

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:)	
)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> , ¹)	
)	Case No. 24-90377 (MI)
Debtors.)	
)	(Joint Administration Requested)
)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE INSURANCE PROGRAM AND SURETY BOND PROGRAM AND (B) PAY ALL OBLIGATIONS WITH RESPECT THERETO, (II) GRANTING RELIEF FROM AUTOMATIC STAY WITH RESPECT TO WORKERS' COMPENSATION CLAIMS, AND (III) GRANTING RELATED RELIEF

Emergency relief has been requested. Relief is requested not later than 4:15 p.m. (prevailing Central Time) on May 21, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on May 21, 2024 at 4:15 p.m. (prevailing Central Time) in Courtroom 404, 4th Floor, 515 Rusk, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Isgur's home page. The meeting code is "JudgeIsgur". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Isgur's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

¹ The last four digits of Zachry Holdings, Inc.'s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' proposed claims and noticing agent at www.kccllc.net/zhi. The location of the Debtors' service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.



The above-captioned debtors and debtors in possession (collectively, the “**Debtors**,” and together with their non-Debtor affiliates, the “**Company**”) state as follows in support of this motion (this “**Motion**”):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the “**Order**”), (i) authorizing the Debtors to (a) continue their insurance and surety bond programs and (b) pay obligations with respect thereto, (ii) granting relief from automatic stay with respect to workers’ compensation claims, and (iii) granting related relief.²

2. In total, the Debtors owe approximately \$3,992,100 in prepetition claims on the following categories of insurance and surety obligations, as described in further detail herein:

Category	Approximate Amount Due Prepetition
Insurance Premiums	\$1,931,000
Deductibles & Self-Insured Retentions	\$297,000
Brokerage Fees	\$115,000
Third-Party Administrator Fees	\$20,000
Workers Compensation Obligations	\$1,613,000
Surety Bond Obligations	\$16,100
Total	\$3,992,100

3. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Mohsin Y. Meghji in Support of Chapter 11 Petitions and Requests for First Day Relief* (the “**First Day Declaration**”), filed contemporaneously herewith.

² Nothing herein shall be deemed an admission of any payments due or past due under or related to any of the Insurance Policies or Surety Bonds (as those terms are defined herein).

Jurisdiction, Venue, and Predicates for Relief

4. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding under 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court.

5. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The predicates for the relief requested herein are sections 105(a), 363(b), 363(c), and 1107(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 1075-1, 4002-1, and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

Background

I. Overview of Chapter 11 Cases

7. On May 21, 2024 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors are requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committees have been appointed or designated.

8. The Company is a leading provider of turnkey engineering, construction, maintenance, turnaround, and fabrication services. Headquartered in San Antonio, Texas, the Company has approximately 20,000 employees and has worked on some of the largest industrial projects in the United States. The Company was founded 100 years ago, in 1924, by H.B. Zachry.

His first construction project was a series of four concrete-reinforced bridges in Laredo, Texas, which he built using mule-drawn wagons. Throughout the twentieth century, the Company completed high profile projects across the United States and the rest of the world, including the dredging of the Colorado River in Austin, Texas to increase the river's depth and width, the engineering and construction of the Hilton Palacio del Rio Hotel in San Antonio, and on the other side of the globe, the completion of the U.S. Embassy in Moscow in the wake of the Cold War. In 1998, a third generation of Zachrys—brothers David Zachry and John Zachry—took over the business. A decade later, in 2008, the brothers split the business into two independent and separately run organizations: (1) Zachry Group, led by John Zachry and comprised of entities that include the Debtors in these chapter 11 cases, which focuses on industrial projects, and (2) Zachry Construction Corporation, led by David Zachry, which focuses on heavy civil and building construction work. The two organizations have operated independently since. No entities related to Zachry Construction Corporation's business are included in these chapter 11 cases.

9. Today, Zachry Group, including the Debtors in these chapter 11 cases, is known for providing top-notch engineering and construction services to clients in the energy, chemicals, power, manufacturing, and industrial sectors across North America, all with an attention to detail and client service that customers have learned comes standard with the Zachry name. The Company had approximately \$5.4 billion in operating revenues in 2023. Debtor Zachry Industrial, Inc. (“ZII”) is currently engaged in the construction of 5 major projects with an aggregate contract value of approximately \$25.1 billion, approximately \$13.8 billion of which constitutes ZII's share of the contract value (as opposed to its joint venture partners). In addition, the Debtors are engaged in over 700 hundred smaller maintenance, warranty, or site-support projects.

10. Additional factual background and information regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the commencement of these chapter 11 cases, is set forth in detail in the First Day Declaration.

II. The Insurance Policies and Related Payment Obligations

11. In the ordinary course of business, the Debtors maintain approximately eighty-one (81) insurance policies, which are listed on Exhibit 1 to the Order (each an “**Insurance Policy**,” and collectively, the “**Insurance Policies**”) administered by various insurance carriers (collectively, the “**Insurance Carriers**”).³ The Insurance Policies provide coverage for both general and commercial business risks, including, but not limited to, coverage for general commercial liability, workers compensation liability, employer’s liability, business automobile liability, foreign package liability, property liability, aviation aircraft and hull liability, contractor’s pollution liability, contractor’s professional liability, builder’s risk, and excess liability, with a \$350 million, eleven layer excess tower including punitive damage coverage.⁴

12. The Debtors have collateral obligations in connection with certain insurance policies. First, the Debtors have collateral obligations under their general liability contractor controlled insurance program (“**CCIP**”) with Zurich America Insurance Co., entered into with respect to their Liquefied Natural Gas Export Facility project in Freeport, Texas, along with joint venture partner Chicago Bridge & Iron Co. (an affiliate of McDermott International, Ltd.). To

³ The descriptions of the Insurance Policies set forth in this Motion, including on Exhibit 1 to the Order, constitute a summary only. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the descriptions in this Motion and such Insurance Policies. The Debtors request authority to honor existing Insurance Policies and renew Insurance Policies, as applicable, regardless of whether the Debtors inadvertently failed to include a particular Insurance Policy on Exhibit 1 to the Order, and any such omitted Insurance Policy is hereby included in the defined term “Insurance Policies” as used herein and in the Order.

