Bit Life & Trust

™

Creating automated blockchain secured products that bring communities together. ©

White Paper
8/13/2017
Ver. 1.60

By: Michael Howton, Lead Founder
     Mustafa Maqbool, Co-Founder
     Patrick Durling, Co-Founder

Bit Life & Trust

™

I.   The Vision

Prior to the modern age, communities formed around geographic locations. These communities shared in each other's success and losses. When a member of the community suffered a loss, each of the community members would help in covering the cost of the loss. As the world modernized, companies formed to take over this assignment, in the form of insurance, and communities began to disconnect from the process. Today, the world is growing into a global community where geography is no longer a necessary limit. We believe the global community can be brought closer together and gain a vested interested in the well being of there fellow humankind through a globally shared trust, built and secured on the blockchain.

II.   The Plan

Blockchain technology is poised to create disruption in and across many industries. It's power to bring communities closer together is driving new innovation. Traditional markets have been structured around centralization and consolidation of power. No longer does the power, money and influence need to benefit the very few. Through blockchain and smart contract technology, BitLifeAndTrust project aspires to disrupt the conventional broker markets in the insurance industry by returning the power of the markets to the communities which support it. BitLifeAndTrust project will build a protocol for insurance products that are selected, funded and managed for the benefit of society. Our participants are you and others who fund the work of this project, the insured, who are made whole after a loss and everyone who believes in transparency without geographic boundaries. We aim to reduce the cost of all insurance in life, property, consumer goods, legal and others by putting the insured first. We aim to

Bit Life & Trust

simplify claims processing by shifting the financial incentives from the seller to the claims processor and by creating competition among processors. Let's together achieve the right to build a brighter future for you, those you care about and our global community. We invite you to participate in our shared beliefs, aspirations and desire for success. Thank you to the creators of blockchain, cryptocurrency and smart contract for making this all possible.

III.   DISCLAIMER

This White Paper explains how BitLifeAndTrust project will use Ethereum based smart contracts to launch an online platform for building automated insurance product offerings. The participants in this system are the Insured (Individuals, Families, Companies and Affiliates); Benefactors of the insured; Validators for confirming an event; Assistants for helping the insured; Banks or Wallets for holding cryptocurrency; and finally any partnerships that BitLifeAndTrust project deem necessary for its success.

The purpose of the BitLifeAndTrust project token is to allow participation in the BitLifeAndTrust platform. BitLifeAndTrust project will create 100,000,000 tokens. These tokens will be sold during the token offering periods. No additional tokens will be created.

Purchases of the BitLifeAndTrust project token BLT is STRICTLY voluntary. BitLifeAndTrust and/or any of its founders, employees, advisors or partners and representatives are NOT LIABLE for any direct or indirect result of profit or loss from owning the tokens. Tokens are not securities and are only to be used to interact with the BITLIFEANDTRUST platform and products. TOKENS WILL NOT PROVIDE A DIVIDEND AND WILL NOT RETURN ANY REVENUE TO THE OWNERS OF THE TOKEN. PLEASE NOTE THAT UNITED STATES CITIZENS OR AFFILIATED PERSONS SHOULD CAREFULLY CONSIDER UNITED STATES LAWS PRIOR TO PARTICIPATING IN THIS EVENT. Revenue from the token sale will be used to support the development of the BitLifeAndTrust platform. Details are provided in the section: Project Specifics.

Any individual, group or entity intending to purchase the BitLifeAndTrust token MUST CONSULT with their legal and / or financial advisors prior to making any purchases.

Bit Life & Trust

Purchasers and Participants MUST be aware that there is a SIGNIFICANT FINANCIAL RISK posed by the nature of the business of BitLifeAndTrust and the use of blockchain technology.

Any forward looking statements made in the press release, website, Twitter, Facebook and/or any other public or private medium by BitLifeAndTrust and/or any of this founders, employees, advisors or affiliates must be considered as speculations that are not based on any historical data and do not offer any guarantee that such statements will come true. Prospective Purchasers and Participants should carefully evaluate direct and indirect risks and uncertainties associated with BitLifeAndTrust. No information in this Whitepaper should be considered to be an advice – legal, financial, regulatory or otherwise. Purchasers and Participants are advised to consult their legal counsel and / or financial advisors about the terms or statements used in the public or private medium.

Bit Life & Trust

™

Table of Contents

6

IV. Token

Bit Life Insure Corp. will create an ERC20 token (BLT) which will act as the currency for the BitLifeAndTrust platform smart contracts on the Ethereum Blockchain.

