

fynance

# WHITE PAPER

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## Abstract

fynance is a digital brokerage company in the German insurance sector. Our strategy is to buy insurance portfolios worth 142,000 ethers by the fourth quarter of 2018.

With 431 million contracts concluded, the German insurance industry is one of the most profitable sectors in the country. This market, which is partly managed by brokers, is currently preparing for a generation change.

The business is extremely lucrative. On average, a 20% commissions are paid to the insurance brokers on every contribution made to the insurance company.

In May 2017, the fynance app was launched, which already generated 1500 customers by October of the same year.

The app offers customers the convenient management of their insurance contracts via smartphone. Insurance policies can be directly viewed, damage reported via click of a button, alternative offers can be obtained in the future on request. The app becomes the point of sale.

The effort of employees in the back office is extremely low. An employee can edit and manage 5000 customers. This low administrative burden results in a high profit rate.

However, this sector is also subject to digital change, which promises even higher profits for those who are able to adapt to the changes.

In October 2016, the five insurance companies Aegon, Allianz, Munich Re, Swiss Re and Zurich established a joint initiative for Blockchain Technology, the B3i project (Blockchain Insurance Industry Initiative). This project has been widely recognized and has become a global initiative.

The future will in all likelihood be a settlement of the insurance business through the Blockchain. Policies are stored as smart contracts on the Blockchain. This enables a decentralized and forgery-proof procedure. Data and identities of insurance customers can be fully automatically verified and kept up to date. The administrative effort is minimized. Working with paper documents will only be an option in the medium term.

fynance is one of the first brokerage firms to adapt to this change.

As part of the changeover, our app is linked to the Blockchain technology. The employees in the backoffice to increased the number of managed customers per backoffice employee to up to 7500 customers per employee. This means that we are at the forefront of technological development.

fynance has a working business model that has already proven itself on the market and is anchored in the real economy.

We share with the token holders 30% of our remuneration in ethers as part of a bonus program. These allocations are made at least once a month. The amount of the respective allocation is published on the [www.fynance.io](http://www.fynance.io) website.

The maximum supply set by us is 192,050,000 million FYG tokens. Of these, a maximum of 167 million FYG tokens are sold, 10% are distributed to the team and 5% to start-up investors of fynance Vermittlungs GmbH.

In the future, new insurance contracts will be tested by our algorithms for the optimization potential of the contracts. We call this process stock refining. As a result, we are using organic growth from follow-up transactions of 1% per month. This effect results in an increase of around 50% after about 4 years.

## The Market

### Psychology

The security needs of the Germans are very pronounced, at least because of their history. The term "German angst" testifies to a pessimistic attitude that always puts risks at the forefront and tries to involve all eventualities from the outset. In addition to perspectives and opportunities, Germans always see dangers as well. The need to be resistant to such dangers is very important. The German insurance market is accordingly characterized by above- average stability. Insurance contracts that are concluded are not terminated in most cases. The cancellation rates are low.

