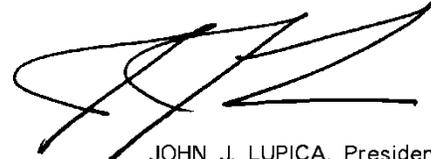
Named Insured Patriot Coal Corporation			Endorsement Number 3
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

STATE AMENDATORY INCONSISTENCY ENDORSEMENT

It is agreed that the POLICY is amended to add the following:

If there is an inconsistency between a state amendatory endorsement attached to this POLICY and any other term or condition of this POLICY, the INSURER shall apply, where permitted by law, those terms and conditions either of such state amendatory endorsement or the POLICY form which are more favorable to the INSURED's coverage.

All other terms and conditions of this POLICY remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 4
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

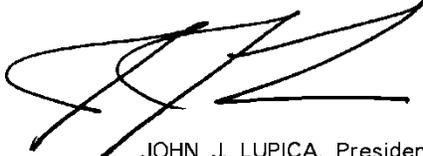
PRIOR OR PENDING LITIGATION EXCLUSION

Solely with respect to Clause 1, Insuring Clause, section (a)(3), it is agreed that Clause 3, Exclusions, is amended to add the following:

- alleging, based upon, arising out of, or attributable to: (i) any prior or pending litigation, administrative, or regulatory proceeding filed on or before 10/31/2007, or the same or substantially the same WRONGFUL ACT, fact, circumstance or situation underlying or alleged therein; or (ii) any other WRONGFUL ACT whenever occurring which, together with a WRONGFUL ACT underlying or alleged in such prior or pending proceeding, would constitute INTERRELATED WRONGFUL ACTS.

Solely with respect to this exclusion, INTERRELATED WRONGFUL ACT means all WRONGFUL ACTS that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

All other terms and conditions of this policy remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

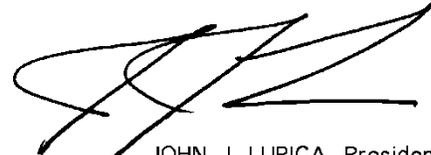
Named Insured Patriot Coal Corporation			Endorsement Number 5
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

AMEND ACQUISITION THRESHOLD

It is agreed that the first sentence of the second paragraph of Clause 20, Acquisition, Creation Or Disposition Of A Subsidiary, is deleted in its entirety and the following is inserted:

If the total assets of such acquired or created organization, as reflected in the then most recent consolidated financial statements of the organization, exceed 35% of the total assets of the company named in Item 1 of the Declarations, and the SUBSIDIARIES as reflected in the then most recent consolidated financial statements of the company named in Item 1 of the Declarations, coverage shall be provided for any persons of such acquired or created organization who would otherwise fall within the definition of INSURED for a period of 90 days after the effective date of such acquisition or creation, or until the end of the POLICY PERIOD, whichever is earlier, so long as the company named in Item 1 of the Declarations gives written notice of such acquisition or creation to the INSURER prior to the end of the POLICY PERIOD.

All other terms and conditions of this policy remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 6
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

UNDERLYING INSURER OR INSUREDS OR 3RD PARTY LIABLE TO PAY ENDORSEMENT

It is agreed that this POLICY is amended as follows:

A. The second paragraph of Clause 4, Limit of Liability, is deleted in its entirety and the following is inserted:

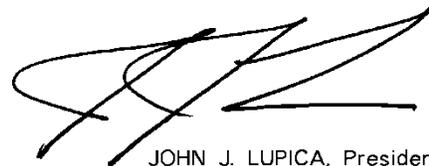
Solely with respect to Clause 1, Insuring Clause, section (a)(3) above, liability for any covered LOSS shall attach to the INSURER only after:

1. the insurer(s) of the UNDERLYING INSURANCE;
2. the INSUREDS; or
3. any other party or person;

shall have paid the full amount of the UNDERLYING INSURANCE, and only excess of any required retention and co-insurance amounts under such UNDERLYING INSURANCE. Nothing in this Clause shall preclude the INSURER of this POLICY from considering any of the other terms, conditions, limitations and exclusions of this POLICY, the Primary Policy set forth in Item VII of the Declarations, or any UNDERLYING INSURANCE, in determining whether any LOSS is covered under this POLICY. Any payments by anyone shall be subject to the same terms and conditions for any such payments by the insurer(s) of the UNDERLYING INSURANCE. Any such payments by anyone in any CLAIM shall not be recognized as reducing or exhausting the limits of liability of the UNDERLYING INSURANCE for any other CLAIM.