⁴ For the avoidance of doubt, relief sought in connection with the Debtors’ business travel insurance is being sought in connection with the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief*, filed contemporaneously herewith.

fulfill their collateral obligations in connection with the CCIP, the Debtors have secured a letter of credit issued by Bank of America (the “**CCIP LC**”), under their credit agreement. The current amount outstanding on the CCIP LC is approximately \$482,000. Second, the Debtors have a \$5 million letter of credit (the “**Workers’ Compensation LC**”) issued by International Bank of Commerce (“**IBC**”) in connection with their legacy workers compensation insurance program (the “**Legacy Workers Compensation Program**”), which was with ACE Insurance Co. The Debtors’ current workers’ compensation program is with Zurich American Insurance Company (“**Zurich**”), and has been in place since 2008. However, the Workers Compensation LC remains in place given that there are certain open claims under the legacy program. The Workers Compensation LC is fully cash collateralized by a segregated account with IBC in the name of ZII. Finally, the Debtors’ non-Debtor parent, Zachry Consolidated, LLC (“**ZCL**”) is party to a collateral trust agreement with Wells Fargo Bank, N.A., with respect to the current workers’ compensation program, through Zurich, that covers the Debtor entities. No Debtor entity is party to such collateral trust agreement.

13. Continuing and renewing the Insurance Policies and entering into new insurance policies in the ordinary course of business is essential to preserving the value of the Debtors’ businesses, properties, and assets. In addition, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors’ commercial activities, including the Bankruptcy Code and the requirements of the United States Trustee for Region 7 that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. The Debtors therefore seek authorization to maintain the existing Insurance Policies, pay any prepetition obligations related thereto, and to renew, supplement, or enter into new Insurance Policies in the ordinary course of business on a postpetition basis consistent with prepetition practice.

A. Insurance Premiums

14. In the ordinary course of business, the Debtors pay most premium obligations associated with their Insurance Policies (the “**Insurance Premiums**”) through the Insurance Brokers (as defined below). The Debtors do not currently finance any of their Insurance Premium obligations. Instead, the Debtors prepay the Insurance Premiums associated with the Insurance Policies at the start of each policy period or pay monthly installments, depending on the applicable policy and insurance carrier.

15. The Insurance Policies range in length from one to three years and renew at various times throughout the year. The aggregate annual amount of the Insurance Premiums for the Insurance Policies, not including applicable taxes and surcharges, deductibles or claim loss payments, brokerage and consulting fees, commissions or project-specific policies placed through joint ventures, is approximately \$25 million.

16. Historically, the Company’s Insurance Premiums have been paid by non-Debtor ZCL, the indirect parent of Debtor Zachry Holdings, Inc. (“**ZHI**”). The Company’s insurance program costs are allocated pursuant to an insurance cost sharing agreement (the “**ISA**”) between ZCL and all of its subsidiaries (the “**Subsidiaries**”). Under the ISA, each Subsidiary agrees to pay for its allocated share of insurance program costs and expenses as reasonably determined by ZCL. ZCL invoices each Subsidiary for its allocated costs, which each Subsidiary will typically pay promptly subject to any special billing reconciliation process as agreed to by ZCL and the individual Subsidiary from time to time. In the ordinary course of business, the Subsidiaries remit payment for their respective insurance program costs, including but not limited to the Insurance Premiums, to ZCL. More recently, Debtor ZII has directly paid the Company’s insurance obligations. When this occurs, a valid intercompany payable owed from ZII, through ZHI, to ZCL

is set off between the parties. Nevertheless, ZII has primarily paid such amounts for its own benefit and not the benefit of ZCL or any other non-debtor entities.

17. For most of the Company's policies, applicable Debtor and non-Debtor Zachry entities are allocated their respective share of each policy premium and any fees or claims through an intercompany payable to ZCL in an amount equal to the actual premium rates, fees, and claims charged through Brokers and Third Party Administrators. With respect to the Company's workers' compensation, general liability, and automobile insurance program through Zurich (the "**Zurich Program**"), however, ZCL charges the applicable Debtor and non-Debtor entities based on specialized rate schedules that reflect the entities' respective burden and the risk ZCL bears with respect to such policies. The Zurich Program includes high deductible policies: \$1 million per accident for workers' compensation and \$3 million per occurrence for general liability and automobile liability. Given the high deductibles, the Company is able to obtain relatively low premiums for the Zurich Program—approximately \$3.4 million for the current policy period. ZCL bears the risk of, and pays (without direct reimbursement from the applicable Zachry entity), any claims under the Zurich Program up to the high deductible amounts for each of the Zachry entities covered by the program. As a result, the non-ZCL entities operate effectively as if such entities are receiving zero-deductible policies. In turn, ZCL charges the other Zachry entities based on rate schedules that reflect such entities' share of the policies in the Zurich Program as if they were being charged premiums for zero-dollar deductible policies.

18. As of the Petition Date, the Debtors believe they owe approximately \$1,931,000 on account of Insurance Premiums related to the Insurance Policies. The Debtors seek authority to pay such amount and any other outstanding prepetition Insurance Premiums owed as of the Petition Date. The Debtors further request authority to continue to honor their obligations under the

Insurance Policies as they come due in the ordinary course of business on a postpetition basis, so long as the payment of such obligations is subject to and in accordance with any interim and final orders approving the Debtors' use of cash collateral (any such order, including, for the avoidance of doubt, the approved cash collateral budget, a "**Cash Collateral Order**").

B. Deductibles and Self-Insured Retentions

19. Certain of the Insurance Policies require the Debtors to pay a per-incident deductible or alternatively a fixed amount deductible, or make claim loss payments within the applicable deductibles (collectively, the "**Deductibles**"). Generally, if a claim is made against the Debtors' Insurance Policies, the Debtors will pay the Deductible to the Debtors' applicable Insurance Carrier and the Insurance Carrier will administer the claim and make any payments in connection therewith. Alternatively, certain of the Insurance Policies require the payment of self-insured retentions (the "**SIRs**") instead of Deductibles. If a claim is made under such Insurance Policies, the Debtors will make payments up to the limit of the SIR; thereafter, the Insurance Carrier will cover remaining costs.

20. As of the Petition Date, the Debtors believe that they owe approximately \$297,000 in outstanding amounts on account of the Deductibles or SIRs. The Debtors seek authority to pay such amounts, along with any other outstanding prepetition Deductibles and SIRs owed. In addition, the Debtors seek authority to continue to honor their obligations under the Insurance Policies as they come due in the ordinary course of business on a postpetition basis, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

C. Insurance Brokerage Fees

21. The Debtors obtain their Insurance Policies through their insurance brokers, Marsh Wortham, a division of Marsh USA, Inc. ("**Marsh**"), Kansas City Series of Lockton Companies, LLC and its various affiliates ("**Lockton**"), and Alliant Insurance Services, Inc. ("**Alliant**")

together with Marsh and Lockton the “**Insurance Brokers**”). The Insurance Brokers assist the Debtors in obtaining comprehensive insurance coverage for their operations in the most cost-effective manner, negotiating policy terms, provisions and premiums, assisting the Debtors with claims, and providing ongoing support throughout the applicable policy period.

