



# Target Market Determination

Effective 1<sup>st</sup> July 2026



## Small Business Target Market Determination

### For Youi Small Business Insurance

## About this document

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

- the type of customer Youi Small Business 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 Policy Wording document, 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 business owner's or business's particular objectives, financial situations or needs. Product issued by Youi Pty Ltd. More information about this product can be found in the PDS and Policy Wording document, 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.

## What product does this TMD apply to?

This TMD applies only to Section 4 – Business Property Damage of the Youi Small Business Insurance product which is a retail insurance product if the small business owner is insuring business contents that are kept at a home. The other sections of cover available under Youi Small Business Insurance are not retail insurance products and are not subject to this TMD.

A small business owner must hold Section 1 - Public and Products Liability cover to be eligible for any of the other sections of cover, including Section 4 – Business Property Damage. However, all other sections of cover are optional and are only included in the policy if the small business owner asks and we agree to add them.

## Product description and key attributes for this product

Youi's Small Business Insurance product has 8 sections of cover available to small business owners who can select from the different policy sections to meet their likely objectives, financial situations or needs. Each section of cover is subject to Youi's underwriting rules that set out which sections are mandatory and which are available as options based on the small business owner's circumstances.

The table below describes the key attributes for the section of cover to which this TMD applies.

Policy Section	This product provides:
Section 4 – Business property damage	Cover for loss or damage to business contents (for example, furniture, tools of trade and equipment) and stock in trade caused by an accident; such as by flood, storm, fire, theft or attempted theft, escaping liquids or deterioration (of refrigerated stock in trade only).

### The PDS outlines specific coverage, limits and exclusions for each section of cover.

The following sections of cover are available under the Small Business Insurance product, however, are not subject to this TMD.

Section 1 - Public and Products Liability

Section 2 – Professional Indemnity

Section 3 – Business Items

Section 5 – Glass

Section 6 – Business Interruption

Section 7 – Money

Section 8 – Tax Audit

Extensions of Cover to Section 1

## Who this product is designed for

The Youi Small Business Insurance product has been designed for small business owners who have a legal liability risk and may also have other risks, in connection with their business activities or products.

The key eligibility criteria for purchasing this product and policy terms are:

Key eligibility criteria and policy terms	This product is suitable for	This product is NOT suitable for
Section 4 – Business Property Damage	<p>A small business owner with business contents or stock in trade who:</p> <ul style="list-style-type: none"> <li>holds Section 1 – Public and Products Liability cover; and</li> <li>operates from a business premises (that may also be a home building)</li> </ul>	<p>A small business owner who:</p> <ul style="list-style-type: none"> <li>does not hold Section 1 – Public and Products Liability cover; or</li> <li>requires cover for the physical premises they operate their business from</li> </ul>
<h3>Additional eligibility criteria</h3> <p>Section 4 - Business Property Damage is not suitable for a business owner who was not insured before purchasing this policy (and the insurable items were not a new purchase) and requires cover in respect of their business contents or stock in trade for flood, hail, storm or bushfire during the first 72 hours of the policy first being purchased.</p> <p>Where the business owner increased the existing cover or reduced the excess within 72 hours of a flood, storm or bushfire occurring, cover under this section will be limited to the amounts that were effective prior to the change.</p> <p>All policy sections – this product is not suitable for small business owners whose business operates from an address in the Northern Territory.</p>		

The PDS outlines specific coverage, limits and exclusions for each section of cover.

## What are the likely objectives, financial situation and needs of customers within the target market?

The Youi Small Business Insurance product is designed to allow small business owners to tailor their cover under their policy by having the ability to select appropriate sections of cover and insured values to meet their likely objectives, financial situations and needs. The table below sets out the target market for relevant policy sections.

Cover for	Needs and objectives
Section 4 – Business Property Damage	Small business owners who have business contents or stock in trade who need financial protection for these assets from accidents, and who need cover to repair or replace the business property.
Financial situation	
<p>This product 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.</p> <p>Considerations to a customer’s financial situation include the ability to:</p> <ul style="list-style-type: none"><li>• select an annual or monthly premium payment frequency; and</li><li>• where applicable, vary the premium amount by modifying the selected basic excess.</li></ul>	

## Why the product is appropriate for customers in the target market

Youi has assessed that the product, including its key attributes and eligibility criteria, is likely to be consistent with the class of customers within the intended target market because:

- it limits the financial loss that is incurred by a small business in connection with legal liability and gives small business owners the option to cover their business contents and stock in trade in respect to events that may result in loss or damage to those items; and
- the product allows for flexibility with choosing excesses, cover options and payment frequency options.

## Distribution conditions

Youi Small Business Insurance can only be purchased from the Youi contact centre.

Youi employees are monitored and can only sell Small Business 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 include 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 Small Business 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.

Reporting data	Frequency
Complaints data including the number and nature of any complaints	Quarterly
Sales and performance data including: <ul style="list-style-type: none"> <li>total sales;</li> <li>renewal success rates;</li> <li>initial policy cancellation rates; and</li> <li>subsequent policy cancellation rates.</li> </ul>	Quarterly
Claims data including: <ul style="list-style-type: none"> <li>average claims turnaround;</li> <li>percentage of claims rejected; and</li> <li>percentage of claims withdrawn.</li> </ul>	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"> <li>a regulator;</li> <li>the General Insurance Code Governance Committee; or</li> <li>the Australian Financial Complaints Authority.</li> </ul>	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 ratios;
  - policy sales;
  - policy renewal rates; and
  - cancellation rates.
- 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)**.

**Effective date:** 01/07/2026

**Issuer:** Youi Pty Ltd (ABN 79 123 074 733)

**AFSL:** 316 511