The INSURER of this POLICY shall recognize payment by the INSUREDS pursuant to an agreement between the INSUREDS and the insurer(s) of the UNDERLYING INSURANCE only if such agreement is limited to issues of coverage under such UNDERLYING INSURANCE, and no other coverage issues, premium amounts, terms or conditions of any other policy.

All other terms and conditions of this POLICY remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 7
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

SEVERABILITY

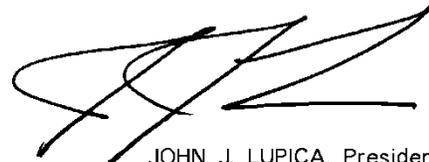
It is agreed that the following Clause is added to the POLICY:

- **SEVERABILITY**

The APPLICATION for coverage shall be construed as a separate APPLICATION for coverage by each INSURED. With respect to the declarations and statements contained in such APPLICATION for coverage, no statement in the APPLICATION or knowledge possessed by any one INSURED shall be imputed to any other INSURED for the purpose of determining the availability of coverage with respect to CLAIMS made against any other INSURED.

The acts, omissions, knowledge, or warranties of any INSURED shall not be imputed to any other INSURED with respect to the coverages applicable under this POLICY.

All other terms and conditions of this policy remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 8
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

MISCELLANEOUS ENHANCEMENTS

It is agreed that the POLICY is amended as follows:

1. Clause 1, Insuring Clause, Section (a), paragraph 1.v., is deleted in its entirety and the following is inserted:
 - v. as a result of a liquidation or reorganization proceeding commenced by or against the COMPANY pursuant to the U.S. Bankruptcy Code, as amended, or any similar federal, state, foreign or common law ("CODE"), is unable or refuses to pay the INSUREDS solely because the proceeds of such UNDERLYING INSURANCE are subject to the automatic stay or similar payment prohibition under the CODE; or
2. Clause 1, Insuring Clause, Section (a), paragraph 3, is deleted in its entirety and the following is inserted:
 3. the limit(s) of liability or any applicable sublimit(s) of liability of the UNDERLYING INSURANCE has been exhausted by reason of losses paid thereunder.
3. Clause I, Insuring Clause, Section (c), is deleted in its entirety and the following is inserted:
 - (c) With respect to (a)(3) above, in the event any UNDERLYING INSURANCE affords broader coverage for an INSURED than is afforded under this POLICY, then notwithstanding anything in this POLICY to the contrary, except Clause 4 (Limits Of Liability), Clause 6 (Assistance, Cooperation And Consent), Clause 13 (LOSS Provisions), Clause 15 (Notice), Clause 16 (Authority), and any endorsement to this POLICY, this POLICY is amended to follow and be subject to the terms and conditions of such UNDERLYING INSURANCE only in respect of and to the extent of such broader coverage for the INSURED.
4. Clause I, Insuring Clause, is amended to add the following:

In the event any UNDERLYING INSURANCE affords broader coverage for an INSURED than is afforded under this POLICY, then, notwithstanding anything in this POLICY to the contrary except Clause 4 (LIMITS OF LIABILITY), Clause 6 (Assistance, Cooperation and Consent), Clause 13 (LOSS Provisions), Clause 15 (Notice), Clause 16 (Authority), and any endorsement to this POLICY, this POLICY is amended to follow and be subject to the terms and conditions of such UNDERLYING INSURANCE only in respect of and to the extent of such broader coverage for the INSURED, provided the INSURER shall not cover the COMPANY with respect to any claims made against the COMPANY or for any amounts the COMPANY pays to indemnify, or pays on behalf of, the INSUREDS.
5. Clause 2, Definitions, Section (a), APPLICATION, paragraph 1, is deleted in its entirety and the following is inserted:
 1. the signed, written application, including all underwriting data, submitted by the COMPANY or the INSUREDS to the INSURER during the 12 months preceding inception of this POLICY; and
6. Clause 2, Definitions, Section (b), CLAIM, paragraph 3, is deleted in its entirety and the following is inserted:

3. if reported at the option of the INSUREDS, written notice to the INSURER by the INSUREDS and/or the COMPANY during the POLICY PERIOD describing circumstances that may reasonably be expected to give rise to a CLAIM described in subpart (b)(1) or (b)(2) above being made against the INSUREDS; or
7. Clause 2, Definitions, Section (b), CLAIM, paragraph 4, is deleted in its entirety and the following is inserted:
 4. any request, demand or a subpoena by a regulatory, administrative, governmental or similar authority to interview or depose an INSURED, or for the production of documents by an INSURED, in his or her capacity as such; or
 5. any written demand that the INSURED toll or waive a statute of limitations with respect to a potential or threatened claim against the INSURED for a WRONGFUL ACT.
 8. Clause 2, Definitions, Section (g), EXTRADITION PROCEEDING, is deleted in its entirety and the following is inserted:
 - (g) "EXTRADITION PROCEEDING" shall mean any formal process by which an INSURED located in any country is or is sought to be surrendered to any other country for trial or otherwise to answer any criminal accusation.
 9. Clause 2, Definitions, Section (i), INSUREDS, paragraph 1, is deleted in its entirety and the following is inserted:
 1. all natural persons who were, now are, or shall be (i) duly elected or appointed directors, trustees, governors, officers, management committee members, MANAGERS, in-house general counsel, or comptrollers of the COMPANY, (ii) a director of investor relations, director of human resources, risk manager or another manager serving in a functionally equivalent or comparable position with the COMPANY, or (iii) with respect to any COMPANY chartered outside the United States, a natural person serving in a position with such COMPANY which is functionally equivalent or comparable to any position described in (i) or (ii) above;
 10. Clause 2, Definitions, Section (k), LOSS, is deleted in its entirety and the following is inserted:
 - (k) "LOSS" shall mean any and all amounts that the INSUREDS are legally obligated to pay by reason of a CLAIM made against the INSUREDS for any WRONGFUL ACT, and shall include but not be limited to compensatory, exemplary, punitive and multiple damages, judgments, settlements, pre-judgment and post-judgment interest, and DEFENSE COSTS; provided, however, LOSS shall not include:
 1. taxes, other than (i) taxes imposed upon a COMPANY for which the INSUREDS are legally liable solely by reason of the COMPANY's insolvency, or (ii) taxes imposed upon an INSURED solely by reason of the INSURER's payment of LOSS incurred by such INSURED;
 2. fines or penalties imposed by law, other than (i) punitive, exemplary, or multiple damages or (ii) civil penalties assessed against an INSURED for a violation of any federal, state, local or foreign law (including without limitation Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. Sec. 78dd-2(g)(2)(B)), if such violation is neither intentional nor willful). The insurability of punitive, exemplary and multiple damages shall be governed by the law of the applicable jurisdiction that most favors coverage for such punitive, exemplary and multiple damages. If the INSUREDS present to the INSURER a written opinion from legal counsel that such punitive, exemplary or multiple damages are insurable under such applicable law, the INSURER shall not challenge that determination; or
 3. matters that may be deemed uninsurable under the law pursuant to which this POLICY shall be construed. The INSURER shall not assert that any LOSS incurred by an INSURED is uninsurable due to the INSURED's actual or alleged violation of Section 11, 12 or 15 of the Securities Act of 1933, as amended.

Section (k) 1, 2 and 3 above do not apply to DEFENSE COSTS.

LOSS also means;

1. where permissible by law: (i) DEFENSE COSTS incurred by an INSURED in connection with the defense or appeal of an EXTRADITION PROCEEDING; and, (ii) the premium for a bail bond, if bail is available for an EXTRADITION PROCEEDING in the country at issue, but the INSURER shall be under no obligation to provide such bail bond; and,
2. the reasonable and necessary costs, charges, fees and expenses (including the premium or origination fee for a loan or bond) incurred by:
 - a. the chief executive officer or chief financial officer of the company named in Item 1 of the Declarations solely to facilitate the return of amounts required to be repaid by such persons pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002; or,
 - b. an INSURED of the COMPANY solely to facilitate the return of amounts required to be repaid by such person pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Such amounts do not include payment, return, reimbursement, disgorgement or restitution of any such amounts requested or required to be repaid by such persons pursuant to Section 304(a) or Section 954.