22. The Debtors generally pay the Insurance Premiums to the Insurance Brokers who then remit such payments to the Insurance Carriers (the “**Brokerage Agreements**”). The Insurance Brokers receive an annual brokerage fee and commissions in exchange for their services. The Debtors pay the Insurance Brokers on a monthly basis. The aggregate annual amount paid to Insurance Brokers is approximately \$1,368,000. The applicable Brokerage Agreements exclusively govern the relationship between the Debtors and the Insurance Brokers. As of the Petition Date, the Debtors do not believe they owe any outstanding amounts to the Insurance Brokers. However, out of an abundance of caution, to ensure uninterrupted coverage under the Insurance Policies, the Debtors seek authority to pay any outstanding prepetition Brokerage Fees owed and to continue to honor their obligations under the Brokerage Agreements as they come due in the ordinary course of business on a postpetition basis, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

D. Third-Party Administrator Fees

23. Additionally, the Debtors employ Broadspire Services, Inc. (“**Broadspire**”) to manage claims (the “**Claims**”) related to the Zurich Program (*i.e.*, the Debtors’ workers’ compensation, general liability, and automobile insurance program). Broadspire administers the Claims in a manner which allows for the efficient recovery of the Claims that benefits both the claimants and the Debtors. The Debtors either pre-pay or reimburse Broadspire for payments made on the Claims. The Debtors pay Broadspire fees on a monthly basis. The aggregate annual amount paid to Broadspire is approximately \$360,000. As of the Petition Date, the Debtors do not

believe they owe any outstanding amounts to Broadspire. However, out of an abundance of caution, to ensure uninterrupted coverage under the Insurance Policies, the Debtors seek authority to pay any outstanding prepetition Third-Party Administrator Fees owed and to continue to honor their obligations under the Insurance Policies as they come due in the ordinary course of business on a postpetition basis, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

E. Workers Compensation Program

24. The Debtors maintain workers' compensation insurance for employees at the levels required by laws in the states in which the Debtors operate (collectively, the "**Workers' Compensation Program**"). The Debtors maintain coverage for the Workers' Compensation Program through a policy (the "**Workers' Compensation Policy**") for the coverage period through November 1, 2024, issued by Zurich American Insurance Company. Claims under the Workers Compensation Policy are administered with Broadspire, which also administers claims under the Debtors' general liability and auto policies with Zurich American Insurance Company. Claims under the Legacy Workers Compensation Program are administered by ESIS Inc.

25. The Debtors pay approximately \$3.5 million per year on account of premiums associated with the Workers' Compensation Policy. As of the Petition Date, the Debtors estimate that their total accrued but unpaid obligations related to the Workers' Compensation Program, including prepetition premiums, fees and deductibles, or claim loss payments (the "**Workers' Compensation Obligations**") are approximately \$1,613,000.

26. The Debtors must continue the claim assessment, determination, adjudication, and payment process pursuant to the Workers' Compensation Program without regard to whether such liabilities are outstanding before the Petition Date to ensure that the Debtors comply with applicable workers' compensation laws and requirements.

27. For the claims administration process to operate in an efficient manner and to ensure that the Debtors comply with their contractual obligations and applicable law, the Debtors must continue to assess, determine, and adjudicate any claims brought under the Workers' Compensation Program during these chapter 11 cases. In addition, to the extent any Employees assert claims under the Workers' Compensation Program, the Debtors request that the Court modify the automatic stay under section 362 of the Bankruptcy Code to permit the Employees to proceed with their claims under the Workers' Compensation Program. This required modification of the automatic stay pertains solely to claims under the Workers' Compensation Program. Because the Debtors are statutorily and/or contractually obligated to maintain the Workers' Compensation Program, their inability to do so may result in adverse legal consequences that disrupt the reorganization process.

28. As of the Petition Date, there are approximately 180 open claims under the Workers' Compensation Program and are not aware of any other potential claims against them that have not yet been formally reported. The Debtors request (a) authority to pay the Workers' Compensation Obligations, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order, (b) authority to continue the Workers' Compensation Program in the ordinary course of business on a postpetition basis, including by renewing or replacing the Workers' Compensation Policy, and (c) that the Court modify the automatic stay solely to allow Employees to assert claims, if any, under the Workers' Compensation Program.

III. The Surety Bonds and Related Payment Obligations

29. In the ordinary course of business, the Debtors are required by certain applicable statutes, rules, and regulations to provide surety bonds to certain third parties, often governmental units or other public agencies, to secure the Debtors' payment, performance, or completion of certain obligations, contracts, and projects (collectively, the "**Surety Bond Program**"). These

obligations include, among other things: (a) contractors' license and permit obligations; (b) contractors' performance and payment obligations; (c) customs and excise tax obligations; and (d) bid bonds. Failure to provide, maintain, or timely replace any surety bonds issued under the Surety Bond Program may prevent the Debtors from undertaking essential functions related to their operations. It would also disrupt their ability to continue to work on projects and generating revenue for the business, to the detriment of the Debtors and all stakeholders.

30. Travelers Casualty & Surety Company of America and Chubb Indemnity Insurance Company (collectively, the "**Sureties**") have issued the Debtors' current outstanding Surety Bonds. As of the Petition Date, the Debtors maintain approximately 83 surety bonds in an aggregate bond amount of approximately \$472.3 million (each, a "**Surety Bond**" and collectively, the "**Surety Bonds**").⁵ The Debtors' outstanding Surety Bonds are currently arranged by Marsh (the "**Surety Broker**"). A schedule of the Surety Bonds is attached as **Exhibit 2** to the Order.⁶

31. The issuance of a Surety Bond lessens the risk assumed by third parties of the Debtors' nonperformance or nonpayment under a contract or project by providing that the Surety will perform or tender payment upon the Debtors' default. Unlike an insurance policy, if a Surety incurs a loss on a Surety Bond, it is entitled to recover the full amount of that loss from the principal. To continue their business operations during the chapter 11 cases, the Debtors must be able to provide financial assurance to state governments, regulatory agencies, and other third

⁵ This number of bonds and the aggregate bond amount are inclusive of bid bonds, which the Debtors obtain in the ordinary course of their business when bidding on certain projects with public sector customers. As illustrated on **Exhibit 2**, these bid bonds are not issued with a bond number or expiration date. However, should the Debtors be awarded the project, the bid bond will be replaced with a corresponding performance or payment bond with a bond number and expiration date.