## Figures

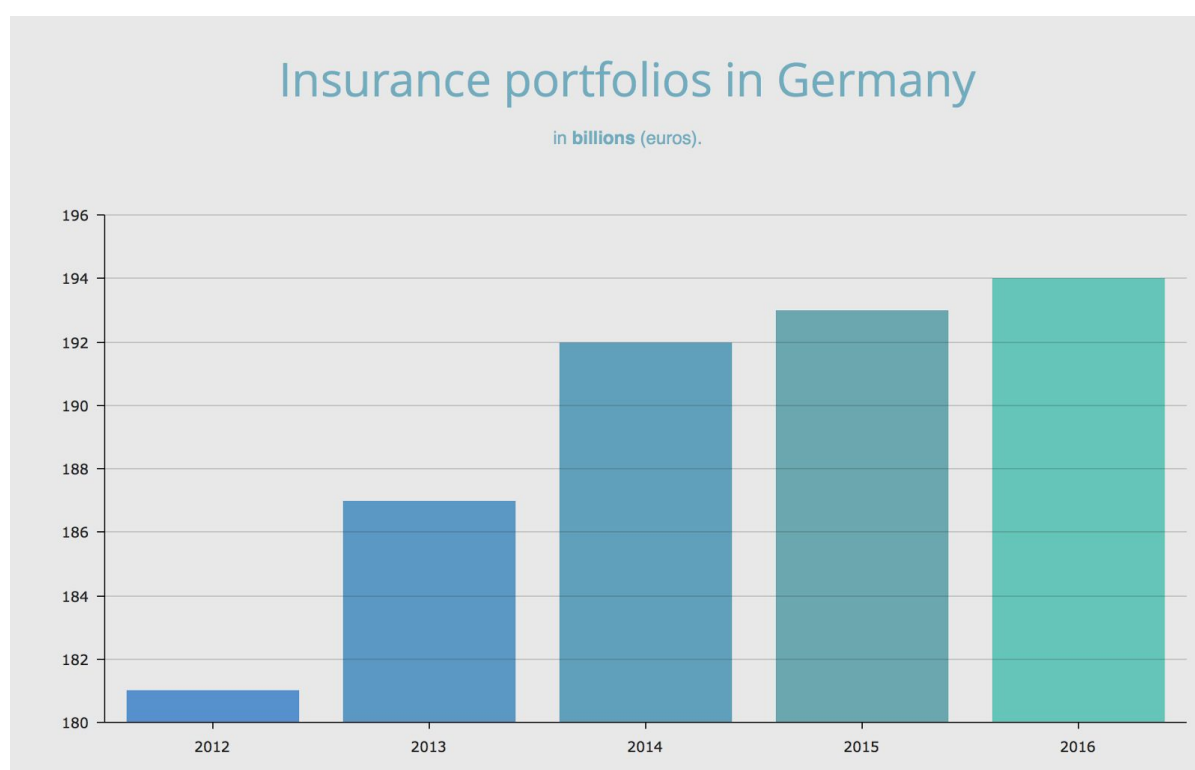
The German insurance industry is one of the most profitable sectors in the country. In 2016, the insurance penetration, i.e. the percentage of contributions in relation to the gross domestic product, was 6.2%. At the beginning of the 60s it was still 3%.

(Source: GdV) The importance of private insurance protection has increased significantly in recent decades. The largest German insurer, the Allianz, has been in existence for more than 120 years and generated sales of over 32 billion euros in Germany alone in 2016.

(Source: Annual Report 2016)

The 2016 insurance premiums received in Germany amounted to 194 billion euros.

(Source: GdV)



431 million insurance contracts concluded in Germany show the size of the market in which finance will participate.

(Source: Statisticala, as of 2016)

## Future

In the future, the Germans will continue to face risks of all kinds.

However, the style of mediation will change. This is where the industry faces major changes. All units of the insurance process field undergo a digital transformation. Intermediaries confined to traditional stationary distribution will be among the losers of the future.

The highly probable changeover to the B3i standard will lead to a quantum leap in the insurance sector. Managing the policies on papers will soon be a thing of the past. Only those who adhere to the B3i standard and the associated smart contracts will be among the winners on the market in the long term.

## The Company

### Story

Marc Sperber is a trained insurance broker and has been working in the insurance industry since the age of eighteen. With three colleagues, he founded a classical brokerage office in Rheinland-Pfalz. In addition, he became interested in Blockchain technology and closely followed developments in this area.

In his work at the brokerage office, one thing occurred to him: Customers had difficulty sorting and accessing their documents.

This resulted in an idea: Why not develop an app that allows customers to view and manage all their insurance contracts and where they can handle all the processes?

With an external six-headed Developer team, he put this idea into action and developed the fynance App and the Broker App in months of work. A few years later, in June 2016, he decided to start his own company, the fynance brokerage GmbH, together with a potent investor. In this company, he established an internal team that continuously developed the app and the fynance website. In May 2017, the app was launched and in the first six months already generated 1500 customers.

The insurance market is likely to introduce the B3i standard in the medium term, i.e. insurance contracts will be run as smart contracts on the Blockchain. Fynance will set itself 2018 as one of the first brokers to this standard.

Marc Sperber's aim is to become the leading Blockchain broker in Germany and an institution on the market.

