

# DAI Insured



**DAI Insured**

Incentivized bots prevent CDP liquidation –  
no trust required

# DeFi taking over the world



# MakerDAO 101

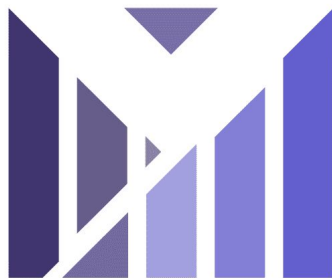
- Put ETH into a DAO
- Withdraw DAI stablecoin
- (Over)-collateralized debt positions aka CDP: ETH locked > DAI taken
- What if the value of ETH drops?
- Collateral value drops, collateralization ratio decreases...

# Liquidation time!

- DAI is forcibly burned, (cheap) ETH is returned, minus 13% fee
- Want to avoid liquidation at (nearly) all costs



# DAI Insured helps avoid liquidation

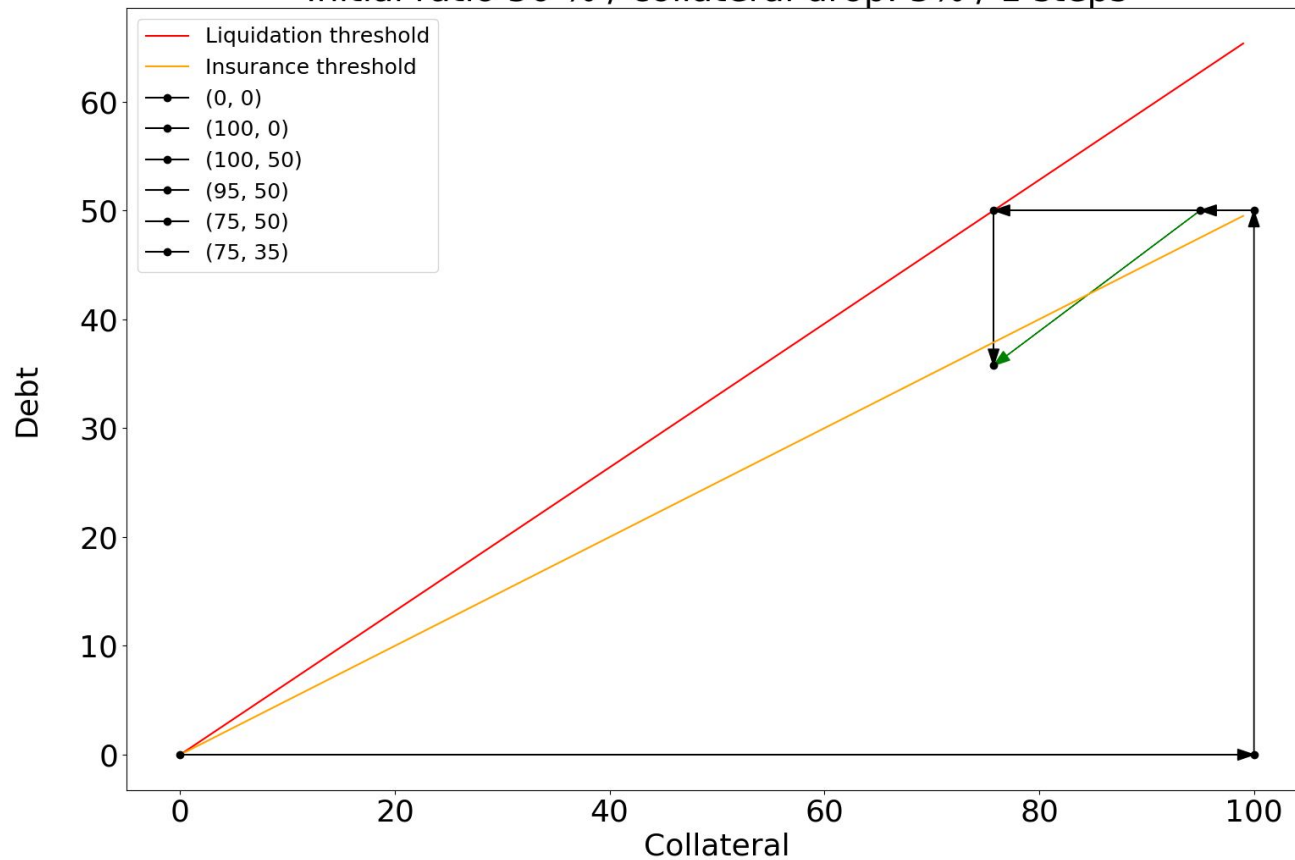


**DAI Insured**

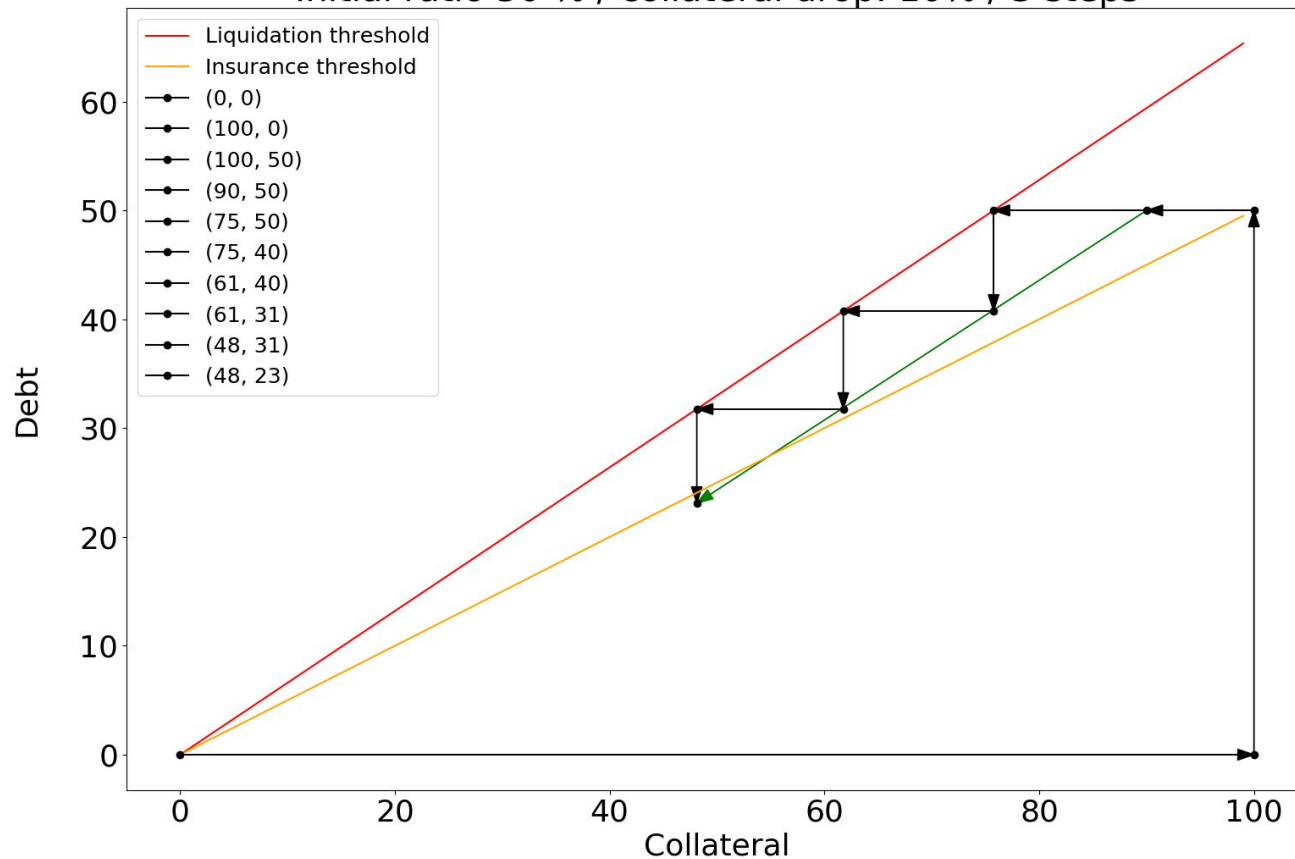
# How DAI Insured avoids liquidation

- Take as much ETH as possible from the collateral
- Sell it @ Uniswap, get DAI
- Wipe DAI to (partially) repay the debt
- Take a small fee for the service (repay a bit less than ETH taken)
- Repeat until a safe enough collateralization ratio reached

Initial ratio 50 % / collateral drop: 5% / 1 steps



Initial ratio 50 % / collateral drop: 10% / 3 steps





# Save other people's CDPs and earn money!

- Commit to saving others' CDPs
- Track outstanding CDPs in “danger area”
- Save them using DAI Insured (all within one transaction)
- Get rewarded!

# DAI Insured mechanics

- Uses existing proxy contracts (created by CDP dashboard)
- Works as extension - no conflicts with other integrations
- Uses pluggable exchange
- Hides all low-level MakerDAO stuff

# DAI Insured: Next steps

- The first protocol for liquidation avoidance with economic incentives
- Might be a part of DAI system
- Possible integration with Compound or MCD
- Simple code enable formal verification (to be on par with Maker itself!)

# DAI Insurance team

- Evgeny Marchenko (SmartDec) - idea, development  
Telegram: @NotSoSmart
- Sergei Tikhomirov (Uni Luxembourg) - visuals, presentation  
Telegram: @s\_tikhomirov



**DAI Insured**

We also produce “Базовый Блок” - the best blockchain podcast in Russian! Check out [basicblockradio.com](https://basicblockradio.com)