

SCHEDULE 3.8

Executive Risk (Marsh Documentation 2015)

MEMO

TO: Enbridge Gas New Brunswick L.P. and Enbridge Gas New Brunswick Inc. ("EGNB")
DATE: April 9, 2015
FROM: Emi Adachi, Senior Vice President – FINPRO
SUBJECT: Directors & Officers Liability Insurance

Further to our Memorandums of May 28, 2014 and July 22, 2014, this is to provide some additional information regarding a stand-alone program for EGNB.

As you are aware, EGNB is covered under the \$250 million D&O liability insurance program, which is part of the main Enbridge Inc. D&O program. As provided previously, we use various analytics such as benchmarking against peers as one of the ways to provide guidance for informed decision making. Marsh maintains a benchmarking database that covers approximately \$50 billion in premium placements, \$4 trillion in limits and \$15.5 trillion in insured value. The peers in this group are selected based on a variety of criteria including industry, revenue, number of employees and asset size.

Median Primary Program Price Per Million (\$Thousands) By Revenue Band



The graph above confirms that peers with revenue and assets similar to EGNB pay a median of \$4,300 for each \$1 million of limits on their primary layer. We have also spoken with several large D&O insurance markets and they suggest this is a reasonable premium for the primary layer for an

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organization such as EGNB. One such market, Chubb Insurance Company of Canada (AM Best rating of "A++") provided the following non-binding indications:

- \$5 million limits - \$17,500
- \$10 million limits - \$33,500
- \$15 million limits - \$49,500
- \$25 million limits - Unable to put up this much limit for the size of the risk.

From this, we can estimate the total costs of the D&O program. Accordingly, we would suggest that should EGNB purchase their own stand-alone D&O liability insurance policy similar in size to Enbridge Inc. a \$250 million program would be approximately \$355,000 in premiums.

However, most D&O insurers will not provide limits of liability that would be larger than a company's worth. They would not want their D&O limits to be the largest assets on the Balance Sheet. So it would be highly unlikely that EGNB would be able to procure \$250 million in limits. Smaller program limits (assuming the same 60% Side ABC + 40% Side A DIC structure) may look as follows:

Total Limits	Estimated Premiums
\$25 million	\$75,000
\$75 million	\$170,000
\$100 million	\$210,000

Also note that because of the financial stability of Enbridge Inc; sound corporate governance; and claims record, they are afforded the broadest terms and conditions available in today's D&O marketplace. Smaller companies would not be able to access the same enhancements.

Finally, because Enbridge Inc. purchases large limits with dominant D&O insurers, the majority of those markets would not be able to provide any additional capacity. This would apply to any organization affiliated with Enbridge Inc. This may result in EGNB having to approach insurers that are not as large, experienced or considered as strong a D&O player in this market.

It is for these reasons that when our clients purchase D&O insurance, the intention is to cover all their Subsidiaries.

We trust this provides EGNB with the information requested. Please let us know if you have any further questions.

Kind regards