⁶ For the avoidance of doubt, the Debtors request authority to, among other things, pay any premiums due in connection with the Surety Bonds, renew or supplement all Surety Bonds, as applicable, and execute any agreements ancillary to all Surety Bonds, as applicable, notwithstanding any failure of the Debtors to include a particular Surety Bond on **Exhibit 2** attached to the Order.

parties. In turn, the Debtors must be able to maintain the existing Surety Bond Program, including paying all amounts owed in connection with the Surety Bonds, providing collateral, and renewing, or potentially acquiring additional, bonding capacity as needed in the ordinary course of business. Failing to continue the Surety Bond Program will prevent the Debtors from undertaking essential functions related to their operations, particularly with respect to contracts and projects involving public sector customers.

32. In the ordinary course of business, the Debtors make premium payments to their Surety Broker on account of the Surety Bonds (the “**Surety Premiums**”) on an annual basis on or about the renewal date of each Surety Bond. The Debtors’ aggregate premium obligations with respect to all outstanding Surety Bonds is approximately \$4.4 million.

33. In every case, the Debtors have entered into indemnity agreements that set forth the Sureties’ rights to recover from the Debtors (collectively, the “**Surety Indemnity Agreements**”). Under each Surety Indemnity Agreement, the Debtors agree to indemnify the Surety from any loss, cost, or expense that the Surety may incur on any Surety Bonds on behalf of the Debtors (the “**Indemnity Obligations**,” together with the Surety Premiums, the “**Surety Bond Obligations**”).

34. As of the Petition Date, the Debtors believe they owe approximately \$16,100 on account of the Surety Bond Obligations (including \$10,800 in quarterly commission fees owed to the Surety Broker and approximately \$5,300 in Surety Premiums). The Debtors seek authority to pay such Surety Bond Obligations and any other outstanding prepetition Surety Bond Obligations owed as of the Petition Date in the ordinary course of business. The Debtors further request authority to continue to honor their obligations under the Surety Bond Program as they come due in the ordinary course of business on a postpetition basis, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

Basis for Relief

I. Continuation of the Insurance Policies and Surety Bond Program Is Required by Law, the Bankruptcy Code, and U.S. Trustee Guidelines

35. The coverage provided under the Insurance Policies and the Surety Bond Program is required by the regulations, laws, and contracts that govern the Debtors' commercial activities. Section 1112(b)(4)(C) of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). In addition, the *Region 7 Guidelines for Debtors-in-Possession* (the "U.S. Trustee Guidelines") provide: "All debtors must maintain insurance and pay all premiums as they come due." See U.S. Trustee Guidelines § III(A).

36. The Insurance Policies and Surety Bond Program provide comprehensive protection for the Debtors' business, properties, and assets. It is essential that the Debtors' Insurance Policies and Surety Bond Program continue in full force and effect during these chapter 11 cases. Accordingly, to ensure that the Debtors comply with section 1112(b)(4)(C) of the Bankruptcy Code, the U.S. Trustee Guidelines, and applicable state law and regulations, the Debtors request that the Court authorize them to (a) maintain, and continue to make all payments required under, the Insurance Policies and Surety Bond Program, and (b) supplement, amend, extend, renew, or replace the Insurance Policies and Surety Bonds as needed, in the ordinary course of business and consistent with prepetition practice without further order from the Court.

II. Continuing the Insurance Policies and the Surety Bond Program and Paying Obligations Thereunder in the Ordinary Course of Business Is Warranted

37. Even if payment of all amounts due and owing under the Insurance Policies and the Surety Bond Program was not required by Section 112(b)(4)(C) and the U.S. Trustee Guidelines, the Court may authorize payments of those amounts under sections 105(a), 363(b), 363(c), and 1107(a) of the Bankruptcy Code. 11 U.S.C. §§ 105(a); 363(b)-(c); 1107(a).

38. Section 363(c)(1) of the Bankruptcy Code provides that a debtor may use property of the estate in the ordinary course of business without notice or a hearing. 11 U.S.C. § 363(c)(1). Maintenance of the Insurance Policies and the Surety Bonds is ordinary course and the Debtors are thus authorized by section 363(c)(1) of the Bankruptcy Code to pay obligations arising thereunder postpetition.

39. Additionally, even if paying a certain amount owed under the Insurance Policies and Surety Bond Program was not an ordinary course transaction, numerous other sections of the Bankruptcy Code authorize such payments. Pursuant to section 363(b)(1) of the Bankruptcy Code, a debtor, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., Black v. Shor (In re BNP Petroleum Corp.)*, 642 F. App’x 429, 434-35 (5th Cir. 2016) (noting that section 363 “requires that a sale of the estate’s assets be supported by an articulated business justification, good business judgment or sound business reasons”) (internal quotation omitted); *Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”).

40. Further, section 105(a) of the Bankruptcy Code states that a court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code, pursuant to the “doctrine of necessity.” 11 U.S.C. § 105(a). The “doctrine of

necessity” provides a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of critical claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (recognizing the “doctrine of necessity”); *In re CEI Roofing, Inc.*, 315 B.R. 50, 56 (Bankr. N.D. Tex. 2004). The rationale for the necessity of payment rule—to ensure the survival of the debtor during the reorganization—is the paramount policy and goal of chapter 11. *See CoServ*, 273 B.R. at 497.

41. Section 1107(a) of the Bankruptcy Code also provides that, a debtor has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. at 59 (quoting *CoServ*, 273 B.R. at 497).

42. Relying on these provisions of the Bankruptcy Code, courts in this district have granted similar relief when debtors seek to maintain substantially similar insurance policies and surety bond programs. *See, e.g., In re Air Methods Corp.*, Case No. 23-90886 (MI) (Bankr. S.D. Tex. Oct. 24, 2023) [Docket No. 223] (authorizing the debtors to continue insurance program and surety bond program pursuant to sections 105(a) and 363(b) of the Bankruptcy Code); *In re Serta Simmons Bedding, LLC*, Case No. 23-90020 (DRJ) (Bankr. S.D. Tex. Jan. 23, 2023) [Docket No. 93] (authorizing the debtors to continue insurance program and surety bond program pursuant to sections 105(a), 362(d); 363(b), 363(c), and 503(b) of the Bankruptcy Code); *In re Talen Energy Supply, LLC*, Case No. 22-90054 (MI) (Bankr. S.D. Tex. May 9, 2022) [Docket Nos. 156; 461] (same); *In re Basic Energy Servs., Inc.*, Case No. 21-90002 (DRJ) (Bankr. S.D. Tex. Aug. 17, 2021) [Docket No. 341] (same).

