

SCHEDULE 3.8

Marsh Evaluation



Marsh Canada Limited
 Livingston Place
 222-3rd Avenue S.W., Suite 1100
 Calgary, Alberta T2P 0B4
 Fax +1 403 261 9882
 emi.adachi@marsh.com
 www.marsh.ca www.marsh.com

MEMO

TO: Enbridge Gas New Brunswick L.P. and Enbridge Gas New Brunswick Inc.
DATE: 28 May 2014
FROM: Emi Adachi, Marsh Calgary
SUBJECT: Directors & Officers Liability Insurance

You have asked us to provide our comments on the costs associated if Enbridge Gas New Brunswick L.P. and Enbridge Gas New Brunswick Inc. ("EGNB") were to purchase their own D&O liability insurance program similar to what they currently have.

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.

In order to determine optimal program structure for our clients, we use various analytics such as comparisons with their peers. Benchmarking is one of the main resources we use to provide guidance for informed decision making. Marsh maintains a 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.

We have prepared benchmarking of other organizations similar to EGNB and it confirms peers with revenue and assets similar to EGNB pay a median of \$4,400 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 organization such as EGNB.

The summary of the median premiums can be found on the graph to the right.



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SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.



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From this, we can estimate what the rest of the D&O program would cost. D&O insurers like to keep their capacity between \$15 and \$25 million and each layer's premiums will be a percentage of what the underlying layer quotes. For example, the first excess layer will generally quote around 60% of the primary rates and each layer will quote incrementally higher until they reach minimum premiums.

Accordingly, we would suggest that should EGNB purchase their own stand-alone D&O liability insurance policy, a \$250 million program would be approximately \$460,000 in premiums.

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