

# **TrustDaoInsurance Whitepaper**

**December 2025**

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## 1 Executive Summary

TrustDaoInsurance stands as the pioneering fully decentralized mutual insurance protocol tailored to safeguard participants within the cryptocurrency and blockchain ecosystem. Unlike traditional insurance models that often exclude or impose prohibitive costs for crypto-related risks, TrustDaoInsurance addresses vulnerabilities such as phishing, rug pulls, minor DeFi exploits, and accidental private key loss in non-custodial wallets.

Utilizing a mutual insurance framework governed by a Decentralized Autonomous Organization (DAO), members voluntarily contribute premiums to a collective Insurance Capital Pool. Claims compensation is exclusively drawn from this pool, contingent on transparent community voting, ensuring fairness and accountability.

The native token, \$TRST, underpins governance, incentivizes staking with premium discounts, and integrates a buyback mechanism designed to enhance token value and protocol sustainability.

TrustDaoInsurance aspires to establish itself as the global benchmark for collective protection in Web3, aiming to secure over one billion US dollars in insured value by 2030.

### Key Details:

- **Token:** \$TRST
- **Blockchain:** Polygon
- **Official Website:** <https://trustdaoinsurance.org> (under active development)
- **Contact Email:** [contact@trustdaoinsurance.org](mailto:contact@trustdaoinsurance.org)

## 2 Introduction

### 2.1 The Insecurity Problem in Crypto

Since 2020, the cryptocurrency ecosystem has suffered losses exceeding 12.5 billion USD due to scams, hacks, and exploits, with retail users accounting for approximately 68% of these impacts (Chainalysis Crypto Crime Report 2025). These risks principally include:

- **Phishing and Social Engineering:** 42%
- **Rug Pulls:** 28%
- **Minor Technical Exploits:** 18%
- **Loss of Private Keys:** 12%

Traditional insurance providers frequently exclude these crypto-specific risks or impose premiums that render coverage inaccessible. Existing decentralized insurance solutions, such as Nexus Mutual, predominantly focus on institutional smart contract vulnerabilities, leaving individual users largely unprotected.

### 2.2 The Opportunity: Decentralized Mutual Insurance

TrustDaoInsurance leverages the mutual insurance model adapted for the blockchain era:

- **Risk Sharing:** Members collectively share risks, reducing individual costs.
- **DAO Governance:** Decentralized decision-making removes intermediaries and aligns incentives.
- **Transparency:** All operations and claims management occur on-chain, ensuring accountability.

## 3 Vision, Mission and Values

### 3.1 Vision

To establish TrustDaoInsurance as the global standard for collective protection within the evolving Web3 landscape.

### 3.2 Mission

- Deliver accessible and transparent insurance coverage tailored to crypto users.
- Foster a community culture of shared responsibility and mutual support.
- Promote restorative justice through swift, ethical compensation processes.

### 3.3 Core Values

- **Radical Transparency:** Full openness in governance and fund usage.
- **Inclusivity:** Welcoming all participants to contribute and benefit.
- **Economic Sustainability:** Maintaining long-term financial health of the insurance pool.
- **Responsible Innovation:** Balancing novel solutions with prudent risk management.

## 4 How TrustDaoInsurance Works

### 4.1 Mutual Insurance Model

Participants pay periodic premiums to insure a specific coverage amount. These premiums accumulate into the collective Insurance Capital Pool. In the event of a covered incident, the claims process unfolds as follows:

1. Submission of claim with supporting evidence.
2. Initial technical review for validity.
3. Transparent community voting via DAO governance.
4. Automatic compensation payment from the pool upon approval.