The BLT token will be the medium through which the insured, their beneficiaries and other market participants interact with the platform. Holders of the BLT tokens will have the right to participate in voting. The results of voting will enact modification to contract and platform specific parameters. This may include insurance caps, market availability, fraud detection, licensed organization status (Validators), and other contract specific variables.

I. Token details:

Token supply: 100 million

Minable: No

Distributed: 70 million

Retained by Bit Life Insure Corp.: 30 million

Token price: 1 Ether per 400 BLT Token. Price will remain fixed throughout the sale

V.   Token Issuing Event Process

I.   Token Details

Pre-Token Event Details:

Pre-Event Period: September 12th 2017 09:00 EDT to September 20th 2017 18:00 EDT

Participants: Registered Purchasers

Registrations Site: www.bitlifeandtrust.com/registration

Registered Purchasers will receive a contract address by email.

Token Event Details:

Event period: September 25th 2017 to October 30th 2017

Token distribution: November 2017

Target investment goal: 120,000 Ether

Target cap: 166,000 Ether

Participants: Open

We have chosen to not include any early purchase discount as we believe this reduces the distribution of tokens to the community.

18% or 6,600 Ether, whichever is less, equivalent of sales from this event will be held in a trust to secure unforeseen beneficiary payouts.

II.   Funds Escrow

All funds received during the token issuing event will be held in escrow in multi-signature address('s). Keys to the address('s) will be held by Bit Life Insure Corp. Access to funds will be governed by the Bit Life Insure Corp. Board of Directors.

Bit Life & Trust

™

VI.   Project Description

The BitLifeAndTrust project's primary focus is to develop a network of participants that facilitate reimbursement after a loss related to Life and Property. These participants fall in to four categories: The Insured, Validators, Assistants and Token Owners.

Insured signs contract with help from an Assistant
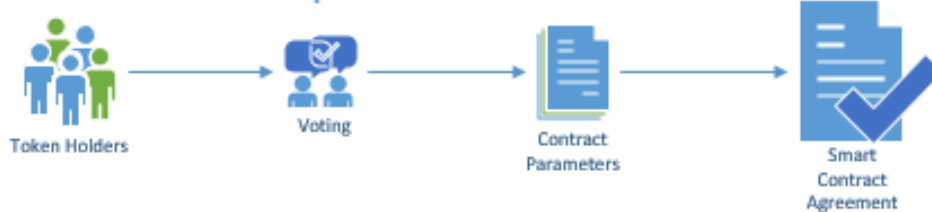

Beneficiaries submit a claim

Insured premium payments sufficient to trigger payout to Assistant

Token Holders vote on contract parameters

Bit Life & Trust

™

I. Insured

The Insured face several issues in today's insurance market. Primary of these issues is that it is in the best interest of the issuing insurance company to write the policy and but not in the interest of a company to pay out benefits for a policy. This creates a force within an issuing company to enact practices to limit payouts, not in the best interests of the Insured. Companies institute practices which include offers at reduced settlement amounts, denial of payment for claims, non-response or delayed responses to beneficiaries, cancelation of policies due to complex rules and complex processes for submitting claims.

Additionally, the Insured, seeking to preserve their resources, are often subject to inflation from fiat currencies. Example, a $1 million life insurance policy would result in an affective payout of $174,100 after inflation where there is an annual 6% inflation rate over a 30 years period. Developing countries often experience much higher inflation rates.

In our model, we plan to split the incentives between policy underwriting and policy payouts. For policy underwriting, the Insured can interact directly with the smart contract to sign a policy agreement as well as pay their premiums. The smart contract takes the place of the traditional underwriting insurance company. If the Insured requests, they can work with an Assistant (see The Assistant below) who can receive a payment for their assistance. They can also list themselves as the assistant. Through interaction with select smart contracts, the Insured can assign and change beneficiaries through the assignment of cryptographic keys.

For policy payouts, the insured submit their key to the contract. This triggers a notification to the Validators (see The Validators below) who can process the claim. It

is intended that multiple Validators will be signaled and receive the claims request. Due to the nature of competition, Validators will compete to process the claim. This process flips claims processing from being an expense for a traditional insurer to a source of revenue for the claims processor. This will incentivize Validators to simplify and speed up the processing of claims. Validators will not have the ability to cancel a policy and, dependent on the type of contract, validators will not be able to alter payout amounts for a loss.

The value of each contract will be stored in BLT tokens. As there is a fixed cap on the number of BLT token, the Insured will not be subjected to the negative inflationary trends of many fiat currencies.

As an open and distributed blockchain ledger, the Insured, as well as regulators, will have a complete visibility to audit the contracts and to evaluate the market value of the token. The Insured can hold tokens, along with other network participants, and receive the benefits granted to token holders, such as the right to vote on future policy changes and parameters.