11. Clause 2, Definitions, Section (l), MANAGERS, is deleted in its entirety and the following is inserted:

- (l) "MANAGERS" shall mean any one or more natural persons who were, now are or shall be:
1. a manager, member of the board of managers or functionally equivalent or comparable executive of a COMPANY that is a limited liability company; or
 2. a general partner, managing partner or functionally equivalent or comparable executive of a COMPANY that is a partnership;

including without limitation any such natural person serving in a management position in such limited liability company or partnership in accordance with such organization's operating agreement or partnership agreement.

12. Clause 2, Definitions, Section (n), OUTSIDE ENTITY, is deleted in its entirety and the following is inserted:

- (n) "OUTSIDE ENTITY" shall mean any not-for-profit or for-profit organization.

13. Clause 2, Definitions, Section (q), SUBSIDIARY, is deleted in its entirety and the following is inserted:

- (q) "SUBSIDIARY" shall mean any entity which the COMPANY named in Item I of the Declarations:
1. owns interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the board of directors if such entity is a corporation, the management committee members or members of the management board if such entity is a joint venture, limited liability company, or partnership, or functionally equivalent or comparable executives of such entity; or
 2. has the right, pursuant to written contract or the by-laws, charter, operating agreement, partnership agreement or similar documents of a COMPANY, to elect, appoint or designate a majority of the board of directors if such entity is a corporation, the management committee members or the members of the management board if such entity is a joint venture, limited liability company, or partnership, or functionally equivalent or comparable executives of such entity;

on or before the inception date of the POLICY, either directly or indirectly, in any combination, by one or more other SUBSIDIARIES. Provided, however a partnership shall be a SUBSIDIARY only if such

partnership is specifically included as a SUBSIDIARY by an endorsement to this POLICY and such partnership agrees to indemnify its INSUREDS to the fullest extent permitted by law.

14. The first paragraph of Clause 2, Definitions, Section (s), WRONGFUL ACT, is deleted in its entirety and the following is inserted:

(s) "WRONGFUL ACT" shall mean (i) any actual or alleged error, misstatement, misleading statement or act, omission, neglect, or breach of duty by the INSUREDS while acting, individually or collectively, in their capacities as INSUREDS, or (ii) any other matter claimed against them by reason of their serving in such capacities, provided this subparagraph (ii) shall not apply with respect to any INSUREDS of a COMPANY that is a partnership.

15. Clause 3, Conduct Exclusion, is deleted in its entirety and the following is inserted:

3. CONDUCT EXCLUSION

The INSURER shall not be liable to make any payment for LOSS in connection with that portion of any CLAIM based upon or attributable to: (i) the INSUREDS having gained any personal profit or remuneration to which they were not legally entitled; or (ii) having committed any deliberate fraud or deliberate criminal act, if a final and non-appealable adjudication in an underlying proceeding adverse to such INSUREDS establishes that such INSUREDS gained any such personal profit or remuneration, or committed such deliberate fraud or deliberate criminal act; however, this limitation shall not apply to (i) DEFENSE COSTS, (ii) INDEPENDENT DIRECTORS, or (iii) any employment-related CLAIM.

Subsection (i) above shall not apply in a SECURITIES CLAIM alleging violations of Section 11, 12 or 15 of the Securities Act of 1933, as amended, to the portion of any LOSS attributable to such violations.

Any fact pertaining to or any knowledge or intent of any INSURED shall not be imputed to any other INSURED for the purpose of determining the application of this exclusion.

Solely for purposes of this exclusion, SECURITIES CLAIM means any CLAIM which, in whole or in part, is:

1. brought by one or more securities holders of the COMPANY in their capacity as such, including derivative actions brought by one or more shareholders to enforce a right of the COMPANY; or
2. alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities, including but not limited to the purchase or sale of, or offer to purchase or sell, or solicitation of any offer to purchase or sell, any securities issued by the COMPANY, whether such purchase, sale, offer or solicitation involves a transaction with the COMPANY or occurs in the open market, including any such CLAIM brought by the Securities and Exchange Commission or any other claimant.