43. That relief is appropriate here. Satisfying outstanding or future obligations related to the Insurance Policies and Surety Bonds is warranted under sections 105(a), 363(b), 363(c), and 1107 of the Bankruptcy Code. Failing to maintain the Insurance Policies and the Surety Bonds would impair—if not halt—the Debtors’ ability to operate, resulting in a material adverse effect on the Debtors’ business, the value of their estates, creditors’ recoveries, and employees’ livelihoods. If the Debtors do not pay their Insurance Obligations, then the Insurance Carriers may refuse to renew the Insurance Policies, which will require the Debtors to obtain replacement policies or reconfigure their risk management program, potentially at a severe cost to the Debtors’ estates (well in excess of the amounts to be paid to such parties). Similarly, if the Debtors do not pay their Surety Bond Obligations, then the Sureties may terminate coverage, imperilling the Debtors’ projects that require bonding and threatening revenue that exceeds the cost of maintaining the Surety Bond Program. In either case, failing to pay obligations related to the Insurance Policies or the Surety Bond Program may result in termination of the Debtors’ existing policies, the denial of coverage, or the termination of projects. Finally, disruption of either the Insurance Policies or the Surety Bond Program would require the Debtors to commit significant resources to obtain suitable replacements, resulting in a material adverse effect on the Debtors’ business and the value of their estates.

44. The maintenance, continuation, and payment of any obligations (including prepetition obligations, if any) related to the Insurance Policies and the Surety Bond Program should therefore be authorized under sections 105(a), 363(b), 363(c), and 1107(a) of the Bankruptcy Code. Such relief is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest.

III. Limited Waiver of the Automatic Stay for Workers' Compensation Claims Is Appropriate Here

45. Section 362(a) of the Bankruptcy Code operates to stay “the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title” 11 U.S.C. § 362(a)(1).

46. Section 362 of the Bankruptcy Code, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for “cause.” *Id.* at § 362(d)(1). Cause exists here to modify the automatic stay to permit the Employees to proceed with workers' compensation claims in the appropriate judicial or administrative forum. Staying the workers' compensation claims could have a detrimental effect on the financial well-being and morale of the Employees.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

47. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations. Under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. There is minimal risk that checks or wire transfer requests that the Court has not authorized will be honored inadvertently. The Debtors request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Emergency Consideration

48. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” Failure to receive the relief requested in this Motion during the first 21 days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture. The Debtors have satisfied the “immediate and irreparable” harm standard in Bankruptcy Rule 6003 and request that the Court approve the relief requested on an emergency basis.

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

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

Reservation of Rights

50. Nothing contained in this Motion nor any action taken pursuant to the relief requested herein is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors’ rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a waiver of any claim or cause of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to this Motion

are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to an order of the Court is not intended and should not be construed as an admission as to the validity or priority of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Notice

51. The Debtors will provide notice of this Motion to: (a) the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney's Office for the Southern District of Texas; (d) the state attorneys general for the states in which the Debtors operate; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) the Insurance Carriers; (h) the Insurance Brokers; (i) the Sureties; (j) the Surety Broker; and (k) the Prepetition Agent, and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, no other or further notice need be provided.

The Debtors respectfully request that the Court enter the Order granting the relief requested in this Motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: May 21, 2024
Houston, Texas

/s/ Charles R. Koster
WHITE & CASE LLP
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*Proposed Counsel to the Debtors and
Debtors in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Local Rule 9013-1(i).

/s/ Charles R. Koster

Charles R. Koster

Certificate of Service

I certify that on May 21, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Charles R. Koster

Charles R. Koster

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> , ¹)	
)	Case No. 24-90377 (MI)
Debtors.)	(Jointly Administered)
)	Re: Docket No. ____

**ORDER (I) AUTHORIZING DEBTORS TO
(A) CONTINUE INSURANCE PROGRAM AND SURETY BOND
PROGRAM AND (B) PAY ALL OBLIGATIONS WITH RESPECT THERETO,
(II) GRANTING RELIEF FROM AUTOMATIC STAY WITH RESPECT TO
WORKERS' COMPENSATION CLAIMS, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”), pursuant to sections 105(a), 363(b), 363(c), and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Bankruptcy Local Rules 1075-1, 4002-1, and 9013-1, authorizing but not directing, the Debtors to (i) authorizing the Debtors to (a) continue their insurance and surety bond programs and (b) pay obligations with respect thereto, (ii) granting relief from automatic stay with respect to workers’ compensation claims, and (iii) granting related relief, in each case as more fully set forth in the Motion and subject to the terms of this Order; and upon consideration of the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this

¹ The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ proposed claims and noticing agent at www.kcellc.net/zhi. The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and the opportunity for a hearing on the Motion having been given and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the relief requested in the Motion being in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors shall serve a copy of the Motion and this Order on each Insurance Carrier listed in **Exhibit 1** and each Surety listed in **Exhibit 2** attached to this Order within two business days after entry of this Order.

2. The Debtors are authorized, but not directed, to continue the Insurance Policies and the Surety Bonds as well as any related agreements in the ordinary course of business and consistent with the Debtors' prepetition practice, and to pay any prepetition or postpetition obligations related to the Insurance Policies and Surety Bonds, including the Insurance Obligations and Surety Bond Obligations, in the amounts and categories described in the Motion, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order, notwithstanding any failure of the Debtors to include any insurance policy or surety bond in **Exhibit 1** or **Exhibit 2**.

3. The Debtors are authorized, but not directed, to renew, amend, supplement, and/or extend the Insurance Policies, and to purchase new insurance policies in the ordinary course of

business, and to execute other agreements in connection therewith, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

4. The Debtors are authorized, but not directed, to renew, amend, supplement, and/or extend the Surety Bonds, and to purchase new surety bonds in the ordinary course of business, and to execute other agreements in connection therewith, so long as the payment of such obligations is subject to and in accordance with the Cash Collateral Order.

5. The Debtors are not authorized by this Order to take any action with respect to a Surety Bond that would have the effect of transforming a prepetition undersecured or unsecured Surety Bond Obligation into a postpetition or secured obligation. The Debtors may seek such relief by separate motion, which may be heard on an expedited basis.

6. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum and the Debtors are authorized to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

7. The Debtors shall provide reasonable advance notice to the U.S. Trustee and any statutory committee appointed in these cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease existing insurance and surety coverage or change insurance carriers or sureties, enter into any premium financing agreements, or obtain additional insurance coverage or surety bonds.

8. The Debtors shall maintain a matrix or schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the date and amount of

the payment; (c) the category or type of payment, as further described and classified in the Motion. The Debtors shall provide a copy of such matrix or schedule to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases no later than ten business days following the last day of each calendar month beginning upon entry of this Order.

9. The Debtors are authorized to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

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

11. The Debtors are authorized to issue postpetition checks or effect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are inadvertently dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

12. Notwithstanding anything to the contrary contained in the Motion or this Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors' use of cash collateral (any such order, including, for the avoidance of doubt, the approved cash collateral budget, a "**Cash Collateral Order**"). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Order and the terms of any Cash Collateral Order, the terms of the Cash Collateral Order will govern.