Customers are advised to work with licensed financial and estate planning professionals before participating or entering into contracts created on the BitLifeAndTrust platform.

II. Validators

BitLifeAndTrust platform will utilize two types of Validators or processors. Licensed Organizations (LO) and Autonomous Validators (AV).

Licensed Organizations (LO's) are companies licensed to process claims in jurisdictions which require licensing as well as those that do not require licensing. LO's will work to

process and validate claim. Once a claim is processed, the LO will signal the smart contract, using their cryptographic key. Once the Validator and the beneficiary send their keys to the smart contract funds (BLT) will be released to the beneficiary and payment will be released to the Validator. In the process of submitting their key, the LO will be required to post a monetary stake to the contract. This stake will be held by the contract for a set period of time. Competing LO's have the opportunity to validate each claim. If a group of LO's find the claim validation to be in error, they have the ability to signal the error to the smart contract and receive the monetary stake in the form of a bounty. If no error is claimed, the stake is returned to the submitting LO.

Bit Life Insure Corp. will work to build out the initial network of validators. In an established market, token holders will be able to vote on the granting new LO key's to new Validators and have the ability to revoke the LO key's for existing Validators.

Autonomous Validators (AV) are verified sources of truth. In the future, trusted autonomous organization will exist with the ability to replace or act as an LO. Bit Life Insure Corp. will seek to develop smart contracts that take advantage of these future innovations. An example AV could be an oracle supplied by the Civic Project or others.

III.   Assistants

An assistant is anyone (individual or organization) who assists the Insured in the process of entering into a contract. The assistant role is not to act in a sales role but as a technical assistant. As a reward for providing this service, the assistant will receive BLT tokens and will act as an independent person.

The BLT tokens will be released by the smart contract on a timed-release and are subject to premium payment targets being reached.

There is a potential to allow Assistants to receive additional BLT tokens in a cascading distribution from other assistants.

IV.   Token Holders

Token holders will have the right to vote on certain aspects of the network. Although it is difficult to foresee every voting action available to a holder, we believe the following actions will available:

1. The ability to vote on smart contract specific parameters. Example parameters: actuarial table changes, assistant payout percentages, active markets, maximum contract value.
2. The ability to vote on the granting and revoking of keys for Licensed Organization.
3. Fraud discovery and penalty enforcement.

It is expected that Token Holders will be able to trade their tokens on exchanges. If such a service exists, it will be provided by third-party exchanges not affiliated with Bit Life Insure Corp.

Token holders will not receive any dividends or profits from the network.

V.   Technologies

A. Ethereum Blockchain

BitLifeAndTrust project intends to release it's smart contracts on the public Ethereum Blockchain, but may release smart contracts on other public and private environments. The primary goal is to select a platform('s) that meet the security, scalability and time horizons required to support the best outcomes of the Insured.

B. Smart Contracts

Smart contracts are programmatic application which run in a blockchain database environment. Users of the contracts will interact with them through the BitLifeAndTrust.com website, smartphone apps and/or using third-party tools.

C. Programming Language

Solidity is the language of choice for BitLifeAndTrust project's smart contact development.

VI. Project Specifics

The BitLifeAndTrust platform outlined in this paper is meant to exist autonomously after development is completed. Completion will be determined by the Bit Life Insure Corp. executive team.

A. Modular design

The BitLifeAndTrust platform will be composed of a network of smart contracts. The network will be designed to allow for future development and replacement of smart contracts.

B. BitLifeAndTrust tokens (BLT).

15% will be reserved for the original development team, advisors, bounties and other business related activities. 15% will be reserved for the earliest adopters and as incentive for companies to join the platform as licensed organizations.

Proceeds from the event will fund development costs associated with building the BitLifeAndTrust platform and the Bit Life Insure Corp. This includes Selling, General and

Administrative Expenses (SG&A), Product Development, Modeling, Research, Regulatory costs and Platform costs.

C. Selecting Validators

The Bit Life Insure Corp. management team will retain full authority to select Validators for a minimum of first twenty-four (24) months following the token issuing even, after which, authority will be transferred to BLT token holders.

D. Risks

The insurance industry is highly regulated and a mature market with sophisticated market participants. The BitLifeAndTrust project is a high risk endeavor and project success is not guaranteed.

VII. Proposed development plan

The primary objective of the BitLifeAndTrust project is to deliver usable, secure products to the market.