16. Clause 5, Alternate Dispute Resolution, is amended to add the following:

In the event that the INSUREDS prevail in an arbitration proceeding, then the INSURER shall pay to such INSUREDS the attorneys' fees, expert fees and other necessary out of pocket costs and expenses reasonably incurred by the such INSUREDS in the arbitration proceeding and shall pay the fees and expenses of the arbitration panel, such payment to be in addition to and not part of any applicable Limit Of Liability under this POLICY. In the event the INSURER prevails in an arbitration proceeding, then such fees and expenses of the INSURER and the arbitration panel shall be paid as may be ordered by the arbitration panel within its sole discretion.

17. Clause 6, Assistance, Cooperation And Consent, is deleted in its entirety and the following is inserted:

6. ASSISTANCE, COOPERATION AND CONSENT

The INSUREDS shall provide to the INSURER all information, assistance and cooperation which the INSURER may reasonably request, and the INSUREDS shall use diligence and prudence in the investigation, defense, negotiation of settlement and settlement of any CLAIM. In the event of a CLAIM, the INSUREDS shall do nothing that could prejudice the INSURER'S position or its potential or actual rights of recovery with respect to such CLAIM.

The INSURER has no duty to defend any CLAIM and shall not be called upon to assume charge of the investigation, settlement or defense of any CLAIM. However, the INSURER shall have the right, but not the duty, and shall be given the opportunity to fully and effectively associate with the INSUREDS, and shall be consulted in advance, regarding the control, investigation, defense, negotiation of settlement and settlement of any CLAIM that is reasonably likely to be covered in whole or in part by, or that is reasonably likely to cause liability to attach under, this POLICY.

The INSUREDS shall not offer to settle or settle, assume any obligation, admit any liability or stipulate to any judgment with respect to any CLAIM that is or may be covered in whole or in part by, or that may cause liability to attach under, this POLICY without the INSURER'S prior written consent, which shall not be unreasonably withheld or delayed. The INSURER shall not be liable for or as a result of any offer to settle, settlement, assumed obligation, admission of liability or stipulated judgment to which it has not given its prior written consent.

The failure of any INSURED to comply with his or her obligations under this Clause, shall not impair the rights of any other INSURED under this POLICY.

The INSURER shall fulfill its obligations in accordance with the terms and conditions of this POLICY notwithstanding the issuance of any UNDERLYING INSURANCE by another member of the Ace Group.

18. Section (b) of Clause 7, Material Changes In Conditions And Cancellation, is amended to add the following:

However, if the POLICY is terminated by the company named in Item I of the Declarations because of a downgrade of the financial strength rating of the INSURER of this POLICY, as established by A.M. Best, below A-, and such termination is within 30 days of such downgrade, the INSURER shall:

1. refund the unearned premium computed *pro rata*, if the INSUREDS have not, prior to such termination, provided to the INSURER notice of a CLAIM or notice of facts or circumstances which may reasonably give rise to a future CLAIM covered under this POLICY; or
2. refund the unearned premium computed at the customary short rate, if the INSUREDS have, prior to such termination, provided to the INSURER notice of a CLAIM or notice of facts or circumstances which may reasonably give rise to a future CLAIM covered under this POLICY.

19. Clause 9, Advancement Of Defense Costs, is deleted in its entirety and the following is inserted:

9. ADVANCEMENT OF DEFENSE COSTS

Except in those instances when the INSURER has denied liability for the CLAIM because of the application of one or more coverage issues, if the COMPANY refuses or is financially unable to advance DEFENSE COSTS, and if the insurer(s) of the UNDERLYING INSURANCE fails or refuses to advance such costs as provided in Clause 1(a) above, the INSURER shall, upon request and if properly itemized and detailed invoices accompany the request, advance on behalf of the INSUREDS, or any of them, such DEFENSE COSTS on a current basis, but no later than ninety (90) days after the receipt by the INSURER of such properly itemized and detailed DEFENSE COSTS invoices. In the event that the INSURER so advances DEFENSE COSTS and it is finally established that the INSURER has no liability hereunder for such DEFENSE COSTS, the INSUREDS on whose behalf such advances have been made and the COMPANY, to the full extent legally permitted, agree to repay to the INSURER, severally according to their respective interests, all such advanced DEFENSE COSTS.

20. Clause 12, Insureds' Reporting Duties, is deleted in its entirety and the following is inserted:

The INSUREDS and/or the COMPANY shall give written notice to the INSURER of any of the following as soon as practicable after the in-house general counsel or risk manager of the company named in Item 1 of the Declarations first learns thereof:

- (a) any CLAIM described in Clause 2, Definitions, Section (b), CLAIM, subsections 1, 2, 4 and 5 above; or
- (b) any event described in subpart (a) of Clause 7 (Material Changes And Cancellation) above.

