

# **TrustDaoInsurance**

The Decentralized Mutual Insurance Protocol  
for Collective Protection in the Crypto Ecosystem

Version 2.1 – December 2025

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# **1 Introduction**

## **1.1 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 bearing 68% of the impact, according to the Chainalysis Crypto Crime Report 2025. The most prevalent risks include phishing and social engineering (42%), rug pulls (28%), minor technical exploits (18%), and loss of private keys (12%). Traditional insurance providers generally exclude crypto-related risks or impose prohibitively high premiums. Existing decentralized insurance protocols, such as Nexus Mutual, tend to focus on institutional smart contract risks, leaving individual users vulnerable and unprotected.

## **1.2 The Opportunity: Decentralized Mutual Insurance**

TrustDaoInsurance leverages the proven mutual insurance model within the blockchain context to deliver a cost-effective and transparent risk-sharing mechanism. By pooling premiums from members, distributing governance through a Decentralized Autonomous Organization (DAO), and maintaining full on-chain transparency, TrustDaoInsurance eliminates intermediaries and fosters a community-driven protective ecosystem.

## **2 Vision, Mission and Values**

### **2.1 Vision**

To establish TrustDaoInsurance as the global standard for collective protection in the Web3 ecosystem.

### **2.2 Mission**

- Provide accessible and transparent insurance coverage tailored to crypto-specific risks.
- Foster a culture of shared responsibility and community engagement.
- Promote restorative justice via fast, ethical claim compensations.

### **2.3 Values**

TrustDaoInsurance upholds the principles of radical transparency, inclusivity, economic sustainability, and responsible innovation to ensure a fair and resilient insurance protocol.

## **3 How TrustDaoInsurance Works**

### **3.1 Mutual Insurance Model**

Members commit to periodic premium payments covering pre-determined insured amounts. These premiums accumulate within a shared Insurance Capital Pool. When insured incidents occur, the claims process encompasses:

1. Submission of claim with supporting evidence.
2. Initial technical review by the community.
3. Governance voting via DAO.
4. Automatic disbursement from the capital pool upon approval.

### 3.2 Covered Risks

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

### 3.3 Premium Structure

Premium rates depend on insured amount brackets, with flexible payment frequency options and staking discounts:

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

Payments can be made monthly or annually; an annual payment benefits from a 10% discount. Additionally, staking the native token \$TRST can yield premium discounts up to 60%.

## **4 Tokenomics – \$TRST**

The native token \$TRST has a fixed total supply of 1,000,000,000 units designed to empower governance, incentivize participation, and sustain the protocol's economics.

## 4.1 Distribution

Allocation	Amount of \$TRST
Community & Liquidity (presale, farming, airdrops)	400,000,000 (40%)
Treasury DAO & Insurance Pool Seeding	250,000,000 (25%)
Team & Founders (4-year vesting)	150,000,000 (15%)
Advisors & Partners	100,000,000 (10%)
Marketing & Growth	70,000,000 (7%)
Staking Rewards Reserve	30,000,000 (3%)

## 4.2 Utility

- **Governance:** One token equals one vote for DAO decisions.
- **Staking:** Earn rewards and unlock premium discounts.
- **Buyback & Burn:** A portion of premiums funds a buyback mechanism to reduce circulating supply.

## 5 Economic Model

TrustDaoInsurance's revenue primarily stems from insurance premiums, which are allocated as follows:



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

## 5.1 Conservative Revenue Projections

Year	Premium Revenue (USD)
2026	2.5 million
2027	12 million
2028	35 million
2030	315 million

## 6 DAO Governance

Governance will evolve through three phases to ensure decentralization and community empowerment:

- **Phase 1 (2026):** Advisory council with temporary veto powers to guide protocol launch.
- **Phase 2 (2027):** Progressive decentralization with incremental authority transfer.
- **Phase 3 (2028+):** Fully decentralized governance managed solely by DAO token holders.

Critical proposals require a quorum of at least 15% of the staked supply to validate voting outcomes, ensuring meaningful community participation.

## 7 Technical Architecture

- **Blockchain:** Polygon network chosen for low transaction fees and scalability.
- **Wallet Integration:** WalletConnect v2 for seamless user experience.
- **Security:** Smart contracts undergo planned audits by Certik and PeckShield.
- **Treasury Management:** Gnosis Safe multisignature setup for secure fund custody.
- **Oracles:** Chainlink oracles provide reliable external data feeds.

## 8 Roadmap 2026–2028

Timeline	Milestones
Q1 2026	MVP app launch, presale, issuance of first policies
Q2 2026	Activation of claims process, QuickSwap integration
2027	Multichain expansion, introduction of advanced coverage options
2028	Implementation of full DAO governance, insurance pool valued over \$100M

## 9 Team and Legal Structure

TrustDaoInsurance OÜ, registered in Estonia, serves as the legal entity behind the protocol. The \$TRST token is classified strictly as a utility token, aligning with EU regulatory frameworks including MiCA compliance to ensure lawful operation across jurisdictions.

## 10 Risks and Disclaimer

Users should understand that compensation is neither guaranteed nor automatic; payouts depend on DAO voting outcomes and available capital pool funds. The protocol faces inherent technical, regulatory, and market

risks. This document is informational 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   □

## References

Chainalysis, *Crypto Crime Report 2025*.

TrustDaoInsurance Official Website: <https://trustdaoinsurance.io>

Polygon Blockchain Explorer: <https://polygonscan.com>

Certik Security Audits: <https://certik.com>

PeckShield Security: <https://peckshield.com>

Chainlink Oracles: <https://chain.link>