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# Target Market Determination

/ Prepared February 2021

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## Small Business Insurance Target Market Determination

### For Youi Small Business Insurance

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

- the types of businesses that Youi Small Business Insurance is designed for;
- how it is distributed;
- 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 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, 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.

### About Youi Small Business Insurance

**There are a number of available covers under Youi Small Business Insurance. These covers are:**

- Public and Products Liability;
- Business Items;
- Business Property Damage;
- Glass; and
- Money

A small business owner must hold Public and Products Liability cover to be eligible for any of the other covers. However, all other covers are optional and are only included in the policy if the small business owner asks and we agree to add them.

The majority of the covers available under Youi Small Business insurance are not retail insurance products. However, the Business Property Damage cover is a retail product if the small business owner is insuring business contents that are kept in a home building.



## Who this product is designed for

Youi Small Business Insurance is 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. Small business owners are those that operate a business that employs fewer than 20 people and has an annual turnover of less than \$1 million. However, certain small business owners are outside the target market (see 'Who this product is not suitable for' below).

Public and Products Liability cover is designed for small business owners whose likely objectives, financial situation or needs are to guard against the financial burden that may result from incurring legal liability, in connection with their business, to pay compensation to a third party. If the small business is a licensed electrical contractor in Queensland or a licensed plumber in Victoria, the applicable extension of cover will automatically be added to the Public and Products Liability section as the extensions of cover are designed to comply with the legislative requirements placed on such persons in relation to insurance.

In respect of the key attributes of this product, it covers legal liability to pay compensation for personal injury or property damage that occurs in connection with the business or its products, as well as advertising liability caused by an advertisement connected to the business. In addition to the compensation involved with legal liability, there is cover for specific costs involved in the defence of a claim from a third party and representation costs at official coronial investigations and other selected expenses related to the claim. The key attributes of the extensions of cover are that they align with the relevant legislative requirements for insurance that licensed electrical contractors in Queensland and licensed plumbers in Victoria must obtain in order to conduct business of that nature.

Further covers can also be added to Youi Small Business Insurance (see 'About Youi Small Business Insurance' above). The only cover available under Youi Small Business Insurance that can be a retail product is Business Property Damage.

The target market for Business Property Damage is small business owners who:

- operate from a business premises (that may or may not also be a home building); and
- are also in the target market for Public and Products Liability cover.

The likely objectives, financial situation or needs of small business owners within this target market are to guard against the financial burden that may result from loss or damage to business contents or stock in trade at the business premises or to stock in trade while in transit to or from the business premises. The key attribute of Business Property Damage cover is that it covers loss or damage to business contents (for example, furniture, tools of trade and equipment) and stock in trade caused by accident, flood, fire, theft or attempted theft or (for refrigerated stock in trade) deterioration.

The key attributes for Public and Products Liability cover and Business Property Damage cover (as described earlier in this document) make Youi Small Business Insurance likely to be consistent with the likely objectives, financial situation and needs of this 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 significant damage to those items.



## Who this product is not suitable for

### **Youi Small Business Insurance is not suitable for business owners who:**

- require insurance cover for the physical premises they operate their business from;
- require protection against consequential losses, such as loss of profit if an event prevents the business from operating (and such protection is not of the type required under the legislative requirements for licensed electrical contractors in Queensland or licensed plumbers in Victoria and insured under the extensions of cover to the Public and Products Liability section); and
- operate their business in North America.

In addition, the Business Property Damage cover 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, storm or bushfire within the first 72 hours of cover starting.

## Distribution conditions

Youi Small Business Insurance can only be purchased from the Youi contact centre. Youi employees 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 sales processes include a number of 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 because Youi representatives have knowledge of the policy terms and conditions and Youi processes are designed to identify instances where a policy is not suitable for the applicant.



## Reviewing this document

Youi, as the distributor and issuer of this product, collects information and prepares reports regarding sales activity, performance, complaints and any occasions where this product has been sold contrary to the TMD on an at least quarterly basis to help improve our products and service.

### 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 and policy sales and cancellation rates; or
- 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.

In any event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

## Questions?

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

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