If the INSUREDS and/or the COMPANY fail to provide notice of a CLAIM to the INSURER as specified above, the INSURER shall not be entitled to deny coverage for the CLAIM based solely upon late notice unless the INSURER can demonstrate its interests were materially prejudiced by reason of such late notice.

If, during the POLICY PERIOD or, if elected, the DISCOVERY PERIOD, the INSUREDS first become aware of a CLAIM described in Clause 2, Definitions, Section (b), CLAIM, subsection 3 above, and if the INSUREDS give written notice to the INSURER as soon as practicable after the in-house general counsel or risk manager of the company named in Item 1 of the Declarations first learns of such CLAIM, but in no event later than 60 days after the termination of the POLICY PERIOD or, if elected, the DISCOVERY PERIOD, of the circumstances by which the INSUREDS first became aware of such CLAIM; and particulars as to dates and persons involved, then the DEFENSE COSTS incurred by an INSURED solely in connection with his or her preparation for and response to such CLAIM shall be covered, subject to the other terms, conditions and limitations of this POLICY. Any other CLAIM which arises out of such CLAIM shall be deemed to have been first made at the time such written notice was received by the INSURER. However, if the INSUREDS elect not to report such CLAIM, then any subsequent CLAIM which arises out of the CLAIM shall be subject to the reporting requirements set forth in the first paragraph of this Clause 12, and coverage for such subsequent CLAIM will not be denied because of the INSUREDS' failure to report the CLAIM pursuant to this paragraph.

The INSUREDS and the COMPANY shall cooperate with the INSURER and give such additional information as the INSURER may reasonably require.

The INSUREDS and/or the COMPANY shall give written notice to the INSURER within 30 days after the in-house general counsel or risk manager of the COMPANY first receives or has notice of any:

- (a) material change in the terms or conditions of the UNDERLYING INSURANCE; or
- (b) nonrenewal or cancellation of the UNDERLYING INSURANCE,

occurring during the POLICY PERIOD or the DISCOVERY PERIOD (if elected pursuant to Clause 21 below) and any additional premium reasonably required by the INSURER as a result of such change, nonrenewal or cancellation shall be paid as soon as practicable after the request by the INSURER.

21. Clause 13, Loss Provisions, section (b), is deleted in its entirety and the following is inserted:

- (b) If during the POLICY PERIOD or the DISCOVERY PERIOD (if elected pursuant to Clause 21 below), the INSUREDS or the COMPANY shall become aware of any circumstances that may reasonably be expected to give rise to a CLAIM being made against the INSUREDS and shall give written notice to the INSURER of the circumstances and the reasons for anticipating a CLAIM, with particulars as to dates and persons involved, including the nature of the WRONGFUL ACT, the alleged injury, the names of the claimants, and the manner in which the INSUREDS or COMPANY first became aware of the facts or circumstances, then any CLAIM that is subsequently made against the INSUREDS arising out of such circumstances shall be treated as a CLAIM made during the POLICY PERIOD in which the INSUREDS or the COMPANY gave such notice. No coverage is provided for fees, expenses and other costs incurred prior to the time such written notice is provided.

22. Clause 17, Non-Rescission, is deleted in its entirety and the following is inserted:

This POLICY shall not be rescinded or voided by the INSURER in whole or in part for any reason.

23. Clause 21, Discovery Period, Section (a), is deleted in its entirety and the following is inserted:

- (a) If the INSURER or the COMPANY elects not to renew this POLICY, or the company named in Item 1 of the Declarations cancels this POLICY pursuant to Clause 7(b) above, then the INSUREDS shall have the right, upon payment of an additional premium set forth in Item IV of the Declarations, to a continuation of the reporting period of this POLICY in respect of any CLAIMS first made against an INSURED during the one-year period after the end of the POLICY PERIOD, but only if the CLAIMS are based on WRONGFUL ACTS alleged to have been committed prior to the end of the POLICY PERIOD. Such CLAIMS shall be deemed to have been made during the POLICY PERIOD, provided that notification of each CLAIM is in accordance with Clause 12 above. The right to elect the DISCOVERY PERIOD shall terminate, however, unless written notice of such election together with the additional premium is received by the INSURER within 60 days after the end of the POLICY PERIOD. Any premium paid for the DISCOVERY PERIOD is not refundable.