## Structure

fynance Vermittlungs GmbH

Commercial register: Rheinland-Pfalz **Amtsgericht Landau HRB 31914**

Managing Director: Marc Sperber

Founded: 22.06.2016

Location: Germany

Team: 10 Employees

## Overview

Home	▶ <a href="http://www.fynance.de">http://www.fynance.de</a>
Blog	▶ <a href="http://www.fynance.de/blog/">http://www.fynance.de/blog/</a>
Steemit	▶ <a href="https://steemit.com/@fynance">https://steemit.com/@fynance</a>
Reddit	▶ <a href="https://www.reddit.com/user/fynance_de/">https://www.reddit.com/user/fynance_de/</a>
Slack	▶ <a href="https://fynance.slack.com/messages/C7PSBM2SV/">https://fynance.slack.com/messages/C7PSBM2SV/</a>
Github	▶ <a href="https://github.com/fynanceapp">https://github.com/fynanceapp</a>
Twitter	▶ <a href="https://twitter.com/fynance_app">https://twitter.com/fynance_app</a>
Facebook Page	▶ <a href="https://www.facebook.com/tokensale/">https://www.facebook.com/tokensale/</a>
	▶ <a href="https://www.facebook.com/fynanceofficial/">https://www.facebook.com/fynanceofficial/</a>
Facebook Group	▶ <a href="https://www.facebook.com/groups/1837132492982899/">https://www.facebook.com/groups/1837132492982899/</a>
White Paper	▶ <a href="http://www.fynance.io/fynance_Whitepaper_en.pdf">http://www.fynance.io/fynance_Whitepaper_en.pdf</a>
Token Offer	▶ <a href="https://fynance.io/fynance_Token_Offer_en">https://fynance.io/fynance_Token_Offer_en</a>

## Contact

### Media Contact



Contact

Gerrit Sasse

Contact Email:

[g.sasse@fynance.io](mailto:g.sasse@fynance.io)

Location: Germany

### Contact of Institutional investors



Kontakt: Marc Sperber

Contact Email: [m.sperber@fynance.io](mailto:m.sperber@fynance.io)

Location: Germany



## Business model

Our business model is essentially based on the purchase of insurance portfolios.

There is a generation change in the insurance industry: many brokers want to retire, but do not find the right offspring to carry on their holdings.

fynance will use 90% of the proceeds generated from the token sale to buy insurance portfolios. We are refining these newly acquired insurance contracts. This can be done in several ways:

1. The sale of optimised alternative offers expands the number of insurances sold and managed;
2. The customers will add more of their already existing insurances contracts to the app and thus transferring to us more insurance contracts to be managed;
3. New insurances contracts are sold both through intensive support and on customer request.

All these ways of contract refining will lead to a doubling of the portfolio of insurance contracts under management within a few years.

30% of the remuneration is allocated to the token holders as a bonus in the form of ether as part of a bonus program. This is done on a monthly basis.

**An exact description of the functionality and structure of the fynance token can be found in the document "Token Offer".**

[https://www.fynance.io/fynance\\_Token\\_Offer\\_en.pdf](https://www.fynance.io/fynance_Token_Offer_en.pdf)

A minimal cost structure results from the future use of Blockchain technology and the associated reduction in administrative costs.

In contrast to many competitors, we do not cover the costs of development from the proceeds of the token sale, but from the company's current commission revenue.

Our business model also offers protection against relative inflation. Inflation in the Euro system also increases insurance premiums through contribution adjustments. As a result, our brokerage fees also increase. The loss of purchasing power is thus compensated.

## Roadmap

- June 2016: Founding of fynance
- May 2017: Launching of fynance App
- December 2017: Sale of fynance Token
- Acquisitions of insurance portfolios worth 142 000 ether by Q4 2018
- Automated comparison offers based on comparison algorithms up to Q1 2019
- Changeover to the Blockchain with launch of B3i
- Ongoing expansion of insurance portfolio by 12% per year due to organic processing