13. Nothing contained in the Motion or this Order, nor any action taken pursuant thereto, nor any payment made pursuant to the authority granted thereby, is intended to be or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a waiver of any claims or causes of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

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

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

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

17. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Houston, Texas

Dated: _____, 2024

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Insurance Policies

Policy Type	Insurance Carrier	Policy #	Expiration Date
Workers' Compensation / Employers' Liability	Zurich American Insurance Company	WC 3437222 23	11/1/2024
General Liability	Zurich American Insurance Company	GLO 3437220 21	11/1/2024
Automobile Liability	Zurich American Insurance Company	BAP 3437224 21	11/1/2024
International Casualty	Zurich American Insurance Company	ZE 0146646-06	11/1/2024
Marine General Liability	Navigators Insurance Company	NY23LIA15595601	11/1/2024
Fiduciary Liability	Federal Insurance Company (Chubb)	J0637587A	11/01/2024
Special Risk	Great American Insurance Company	SCI273610024	11/01/2026
Commercial Crime	Beazley Insurance Company	V2757A230501	11/01/2024
Cyber Liability	Everest National Insurance Company	CYBP001451-231	11/01/2024
Contractor's Pollution & Pollution Legal Liability	Ironshore Specialty Insurance Company (Liberty Mutual)	ICELLUW00115088 (Primary \$10MM) IEELCPLCD63N002 (First Excess – \$40MM xs \$10MM)	11/01/2025
Contractor's Pollution & Pollution Legal Liability	Illinois Union Insurance Company (Chubb)	EXO G71752616 003	11/01/2025
Contractor's Pollution & Pollution Legal Liability	Ascot Specialty Insurance Company	ENXC2110000570-02	11/01/2025
Contractor's Protective Professional Indemnity (Professional Liability)	Steadfast Insurance Company (Zurich)	EOC5963934-16	11/01/2024
Contractor's Protective Professional Indemnity (Professional Liability)	Indian Harbor Insurance Company (AXA XL)	CPX742010810	11/01/2024
	Vantage Risk Specialty Insurance Company	P03CP0000045290	11/01/2024

Policy Type	Insurance Carrier	Policy #	Expiration Date
Contractor's Protective Professional Indemnity (Professional Liability)	(60%)		
	Scor UK Company Limited (40%)	GLOPR2302039	11/01/2024
Master Builder's Risk	Zurich American Insurance Company	MBR3717738-18	06/01/2024
Builder's Risk (OPPD Standing Bear)	Allianz Global Corporate & Specialty SE London / Munich (20%)	ENCST2100098	08/08/2024
	Scor UK Company Limited (20%) Axis (21%)		
	Aviva Insurance Limited (15.5%)		
	Canopus (7.5%)		
	Great Lakes Insurance SE (Munich Reinsurance Company) (11%)		
	Castel Underwriting Agencies Ltd. (5%)		
Builder's Risk (OPPD Turtle Creek)	Allianz Global Corporate & Specialty SE London / Munich	ENCST2200125	08/30/2024
Liquidated Damages (OPPD SB & TC - Primary)	Great Lakes Insurance SE (Munich Reinsurance Company) (50%)	ZIIAMP/2022/PR	08/30/2024
	Scor UK Company Limited (25%)		
	Markel American Insurance Company (25%)		
Liquidated Damages	Great Lakes Insurance SE (Munich Reinsurance Company) (33.34%)	ZIIAMP/2022/XS	08/30/2024

Policy Type	Insurance Carrier	Policy #	Expiration Date
(OPPD SB & TC – Excess) ¹	AXA XL (22.22%)		
	Markel American Insurance Company (22.22%)		
	Chubb (11.11%)		
	Scor UK Company Limited (11.11%)		
Property & Contractor's Equipment	Markel American Insurance Company	MKLM2IM0001838	07/01/24
Parametric Cyclone	Assicurazioni Generali S.P.A.	23YP00433000	09/01/2024
Aircraft Hull & Liability	Global Aerospace	60000141	11/01/2024
Unmanned Aircraft (Drone)	Global Aerospace	9025091	11/01/2024
\$350 Excess Tower (Including Punitive Policies)			
Lead Umbrella Liability	American Guarantee & Liability Ins Co	AUC 9385245-14	11/1/2024
Punitive Damages	Hanseatic Ins. Co. (Bermuda) Ltd.	HIPD205657	11/1/2024
Excess Liability 2nd Layer	Indemnity Insurance Company of North America	XSM G47430732 001	11/1/2024
Punitive Damages	ACE Property & Casualty Insurance Co.	PD12703001A	11/1/2024
Excess Liability 3rd Layer	American Int'l Group UK Limited (AIG)	62785728	11/1/2024
Punitive Damages	American Int'l Reinsurance Co. Ltd.	62785728	11/1/2024
Excess Liability 4th Layer	QBE Insurance Corporation	140001296	11/1/2024
Punitive Damages	QBE Insurance (Eurpoe) Ltd.	BOWCN2352450	11/1/2024
Excess Liability 5th Layer	Starr Surplus Lines Ins Co. (11.875 PO 15 XS 45)	B0509BOWCN2351906	11/1/2024

¹ *Id.*

Policy Type	Insurance Carrier	Policy #	Expiration Date
(Quota Share)	QBE UK Limited (2.5 PO 15 XS 45)	B0509BOWCN2351906	11/1/2024
	QBE Lloyds Syndicate QPS 5555 (Fast Track) (0.625 PO 15 XS 45)	B0509BOWCN2351906	11/1/2024
Punitive Damages	Starr Insurance & Reinsurance Ltd	SIPW042523	11/1/2024
Punitive Damages	Manga Carta Insurance, Ltd.	MCPD210920	11/1/2024
Punitive Damages	Manga Carta Insurance, Ltd. (Fast Track)	MCPD210920	11/1/2024
Excess Liability 6th Layer (Quota Share)	Lloyd's Syndicate No. 4000 HAM (Hamilton) (7.125 PO 20 XS 60)	B0509BOWCN2351953	11/1/2024
	Lloyd's Syndicate No. 0033 (Hiscox) (7.125 PO 20 XS 60)	B0509BOWCN2351953	11/1/2024
	Convex Ins UK Ltd, LIRMA C9800 (4.75 PO 20 XS 60)	B0509BOWCN2351953	11/1/2024
	QBE Lloyds Syndicate QPS 5555 (Fast Track) (1 PO 20 XS 60)	B0509BOWCN2351953	11/1/2024
Punitive Damage for \$20MM xs \$60MM	Manga Carta Insurance, Ltd.	MCPD210862	11/1/2024
Punitive Damage	Magna Carta Ins. Ltd.	MCPD208172	11/1/2024
Excess Liability 7th Layer (Quota Share)	National Fire & Marine Ins. Co. (Berkshire) (13 PO 25 XS 80)	42-XSF-312807-04	11/1/2024
	Lloyds Syndicate 4711 ASP (Emerald) (10 PO 25 XS 80)	BOWCN2352459	11/1/2024
	QBE UK Limited (1.4 PO 25 XS 80)	BOWCN2352459	11/1/2024