I. Timeline

Q2 2017   Initial platform design

Development of Dapp logical design, Website launch,

BitLifeAndTrust.com

Q3 2017   Buildout of core team and advisors

Published Whitepaper

Token Issuing Event

Q4 2017   Begin Validator recruitment

Platform development

Testnet deployment of platform – phase I

Q2 2018 -   Production deployment of platform – phase I

Deployment of Consumer Facing Web Application

Q4 2018   Production deployment of platform – phase II

Contract focus areas: Term Life, Dismemberment

Deployment of mobile app

Continue building network of Validators and Assistants

Q2 2019   Production deployment of platform – phase III
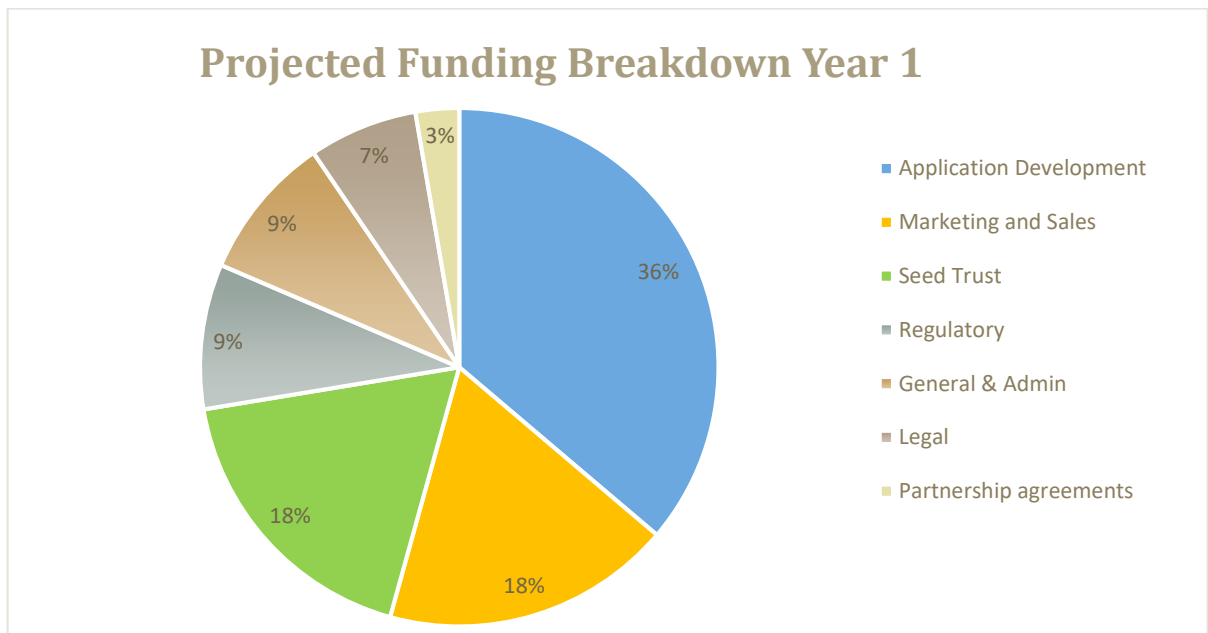
Contract focus areas: Consumer goods, Property

Bit Life & Trust

™

II. Proposed Project Expense

Projected Funding Breakdown Year 1

- Application Development — 36%
- Marketing and Sales — 18%
- Seed Trust — 18%
- Regulatory — 9%
- General & Admin — 9%
- Legal — 7%
- Partnership agreements — 3%

Seed trust will be established from the funds of this event to be held in trust to secure unforeseen beneficiary payouts.

BitLifeAndTrust projects may participate in highly regulated markets and plans to work with regulators in those markets to provide the best products for platform participants. This proposed budget includes spending categories to account for costs associated with legal and regulatory efforts.
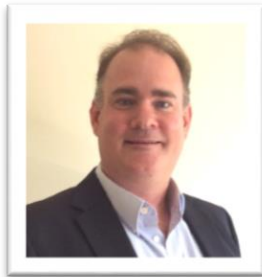
This projected funding breakdown for year 1 is an estimate budget, actual spending may differ.

III.   Bit Life And Trust Team

Michael Howton

Lead Founder
Strategy and Marketing

MBA - Kellogg School of
Management
BBA – St. Edwards University
20 yrs IT & Business Leadership
Hands on developer, Futurist

https://www.linkedin.com/in/michaelhowton/

Mustafa Maqbool

Co-Founder
Business Development and
Product Leadership

MBA - Kellogg School of
Management
Masters Engineering – Cornell
University
Product Management,
Investments, Educator

https://www.linkedin.com/in/mustafa-maqbool-82a5971/

Patrick Durling

Co-Founder
Technical Lead

11 Yrs IT Manager in
Healthcare
Server Engineer

https://www.linkedin.com/in/patrick-durling-4531b914/

Bit Life and Trust 2017 ©
www.bitlifeandtrust.com