



Target Market Determination

/ Effective 10 October 2023

Motor Target Market Determination

For Youi Car Insurance

Cover Types: Comprehensive, Third Party, Fire & Theft and Third Party Property Only

The purpose of this Target Market Determination (TMD) is to describe:

- the type of customer Youi Car Insurance is designed for;
- how it is distributed;
- distributor reporting requirements;
- when this document will be reviewed; and
- what information is required to be provided to help maintain the accuracy of this document.

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of the product terms and conditions. Any advice provided in this document is general advice only. It has been prepared without taking into account any person's particular objectives, financial situations or needs. Product issued by Youi Pty Ltd. More information about this product is contained in the PDS, which contains full details of coverage, conditions, limitations and exclusions. Consider whether the product is appropriate for you before making any decisions about whether to buy or continue to hold a policy. If you have already purchased this product, you should review the information we have provided you whenever your circumstances change.

Who this product is designed for

The Youi Car Insurance product has been designed to meet a range of insurance needs for car owners. For the purposes of this product, cars include sedans, utilities, 4-wheel drives, vans, people movers, motorhomes and campervans manufactured in or after 1980 and registered for use on Australian roads. However, certain car owners are outside the target market (see 'Who this product is not suitable for' below).

Within this product, you can choose from three levels of cover, depending on your objectives, financial situation or needs as outlined below.

1. Comprehensive Car Insurance

Comprehensive Car Insurance is designed to protect car owners whose likely objectives, financial situation and needs are to guard against the financial burden that may result from an event damaging their car or becoming legally liable for damage to other property through the use of their car.

Additionally, it is designed for a target market who have the financial means to pay premiums in line with the chosen payment frequency, applicable excesses, fees and government charges, and have the means to pay amounts that may exceed any policy limits in the event of a loss, with consideration given to a customer's personal circumstances, such as if they are facing hardship or are otherwise vulnerable.

Considerations to a customer's financial situation include the ability to:

- select an annual or monthly premium payment frequency; and
- where applicable, vary the premium amount by modifying the selected basic excess

The key attributes of Youi Comprehensive Car Insurance include coverage for events such as road accidents, storms, malicious damage, fires and theft as well as some associated costs such as towing and loss of personal effects. Another key attribute is legal liability, providing cover for damage to another person's property resulting from the use of their car. Any of these events could result in significant car repair or replacement costs, so this cover is suitable for the intended target market.

2. Third Party, Fire and Theft Car Insurance

This cover is designed for owners of cars, whose likely objectives, financial situation and needs are that they do not expect their car to be damaged in an incident such as a collision, storm or earthquake, or they have the means to repair or replace their car if it is accidentally damaged. Additionally, it is designed for a target market who have the financial means to pay premiums in line with the chosen payment frequency, applicable excesses, fees and government charges, and have the means to pay amounts that may exceed any policy limits in the event of a loss, with consideration given to a customer's personal circumstances, such as if they are facing hardship or are otherwise vulnerable.

Considerations to a customer's financial situation include the ability to:

- select an annual or monthly premium payment frequency; and
- where applicable, vary the premium amount by modifying the selected basic excess

The key attributes of Youi Third Party, Fire and Theft Car Insurance are cover against fire and theft damage to the car, and legal liability when the car causes damage to other people's property. Another key attribute is cover of up to applicable limit for damage to the insured car caused by an uninsured vehicle. The accident must be the fault of the other driver and you need to have identified them. This product is suitable for the target market because it limits their financial loss from accidents to the value of their own car plus any applicable excess, and provides cover if the car is damaged by fire or theft.

3. Third Party Property Only Car Insurance

Third Party Property Only cover is designed for the owners of low value cars or owners who are only seeking cover for damage done to another person's property resulting from the use of their car. Additionally, it is designed for a target market who have the financial means to

pay premiums in line with the chosen payment frequency, applicable excesses, fees and government charges, and have the means to pay amounts that may exceed any policy limits in the event of a loss, with consideration given to a customer's personal circumstances, such as if they are facing hardship or are otherwise vulnerable.

Considerations to a customer's financial situation include the ability to:

- select an annual or monthly premium payment frequency; and
- where applicable; vary the premium amount by modifying the selected basic excess

The key attribute of this cover is protection against legal liability for damage to another person's property resulting from the use of their car, such as in a collision. Another key attribute is cover of up to applicable limit for damage to the insured car caused by an uninsured vehicle. The accident must be the fault of the other driver and you need to have identified them. This product is suitable for the target market because it limits their financial loss from accidents to the value of their own car plus any applicable excess.

Who this product is not suitable for

This product is not suitable for car owners whose car:

- will be driven by someone who does not have a valid licence to drive in Australia;
- is used to transport dangerous material or heavy loads;
- will be used for racing, trials or contests;
- is unroadworthy or unsafe; or
- was not insured before purchasing this policy and requires cover for flood, hail, storm or bushfire during the first 72 hours (or other period noted on your policy schedule) of your policy first being purchased, unless it is a new car purchase.

In addition, cover for contents is limited under this policy, and it does not include cover for personal legal liability; or temporary accommodation if the vehicle can no longer be lived in after an incident. Please refer to the PDS for more information about your policy limits and exclusions.

Distribution conditions

Youi Car Insurance can only be purchased from the Youi website or contact centre. Youi employees are monitored and can only sell Youi Car Insurance through the contact centre if they have received adequate training from us and they must follow any guidance we give them (such as product-specific sales scripting and application processes).

When completing a quote, the Youi website and contact centre sales and application processes includes a number of questions (including 'knockout questions') that help to determine if the applicant is within the target market for this product, if we will insure them and their property and for what price and excess. The customer should always answer these questions accurately and check with Youi if they are not sure what a question means.

These conditions make it likely that Youi Car Insurance will only be distributed to customers within the target market for this product by helping ensure that Youi representatives have adequate knowledge of the policy terms and conditions, combined with the Youi application processes that are designed to identify instances where a policy is not suitable for the applicant.

Reporting

Youi collects information and prepares reports to improve our products and service in accordance with the examples of key reporting data in the following table.

Reportable Information	Frequency
Complaints data including the number and nature of any complaints	Quarterly
Sales and performance data including: <ul style="list-style-type: none"> - total sales; - renewal success rates; - initial policy cancellation rates; and - subsequent policy cancellation rates. 	Quarterly
Claims data including: <ul style="list-style-type: none"> - average claims turnaround; - percentage of claims rejected; and - percentage of claims withdrawn. 	Quarterly
Dealings of product outside of TMD	As soon as practicable after becoming aware of the mater, and no later than 10 business days
Any feedback, regulatory orders or directions regarding the product or its distribution that are received from <ul style="list-style-type: none"> • a regulator; • The General Insurance code Governance Committee; or • AFCA 	As soon as practicable after becoming aware of the mater, and no later than 10 business days

Reviewing this document

A review of this TMD will be completed no later than one year from the publication date and subsequently at annual intervals or where a review trigger has been identified. We will review this TMD if:

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this product indicate the TMD is no longer appropriate, having regard to appropriate data such as:
 - claims ratios;
 - policy sales;
 - policy renewal rates; and
 - cancellation rates.

(specific thresholds for the above metrics are recorded in Youi's internal product governance documents)

- we identify that there has been a significant dealing in the product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above review triggers occurring.

Questions?

If you have any questions about our products or this TMD, please contact us on 13 YOUI (9684).

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