Policy Type	Insurance Carrier	Policy #	Expiration Date
	QBE Lloyds Syndicate QPS 5555 (Fast Track) (0.6 PO 25 XS 80)	BOWCN2352459	11/1/2024
Excess Liability / Punitive Damages 7th layer	Bunker Hill Int'l Ins Bermuda	1223796	11/1/2024
Excess Liability / Punitive Damages	Manga Carta Insurance, Ltd.	MCPD210863	11/1/2024
Excess Liability / Punitive Damages	Manga Carta Insurance, Ltd. (Fast Track)	MCPD210863	11/1/2024
Excess Liability 8th Layer (Quota Share)	General Security Indemnity Co of AZ	10F153931-2023-1	11/1/2024
	Helvetia Global Solutions Ltd (Affirmative Puni)	BOWZC2350132	11/1/2024
	Lloyd's Syndicate 2003 AXL	BOWCN2352020	11/1/2024
	Everest Indemnity Insurance Company	XC4EX00053-231	11/1/2024
Excess Liability / Punitive Damages	SCOR Channel Limited	BOWCN2352080	11/1/2024
Excess Liability / Punitive Damages	Magna Carta Insurance, Ltd.	MCPD210921	11/1/2024
Excess Liability / Punitive Damages	Everest Reinsurance Bermuda Ltd	PWB0000198-231	11/1/2024
Excess Liability - Quota Share 9th Layer	Liberty Mutual Insurance Europe SE (Affirmative Puni)	BOWCN2351879	11/1/2024
	American Int'l Group UK Limited	62785615	11/1/2024
	Lloyd's Syndicate 4711 ASP	BOWCN2351912	11/1/2024
	Lloyd's Syndicate 0033 HIS	BOWCN2351912	11/1/2024

Policy Type	Insurance Carrier	Policy #	Expiration Date
	QBE UK Limited, D1806	BOWCN2351912	11/1/2024
	QBE Lloyds Syndicate QPS 5555 (Fast Track)	BOWCN2351912	11/1/2024
Punitive Damages	American Int'l Reinsurance Co, Ltd.	28422127	11/1/2024
Punitive Damages	Magna Carta Insurance, Ltd.	MCPD210922	11/1/2024
Punitive Damages	Manga Carta Insurance, Ltd. (Fast Track)	MCPD210922	11/1/2024
Excess Liability 10th Layer	Columbia Casualty Company	6081178031	11/1/2024
Punitive Damages	North Rock Ins Co Ltd (CNA)	702100240	11/1/2024
Excess Liability 11th Layer	Swiss Re International SE, Luxembourg	EXS 2001604-00	11/1/2024
	Great Lakes Insurance SE (Munich Re) (Affirmative Puni)	BOWZC2350113	11/1/2024
	AWAC / Apollo / Indigo / Hamilton /QBE	BOWCN2351914	11/1/2024
	Chubb Bermuda Insurance Ltd. (Affirmative Puni)	ZACH-0341 / MXS	11/1/2024
	Helix / Ark / Argo (Affirmative Puni)	BMBDAOCC2023119	11/1/2024
	Evanston Insurance Company (Markel)	MKLV6XL30000390	11/1/2024
Punitive Damages	Magna Carta Ins. Ltd.	MCPD210919	11/1/2024
Punitive Damages	Allied World Assurance Company, Ltd	C071400/003	11/1/2024
Punitive Damages	Magna Carta Ins. Ltd. (Fast Track)	MCPD210919	11/1/2024
Punitive Damages	Markel Bermuda Limited	196346216326-ALT PW- 2023	11/1/2024

Exhibit 2

Surety Bonds

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Chubb	C.S. - Payment Bond	Venture Global Plaquemines LNG, LLC	K40530423	01/25/2026	\$103,277,508.13
Chubb	C.S. - Performance	Board of Directors of the Omaha Public Power District	K40557222 / 82455022	05/28/2024	\$91,551,959.00
Chubb	C.S. - Payment Bond	Venture Global Plaquemines LNG, LLC	K40530484	8/10/2026	\$40,574,053.58
Chubb	Miscellaneous - Court	Orion Industrial Construction, LLC	K40557301 / 82455021	[•]	\$1,002,895.94
Chubb	C.S. - Performance	The Dow Chemical Company	K40530599	1/26/2025	\$994,290.15
Chubb	C.S. - Performance	The Dow Chemical Company	K40530502	4/19/2025	\$281,037.85
Chubb	C.S. - Performance	The Dow Chemical Company	K4053054A	10/16/2025	\$140,518.93
Travelers	C.S. - Payment Bond	Venture Global Plaquemines LNG, LLC	107261759	1/25/2026	\$103,277,508.13
Travelers	C.S. - Performance	Board of Directors of the Omaha Public Power District	107261753	5/28/2024	\$91,551,959.00
Travelers	C.S. - Payment Bond	Venture Global Plaquemines LNG, LLC	107652660	10/13/2026	\$33,196,952.92

