


## CAFII MEETING WITH MARIO BEAUDOIN NOVEMBER 5, 2024

### Summary of Conversation Between Mario Beaudoin and Keith Martin, November 5, 2024

- CAFII Executive Director Keith Martin met with AMF's Mario Beaudoin virtually on November 5, 2024 as part of a regular quarterly meeting.
- Mario Beaudoin commented on how much the AMF team enjoyed the session on October 8, 2024 and how impressed he was by the new National Bank facilities.
- Mario Beaudoin shared an internal announcement that Nathalie Sirois, who Mario Beaudoin reports into in Patrick Déry's department, would be retiring in June, 2025. There is an active recruitment for her replacement, with a recruitment firm hired. It very much sounded like the preference is to hire an external candidate, and Mario said that this would be complicated by a hiring freeze recently imposed on the civil service by the Government of Quebec. It is possible to get exempted from the restriction, but it adds time and complexity to the search, Mario said.
- This announcement is producing a cascade effect on Nathalie Sirois' department, the current structure of which I am sharing here.



**Patrick Déry**  
Superintendent, Financial Institutions  
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- **Julien Reid**  
Senior Director, Policy and Resolution
  - ↳ **Alain Angora**  
Director, Licensing and Resolution
  - ↳ **Luc Naud**  
Director, Capital and Liquidity Policy
  - ↳ **Hélène Samson**  
Director, Prudential Policy and Simulations
- **Paulin Roy**  
Senior Director, Solvency and Data Value Creation
  - ↳ **Isabelle Berthiaume**  
Director, Supervision – Financial Condition
  - ↳ **Vadim Cebotari**  
Director, Supervision – Models
  - ↳ **Ibrahima Khaya**  
Director, Business Intelligence and Analytics
- **Nathalie Sirois**
  - ↳ **Mario Beaudoin**  
Director, Alternative Insurance Distribution Practices
  - ↳ **Hicham Djab**  
Director, Supervision – Emerging Risks
  - ↳ **Véronique Martel**  
Director, Supervision – Commercial Practices
  - ↳ **Nathalie Sirois**  
Director, Supervision – Governance and Management Practices (interim)

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- The exact implications of Nathalie Sirois' retirement are not entirely clear yet. However, Mario said he would in future quarterly meetings bring individuals who might be more focused on Distribution Without a Representative, which Mario may be exiting from. It appears that Véronique Martel is obtaining new responsibilities, something she also shared with me at the October 8, 2024 lunch and dialogue with the AMF in Montreal, and that a new person, **Hicham Jab**, would be taking over the Commercial Practices role, and that Distribution Without a Representative might fit into that department, meaning that the critical role played by Mario may now migrate to Hicham Jab. I will be monitoring this carefully.
- Mario Beaudoin is expected to take on a new role as **Director, Emerging Risk**, where he will be monitoring and providing plans for emerging risks including climate change, quantum computing, artificial intelligence, and cyber risk.
- Mario also said that while Hugo Lacroix and Patrick Déry had teams which would be relevant to CAFII, at a leadership level Patrick was stepping back from active engagement with Associations and Hugo would be the leader at the AMF we would likely have more need to interact with.
- Mario then spoke about some the objectives of the statistics his team has gathered around claims denial rates, and return of premium to customers. His comments are consistent with themes he has shared in the past, including in his presentation on October 8.
- **Mario emphasized that the performance of industry for credit protection insurance for mortgages and loans was good, and he was satisfied with the numbers he saw, especially for life insurance for these loan instruments.**
- However, he was puzzled that the performance was less impressive when critical illness insurance was added into the product plan, and that this would continue to be something the AMF looks into. It would be helpful if the performance of the critical illness product could improve, Mario added.
- Mario said that the claims denial rate and the return of premium to customers was completely different, and much less impressive, for credit card products.
- With reference to travel insurance, he said that travel insurance products for which a premium was paid were performing well and providing an important service, but that was not the case for embedded credit card products, which "are like a totally different product in terms of performance." He said there was a prolific number of these products, and that some members said that they could not calculate the statistics requested because there were so few claims made. Mario said he was concerned that if a product have few claims, it might be of limited value in the marketplace, and that industry might want to simplify these offers including by not having such products if no one claims on them.
- Specifically, he said that the AMF had a threshold for a product to have "significant claims" of 10 claims in a year, or \$10,000 in claims in a year, and that for embedded products few met this threshold. In contrast, travel insurance for medical emergencies insurance for which a premium was paid saw \$40 million paid in claims.
- Mario said that for now this was an internal discussion with industry and the AMF and there was time to address these issues, but at some point there may be a requirement to share these numbers publicly and he is concerned about the reaction publicly if that happened. **He said he felt he could say that credit protection insurance products like mortgage life insurance "are**

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**good products” that add value to customers**, but that he would not be able to say that for credit card embedded insurance products. If industry can address some of these credit card issues, he said, that would be helpful around avoiding any negative perception of these products.

- Throughout the discussion I shared with him that there were subtleties around the reporting of statistics that had to be taken into account, and he said he appreciated that and it was why he felt it was important to continue to have conversations and his team wants to understand the full picture.
- Mario concluded by saying that if industry could address the critical illness insurance product’s performance, as well as the metrics for embedded credit card travel insurance, that would alleviate many of the concerns the AMF has.
- Mario asked me to set up four more virtual meetings in 2025, but said that as roles change he may bring additional people to those meetings.