# Live-Product App

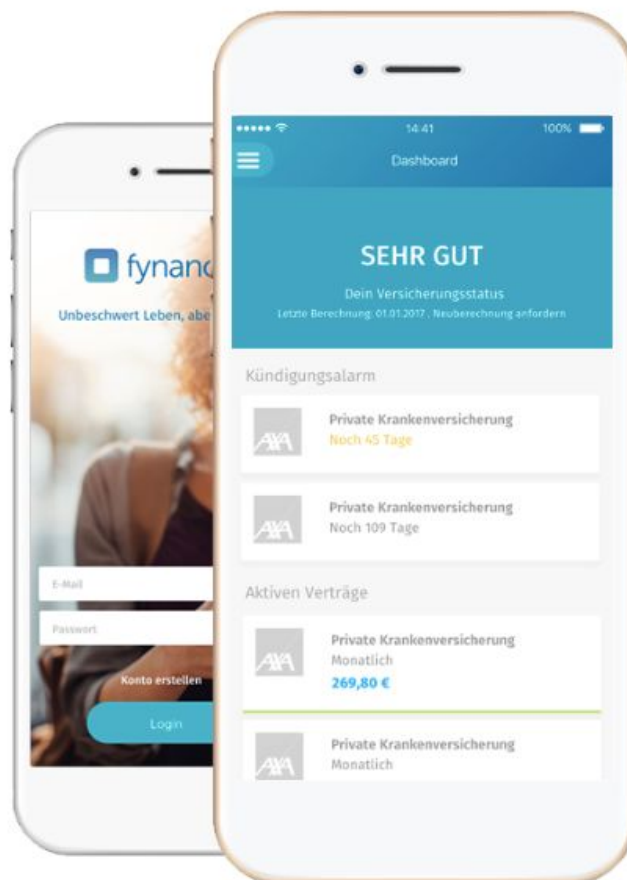
## Functionalities

In cooperation with experienced experts from the German insurance industry, we have developed the fynance app.

The fynance app is available for free to our customers on iOS and Android systems. The assignment of mandates is entirely paperless by digital signature. The dashboard gives the user an overview of all insurance contracts managed by the app. The insurance policies can be viewed immediately.

Whether it is a notification of damages or a contract changeover – every operation only needs moments.

With all automation, however, there is still a need for a human-to-human conversation. Our support team is directly reachable from the app without annoying search for a phone number.



The customer can request exactly specified offers via another navigation point. Alternatively, a needs analysis can be carried out. Insurance portfolios can be optimised and any gaps may be closed.

A termination alert notifies the customer at the end of a contract period. The unintentional expiry of an insurance contract is thus avoided.

The user can recommend the app via another button to friends and acquaintances. The word- of-mouth advertising is already integrated into the app.

## Economic analysis, scaling effects, Blockchain standard

The back office of the app is subject to a highly efficient employee.

1 employee can manage and process 5000 customers.

After the introduction of the B3i-Blockchain standard and an almost fully automated inventory management, this value can be further optimized to 7500 customers.

The business effects were already measurable immediately after the launch of the app. The planned scaling of our insurance portfolio requires an exceptionally low increase in staff. Ongoing operating costs such as room rentals, energy, IT hardware and software costs, employee training, employee wages have already been optimised.

This cost saving gives us the opportunity to extend our service from support to scaling. The free installation of the fynance app increases customer loyalty to the company. The rate of customer fluctuation is well below the usual industry values.

Specially developed algorithms for contribution and risk optimization create contract proposals in the future automatically via the app. By electronic signature, contracts can then be verified with the least possible amount of time. In the future, this will be done in a smart contract on a Blockchain.

Currently, the fynance app is optimized for German insurance standards. A highly probable global B3i standard with uniform smart contracts will open way to an international orientation in the future.

Such sensitive processes require correspondingly long time windows for agreements on standards and test phases.

This gives us the opportunity to prepare the implementation of a corresponding B3i interface for the fynance app with sufficient care.

We will use portions of the proceeds from the sale of the tokens to strengthen and internationalize our development team.

## Back Office

fynance uses high-quality CRM software to provide fast, efficient and intelligent customer support. In addition to communication via all communication channels, fynance also enables the automation of many standard processes and the integration of various external systems.

The fynance customer app is integrated directly into the CRM software. Which, as a control centre, takes over the automated modification of customer addresses at the insurers. The contractual terms of the respective insurance policies of the customers are also automatically retrieved from the insurance companies and provided in the CRM software for retrieval.

Inquiries or problems that a customer inputs via the app are automatically recorded as a support ticket.

Therefore, the account managers do not have to work in different systems, but can serve the customer's needs from a single system. The customer is always served the same, no matter which supervisor is taking care of it or via which communication channel the customer makes his request to fynance.

In the future, artificial intelligence will help to intelligently evaluate customer data and support the supervisor through activity suggestions in order to serve customers even better and more efficiently.

## Partnerships

We have a cooperation with almost all major insurance companies operating in the German market.

The following are well-known partners:



**ERGO**

**Allianz** 

 **GENERALI**  
Versicherungen

**DKV**  
Deutsche Krankenkasse

 **ZURICH**