



Target Market Determination

/ Effective 10 October 2023

Motorcycle Target Market Determination

For Youi Motorcycle 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 types of customer Youi Motorcycle 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 can be found 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

Our Motorcycle Insurance product is designed for motorcycle owners or those with a financial interest in a motorcycle. For the purposes of this product, motorcycles include on-road and off-road motorcycles, quad bikes, golf carts and scooters, which were manufactured in or after 1980. However, certain motorcycle 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 Motorcycle Insurance

Comprehensive Motorcycle Insurance is designed to protect motorcycle owners whose likely objectives, financial situation and needs are to guard against the financial burden that may result from an event damaging their motorcycle or becoming legally liable for damage to other third party property through the use of their motorcycle. 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 Motorcycle 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 riding gear. Another key attribute is legal liability, providing cover for damage to another person's property resulting from the use of the motorcycle. Any of these events could result in significant motorcycle repair or replacement costs, or third party property liability costs, so this cover is suitable for the intended target market.

2. Third Party, Fire and Theft Motorcycle Insurance

This cover is designed for owners of motorcycles whose likely objectives, financial situation and needs are that they do not expect their motorcycle to be damaged in an incident such as a collision, storm or earthquake or they have the means to repair or replace their motorcycle 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 Motorcycle Insurance are cover against fire and theft damage, and legal liability when the motorcycle causes damage to other people's property.

This product is suitable for the target market because it limits their financial loss from accidents to the value of their own motorcycle plus any applicable excess, and provides cover if the motorcycle is damaged by fire or theft.

3. Third Party Property Only Motorcycle Insurance

Third Party Property Only cover is designed for the owners of low value motorcycles or who are only seeking cover for damage done to another's property resulting from the use of their motorcycle. 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
- 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 the motorcycle, such as in a collision. This product is suitable for the target market because it limits their financial loss from accidents to the value of their own motorcycle plus any applicable excess.

Who this product is not suitable for

This product is not suitable for motorcycle owners whose motorcycle:

- will be ridden by someone who does not have a valid licence to ride in Australia, if required to do so by law;
- will be used for racing, trials or contests;
- is unroadworthy or unsafe;
- will be used in a reckless or inappropriate manner; 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 motorcycle purchase.

Distribution conditions

Youi Motorcycle Insurance can only be purchased from the Youi website or contact centre. Youi employees are monitored and can only sell Youi Motorcycle 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 Motorcycle 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 matter, 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 matter, 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;
 - policy sales;
 - policy renewal rates; and
 - cancellation rates.

(specific thresholds of 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 events occurring.

Questions?

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

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