



Watercraft  
Insurance

# Target Market Determination

July 2025



## Watercraft - Target Market Determination

For Youi Watercraft Insurance

### **Cover Types:**

Comprehensive, Third Party Fire & Theft  
and Third Party Property Only

### **About this document**

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

- the type of customer Youi Watercraft 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 Watercraft Insurance product has been designed to meet a range of insurance needs for owners of a watercraft, or those with a financial interest in a watercraft.

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
Type of watercraft	Watercraft including boats, jet skis, wind surfers and paddle craft.	<ul style="list-style-type: none"> <li>watercraft manufactured prior to 1970.</li> <li>airboats, hovercraft or houseboats.</li> </ul>
Watercraft usage	Personal purposes.	Watercraft used for: <ul style="list-style-type: none"> <li>business purposes or offered for hire or charter.</li> <li>races or trials, unless it is a social sailing competition and the owner has purchased this optional cover.</li> <li>a permanent residence or is permanently anchored.</li> <li>travelling further than 200 nautical miles from the Australian coastline.</li> </ul>
Condition of the watercraft, tender and trailer	Watercraft that are in a well maintained and watertight, safe operating, seaworthy and roadworthy condition.	Watercraft that is: <ul style="list-style-type: none"> <li>not in a well-maintained and watertight, safe operating condition.</li> <li>unseaworthy or unroadworthy.</li> </ul>
Licence status	Owners whose watercraft will be towed or operated by someone who has a valid licence, where a licence is required by law.	Owners whose watercraft will be towed or operated by someone who does not have a valid licence, where a licence is required by law.

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Watercraft storage

Watercraft stored in Queensland New South Wales, Western Australia, South Australia, Victoria, Tasmania and the Australian Capital Territory, where underwriting criteria has been accepted.

Watercraft that is stored in the Northern Territory.

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## Additional eligibility criteria

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This product is not suitable for watercraft owners whose watercraft:

- 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 the policy schedule – of the policy first being purchased, unless it is a new watercraft purchase.
  - will be attached to a mooring that is not registered, or not suitable for the watercraft or is in poor condition or placement.
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## Product description and key attributes for this product

The table below describes the product and its key attributes for each level of cover.

Comprehensive	Third Party Fire & Theft	Third Party Property Only
<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>• damage to the watercraft caused by events such as accidental damage, storm, malicious damage, fire and theft;</li> <li>• some associated costs such as towing and loss or damage to personal effects caused by a specified event;</li> <li>• legal liability; providing cover for death, bodily injury and damage to another person's property resulting from the use of their watercraft.</li> </ul>	<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>• damage to the watercraft caused by fire and theft;</li> <li>• some associated costs such as towing and loss or damage to personal effects caused by a specified event;</li> <li>• legal liability; providing cover for death, bodily injury and damage to another person's property resulting from the use of their watercraft.</li> </ul>	<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>• low value watercraft for owners who are only seeking cover for damage done to another person's property resulting from the use of their watercraft;</li> <li>• legal liability; providing cover for death, bodily injury and damage to another person's property resulting from the use of their watercraft, such as in a collision.</li> </ul>
<p>Optional covers including:</p> <ul style="list-style-type: none"> <li>• Social Sail Boat Racing cover for owners of a watercraft that is a sailboat used in social sailboat racing.</li> </ul>	<p>Optional covers available.</p>	

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

This Watercraft Insurance product is designed to allow customers to tailor their cover under their policy by having the ability to select from three levels of cover to meet their likely objectives, financial situations and needs as set out in the table below. The ticks indicate the needs and objectives that each level of cover has been designed for, and the crosses indicate what each level of cover has not been designed for.

	Cover for	Level of cover		
		Comprehensive	Third Party, Fire & Theft	Third Party Property Only
Needs and objectives	Loss or damage to the watercraft	✓	⊙ For fire & theft only	✗
	Legal liability	✓	✓	✓
	Extra covers	✓	⊙ Limited	⊙ Limited
	Optional covers	✓	⊙ Limited	✗
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>			
	<p>The PDS outlines specific coverage, limits and exclusions for each level of cover.</p>			

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## 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:

- customers can choose from three levels of loss and damage cover to suit their likely objectives, financial situation and needs; and
- the product allows for flexibility with choosing excesses, cover options and payment frequency options.

## Distribution conditions

Youi Watercraft Insurance can only be purchased from the Youi website or contact centre. Youi employees are monitored and can only sell Youi Watercraft 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 Watercraft 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:** 02/07/2025

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

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