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	Miscellaneous - Court	ORION INDUSTRIAL CONSTRUCTION, LLC	107261752	9/10/2024	\$2,005,792.00
Travelers	License & Permit	State of North Carolina, c/o North Carolina Licensing Board for General Contractors	107652668	12/19/2024	\$1,000,000.00
Travelers	License & Permit	State of Tennessee	107894240	4/24/2025	\$1,000,000.00
Travelers	C.S. - Performance	THE DOW CHEMICAL COMPANY	107894237	1/26/2025	\$994,290.00
Travelers	C.S. - Maintenance Contract	THE DOW CHEMICAL COMPANY	107652665	4/19/2025	\$140,519.00
Travelers	Miscellaneous	Florida Department of Business and Professional Regulation	107261740	11/5/2024	\$100,000.00
Travelers	License & Permit	ARIZONA REGISTRAR OF CONTRACTORS	106103173	9/30/2024	\$100,000.00
Travelers	License & Permit	Florida Department of Business and Professional Regulation	107044396	6/18/2025	\$100,000.00
Travelers	License & Permit	STATE OF ARIZONA	107261762	8/16/2024	\$75,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	License & Permit	NEVADA STATE CONTRACTORS BOARD	106011109	6/17/2025	\$50,000.00
Travelers	License & Permit	COMMONWEALTH OF VIRGINIA	106918464	8/2/2024	\$50,000.00
Travelers	License & Permit	Nevada State Contractors Board	NR9524	3/18/2025	\$50,000.00
Travelers	Miscellaneous	CITY OF SAN ANTONIO - AVIATION DEPT.	105987010	8/28/2024	\$44,193.00
Travelers	License & Permit	Arizona Registrar of Contractors	107652667	12/6/2024	\$37,500.00
Travelers	License & Permit	California Contractors State License Board	106918469	8/14/2024	\$25,000.00
Travelers	License & Permit	STATE OF ALASKA	107652652	12/1/2024	\$25,000.00
Travelers	License & Permit	STATE OF IOWA	105892115	3/16/2025	\$25,000.00
Travelers	License & Permit	STATE OF ARIZONA REGISTRAR OF CONTRACTORS	107261747	4/14/2025	\$25,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	License & Permit	STATE OF OREGON	106005701	11/8/2024	\$25,000.00
Travelers	License & Permit	Alaska Department of Commerce, Community, and Economic Development	107652653	12/1/2024	\$25,000.00
Travelers	License & Permit	Arizona Registrar of Contractors	107652659	2/10/2025	\$25,000.00
Travelers	License & Permit	Iowa Division of Labor	105927093	5/15/2025	\$25,000.00
Travelers	License & Permit	STATE OF IOWA	105552635	6/29/2025	\$25,000.00
Travelers	License & Permit	Iowa Division of Labor	107261758	4/28/2025	\$25,000.00
Travelers	License & Permit	STATE OF CALIFORNIA	106770477	11/2/2024	\$15,000.00
Travelers	License & Permit	CONTRACTORS STATE LIC BRD	NE6208	9/1/2024	\$15,000.00
Travelers	License & Permit	STATE OF ARIZONA	NP8924	9/15/2024	\$15,000.00
Travelers	License & Permit	STATE OF CALIFORNIA	107044381	4/26/2025	\$12,500.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	License & Permit	City of Omaha	107652654	12/30/2024	\$12,500.00
Travelers	License & Permit	CALIFORNIA CONTRACTORS STATE LICENSE BOARD	KC8931	6/15/2025	\$12,500.00
Travelers	License & Permit	STATE OF WASHINGTON	105984704	10/25/2024	\$12,000.00
Travelers	License & Permit	STATE OF WASHINGTON	105936443	7/14/2024	\$12,000.00
Travelers	License & Permit	Washington State Department of Labor and Industries	KC8933	3/21/2025	\$12,000.00
Travelers	License & Permit	NEW MEXICO REGULATION AND LICENSING DEPARTMENT	105927090	11/30/2026	\$10,000.00
Travelers	License & Permit	STATE OF ARKANSAS	105933278	7/8/2024	\$10,000.00
Travelers	License & Permit	STATE OF ARKANSAS	105984659	10/30/2024	\$10,000.00
Travelers	Notary, Surety/E&O	STATE OF TEXAS	107044394	6/15/2024	\$10,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	Notary, Surety/E&O	Texas Secretary of State, Notary Public Unit	107261738	9/17/2024	\$10,000.00
Travelers	Notary, Surety/E&O	STATE OF TEXAS	107261739	10/1/2024	\$10,000.00
Travelers	Notary, Surety/E&O	Texas Secretary of State, Notary Public Unit	107261741	1/13/2025	\$10,000.00
Travelers	Notary, Surety/E&O	Texas Secretary of State, Notary Public Unit	107261745	3/28/2025	\$10,000.00
Travelers	Notary, Surety/E&O	Texas Secretary of State, Notary Public Unit	107261748	5/6/2025	\$10,000.00
Travelers	Notary, Surety/E&O	TEXAS SECRETARY OF STATE	107261750	8/8/2025	\$10,000.00
Travelers	Notary, Surety/E&O	TEXAS SECRETARY OF STATE	107261749	8/19/2025	\$10,000.00
Travelers	Notary, Surety/E&O	TEXAS SECRETARY OF STATE	107261751	8/23/2025	\$10,000.00
Travelers	Notary, Surety/E&O	STATE OF TEXAS	107261757	3/15/2026	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107261760	7/28/2026	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107261761	8/18/2026	\$10,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	Notary, Surety/E&O	State of Texas	107652655	1/3/2027	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107652657	3/19/2027	\$10,000.00
Travelers	Notary, Surety/E&O	Texas Secretary of State, Notary Public Unit	107652666	11/1/2027	\$10,000.00
Travelers	Notary, Surety/E&O	Governor of the State of Texas	107652670	1/18/2028	\$10,000.00
Travelers	Notary, Surety/E&O	Governor of the State of Texas	107894238	1/31/2028	\$10,000.00
Travelers	Notary, Surety/E&O	Governor of the State of Texas	107894239	3/1/2028	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107894241	4/16/2028	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107044393	5/5/2028	\$10,000.00
Travelers	Notary, Surety/E&O	State of Texas	107044395	5/18/2028	\$10,000.00
Travelers	License & Permit	State of Arkansas	NE6210	9/1/2024	\$10,000.00
Travelers	License & Permit	Tennessee Department of Commerce	SH1950	10/28/2024	\$10,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	License & Permit	New Mexico Regulation & Licensing Department	107652651	10/13/2025	\$10,000.00
Travelers	License & Permit	Arkansas Contractors Licensing Board	107261754	12/9/2024	\$10,000.00
Travelers	License & Permit	State of Arizona	106214707	12/31/2024	\$7,000.00
Travelers	License & Permit	State of Delaware	105890617	2/8/2025	\$6,000.00
Travelers	License & Permit	State of Oklahoma	107044386	6/7/2025	\$5,000.00
Travelers	License & Permit	Oklahoma Construction Industries Board	107652664	6/28/2024	\$5,000.00
Travelers	License & Permit	Hillsborough County Development Services Division	106019678	11/13/2024	\$5,000.00
Travelers	License & Permit	Oklahoma construction industries board	105232949	2/3/2025	\$5,000.00
Travelers	License & Permit	State of Oklahoma	105326646	7/28/2024	\$5,000.00
Travelers	License & Permit	Oklahoma Construction Industries Board	107652662	5/9/2025	\$5,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers	License & Permit	Oklahoma Construction Industries Board	107652663	5/30/2025	\$5,000.00
Travelers	License & Permit	Department of Labor and Industries	SK0235	5/13/2025	\$4,000.00
Travelers	License & Permit	State of Idaho	106519492	8/3/2024	\$2,000.00
Travelers	License & Permit	Kentucky Transportation Cabinet Division of Motor Carriers	105967133	8/4/2024	\$1,000.00