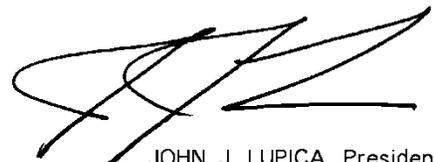
24. The second paragraph of Clause 22, Bankruptcy, is deleted in its entirety and the following is inserted:

In the event a liquidation or reorganization proceeding is commenced by or against a COMPANY pursuant to the United States Bankruptcy Code, as amended, or any similar state, local, or foreign law, the COMPANY and the INSUREDS hereby: (i) waive and release any automatic stay or similar payment prohibition which may apply in such proceeding to this POLICY or its proceeds under such Bankruptcy Code or law; and, (ii) agree not to oppose or object to any efforts by the INSURER, the COMPANY or any INSURED to obtain relief from any such stay or payment prohibition.

25. Clause 24, Territory, is deleted in its entirety and the following is inserted:

This POLICY shall apply to any WRONGFUL ACT taking place, LOSS incurred or CLAIM made against any INSURED anywhere in the world, to the fullest extent legally permitted.

All other terms and conditions of the POLICY remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 9
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

SELLING SHAREHOLDER COVERAGE

It is agreed that the POLICY is amended as follows:

1. Clause 2, Definitions, is amended to add the following:

- SELLING SHAREHOLDER means any duly elected or appointed director or officer of a COMPANY serving in such capacity on or prior to the inception date of the POLICY, who at the time of such service offers or sells a security of the COMPANY within the meaning of Section 12(2) of the Securities Act of 1933 (as amended).
- SELLING SHAREHOLDER CLAIM means a SECURITIES CLAIM made against a SELLING SHAREHOLDER for a SELLING SHAREHOLDER WRONGFUL ACT.
- SELLING SHAREHOLDER WRONGFUL ACT means a WRONGFUL ACT by a SELLING SHAREHOLDER in his or her capacity as such or any matter claimed against him or her by reason of his or her status as a SELLING SHAREHOLDER.
- SECURITIES CLAIM means any CLAIM, other than a civil, criminal, administrative or regulatory investigation of a COMPANY, which, in whole or in part, is:
 3. brought by one or more securities holders of the COMPANY, in their capacity as such, including derivative actions brought by one or more shareholders to enforce a right of the COMPANY; or
 4. alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities, including but not limited to the purchase or sale of, or offer to purchase or sell, or solicitation of any offer to purchase or sell, any securities issued by the COMPANY, whether such purchase, sale, offer or solicitation involves a transaction with the COMPANY or occurs in the open market, including any such CLAIM brought by the Securities and Exchange Commission or any other claimant.

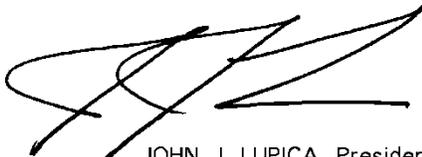
2. Clause 2, Definitions, section (i), INSUREDS, is amended to add the following:

INSURED also means a SELLING SHAREHOLDER, but only with respect to a SELLING SHAREHOLDER CLAIM, and only so long as such SELLING SHAREHOLDER CLAIM is part of a SECURITIES CLAIM that is, and only so long as such SECURITIES CLAIM is, brought and maintained concurrently against an INSURED as defined in paragraphs 1 or 2 immediately above (other than such SELLING SHAREHOLDER or any other SELLING SHAREHOLDER), in such capacity.

3. Section II, Definitions, subsection U, WRONGFUL ACT, is amended to add the following:

WRONGFUL ACT also means a SELLING SHAREHOLDER WRONGFUL ACT.

All other terms and conditions of this POLICY remain unchanged.


JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 10
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

CONTROLLING SHAREHOLDER COVERAGE

It is agreed that the POLICY is amended as follows:

1. Section II, Definitions, is amended to add the following:

- CONTROLLING SHAREHOLDER means any duly elected or appointed director or officer of a COMPANY serving in such capacity on or prior to the inception date of the POLICY, who at the time of such service is deemed to "control" such COMPANY within the meaning of Section 15 of the Securities Act of 1933 (as amended).
- CONTROLLING SHAREHOLDER CLAIM means a SECURITIES CLAIM made against a CONTROLLING SHAREHOLDER for a CONTROLLING SHAREHOLDER WRONGFUL ACT.
- CONTROLLING SHAREHOLDER WRONGFUL ACT means a WRONGFUL ACT by a CONTROLLING SHAREHOLDER in his or her capacity as such or any matter claimed against him or her by reason of his or her status as a CONTROLLING SHAREHOLDER.
- SECURITIES CLAIM means any CLAIM, other than a civil, criminal, administrative or regulatory investigation of a COMPANY, which, in whole or in part, is:
 5. brought by one or more securities holders of the COMPANY, in their capacity as such, including derivative actions brought by one or more shareholders to enforce a right of the COMPANY; or
 6. alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities, including but not limited to the purchase or sale of, or offer to purchase or sell, or solicitation of any offer to purchase or sell, any securities issued by the COMPANY, whether such purchase, sale, offer or solicitation involves a transaction with the COMPANY or occurs in the open market, including any such CLAIM brought by the Securities and Exchange Commission or any other claimant.

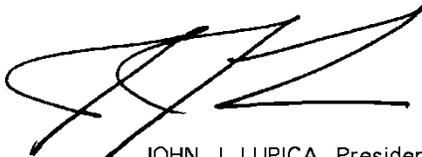
2. Section II, Definitions, subsection (i), INSURED, is amended to add the following:

INSURED also means a CONTROLLING SHAREHOLDER, but only with respect to a CONTROLLING SHAREHOLDER CLAIM, and only so long as such CONTROLLING SHAREHOLDER CLAIM is part of a SECURITIES CLAIM that is, and only so long as such SECURITIES CLAIM is, brought and maintained concurrently against an INSURED as defined in paragraphs 1 or 2 immediately above (other than such CONTROLLING SHAREHOLDER or any other CONTROLLING SHAREHOLDER), in such capacity.

3. Section II, Definitions, subsection (s), WRONGFUL ACT, is amended to add the following:

WRONGFUL ACT also means a CONTROLLING SHAREHOLDER WRONGFUL ACT.

All other terms and conditions of this POLICY remain unchanged.


JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 11
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

MISSOURI - DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

Disclosure Of Federal Participation In Payment Of Terrorism Losses

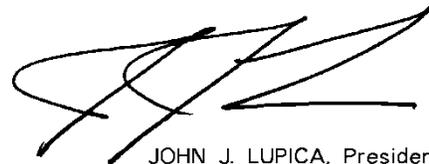
The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

We are providing you with the terrorism coverage required by the Act. We have not established a separate price for this coverage; however the portion of your annual premium that is reasonably attributable to such coverage is: **\$0**.

NOTE: The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Read your policy and endorsements carefully.



JOHN J. LUPICA, President
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 12
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

It is agreed that the POLICY is amended by adding the following Clause:

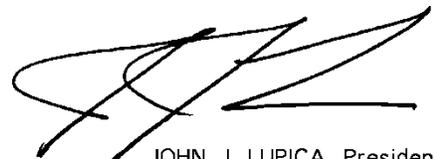
• **TERRORISM**

Notwithstanding anything in this POLICY to the contrary, if aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and the INSURER has met its deductible under the Terrorism Risk Insurance Act, the INSURER shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

All other terms and conditions of this POLICY remain unchanged.



JOHN J. LUPICA, President
Authorized Representative

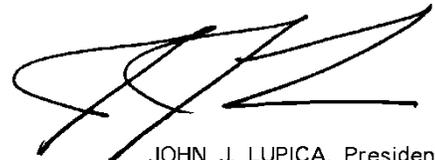
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Patriot Coal Corporation			Endorsement Number 13
Policy Symbol DOX	Policy Number G23652936 005	Policy Period 10/31/2011 to 10/31/2012	Effective Date of Endorsement 10/31/2011
Issued By (Name of Insurance Company) ACE American Insurance Company			

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions of the policy remain unchanged.



JOHN J. LUPICA, President
Authorized Representative



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U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

This Policyholder Notice shall not be construed as part of your policy and no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



**ACE Producer Compensation
Practices & Policies**

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.