### 4.2 Covered Risks (Version 1.0)

Risk	Description	Initial Maximum Limit (USDC)
Phishing	Malicious transaction approval via impersonation	Up to 25,000
Rug Pull	Liquidity withdrawal post-fundraising	Up to 50,000
Minor DeFi Exploit	Failures in small or unaudited protocols	Up to 15,000
Non-custodial Key Loss	Irreversible private key loss without third-party fault	Up to 10,000

## 4.3 Premium Structure

Annual premiums are tiered based on the insured amount:

Insured Amount (USDC)	Annual Premium Rate
Up to 5,000	3%
5,001 – 10,000	3.5%
10,001 – 25,000	4%
25,001 – 50,000	4.5%

Premiums can be paid monthly or annually, with a 10% discount applied to annual payments. Additionally, staking \$TRST tokens grants premium discounts up to 60%, incentivizing active governance participation.

## 5 Tokenomics – \$TRST

### 5.1 Total Supply and Distribution

The total supply of \$TRST tokens is capped at 100 million, allocated as shown below:

Allocation Category	Percentage
Community & Liquidity (presale, farming, airdrops)	40%
Treasury DAO & Insurance Pool Seeding	25%
Team & Founders (4-year vesting)	15%
Advisors & Partners	10%
Marketing & Growth	7%
Staking Rewards Reserve	3%

## 5.2 \$TRST Utility

- **Governance:** One token equals one vote, empowering holders to influence protocol decisions.
- **Staking:** Enables rewards and premium discounts, fostering commitment and alignment.
- **Buyback & Burn:** A portion of premium revenues is used to repurchase and burn tokens, supporting price stability and scarcity.

# 6 Economic Model

## 6.1 Revenue Sources

Primary revenue derives from insurance premiums paid by members.

## 6.2 Premium Distribution

Premium income allocation is designed to sustain the protocol and its community:

Purpose	Percentage of Premiums
Insurance Capital Pool	80%
\$TRST Buyback	15%
DAO Development & Operations	5%

## 6.3 Conservative Projections

Projected premium revenues (in USD millions):

Year	Projected Premiums
2026	2.5
2027	12
2028	35
2030	315

These projections underscore strategic growth, driven by expanding membership and insurance coverage.

## 7 DAO Governance

TrustDaoInsurance's governance transitions through phased decentralization:

- **Phase 1 (2026):** Advisory council exercises temporary veto powers to guide early decisions.

- **Phase 2 (2027):** Progressive handover of governance to the community.
- **Phase 3 (2028 and beyond):** Fully decentralized DAO governance with no centralized control.

Critical proposals require a quorum of 15% of the staked \$TRST supply to ensure legitimacy and participation.

## 8 Technical Architecture

- **Blockchain Platform:** Polygon, chosen for its low transaction fees and high throughput.
- **Wallet Integration:** Supports WalletConnect v2 for seamless user access.
- **Security Audits:** Planned third-party contract audits via Certik and PeckShield.
- **Treasury Management:** Utilizes Gnosis Safe multisignature wallets for secure fund custody.
- **Oracles:** Chainlink oracles provide reliable off-chain data feeds.

## 9 Roadmap 2026–2028

Timeline	Milestones
Q1 2026	Launch MVP application, presale campaign, issuance of first insurance policies
Q2 2026	Active claims processing, integration with QuickSwap decentralized exchange
2027	Expansion to multichain environments, introduction of advanced coverage products
2028	Achieve full DAO governance, target insured pool exceeding 100 million USD

## 10 Team and Legal Structure

TrustDaoInsurance operates through TrustDaoInsurance OÜ, a legally established entity in Estonia. The \$TRST token is classified as a utility token, complying with EU regulatory frameworks, including the upcoming Markets in Crypto-Assets Regulation (MiCA). This ensures adherence to legal standards while fostering innovation.

## 11 Risks and Disclaimer

Prospective users should understand:

- There is no absolute guarantee of compensation; payouts depend on DAO votes and available capital.
- Risks inherent to the technical, regulatory, and market environment may affect protocol performance.
- This document is for informational purposes only and does not constitute financial advice or an offer of securities.

**TrustDaoInsurance –Collective protection for the future of Web3**

For the Community –By the Community ☺