



# Decentralized Insurance

\*(**CO** - "together"; **LIBRA** - "balance", "justice")

May, 2018

## Executive Summary

Video Explainer: [click here](#);

Insurance product demo: [click here](#)

**What it is:** Colibra is a new type of insurance company built on the Ethereum Blockchain utilizing a decentralized network protocol to handle insurance claims in a trustless and fair manner by using a network of independent and certified claim handlers (jurors). The first domain of Colibra will be Travel Insurance.

**How it works (claims handling):** Colibra's network of independent claim handlers (jurors) decide whether a claim should be paid or not based on game theoretic principles thus making the claim decision process decentralized, transparent and fair. Moreover, by having to stake a certain number of tokens in order to participate in claim decisions and receive a reward for solving the case afterwards, jurors have incentive to act honestly. Here's how the claim decision network works from a high level perspective:

After joining the network each juror goes through a short training and passes internal certification on how to best evaluate claims. Before deciding on a claim, each juror should stake a certain amount of "Libra" tokens (the network's native tokens) in a smart contract. Staked tokens act as a guarantee that the juror would not act maliciously. Once tokens are staked, the juror evaluates the claim's case and casts his vote. When a majority is reached a claim payout claim is either approved or rejected. All processes within the network are governed by smart contracts. Smart contracts are used to automatically pay claim payouts and to reward jurors for their work.

**Why own token (and not ETH):** Libra tokens are needed for three main reasons: 1) To create a deflationary token economy with a burn mechanism (very similar to Binance Coin) 2) To provide increasing incentives for jurors to vote honestly and thus create network effects; 3) To fund its operations

**What will drive the token's value:** 1) A certain amount of tokens tied to the business' results is burnt every quarter (scheduled burn) thus decreasing the total limited token supply. 2) Insurers using the network pay fees and reward jurors in tokens; 3) Insurance policies of Colibra are paid in tokens thus further driving the demand;

**Why it's important:** 1) Bringing justice, transparency and fairness in insurance by removing the conflict of interest from the traditional insurance model; 2) Any insurance company can use the network as an alternative claim handling platform if it wants to be more transparent and fair to its clients.

# 1. Problems of the Insurance Industry

## 1.1. Clients don't trust insurance companies anymore

A survey done by PwC in the UK found that there is 73% distrust in insurance providers<sup>1</sup>. Another survey done by IBM<sup>2</sup> and the Institute of Insurance Economics found similar results - 58% of people have distrust in Insurance companies. The well respected Edelman Trust Barometer has returned similar results - 47% distrust in Insurance<sup>3</sup>. The main factors influencing the distrust in the insurance companies are:

- Personal experience dealing with the insurance company - 39%
- Transparency of price and terms/conditions - 25%

*"Consumer trust in the industry is low because transparency is lacking – and has been for years."*<sup>4</sup>

## 1.2. Conflict of interest

Insurance companies are businesses in themselves, and they want to make as much profits as possible for their shareholders. This explains why they are very reluctant to release funds to insurance buyers. While it's normal and acceptable to scrutinize every claim as a way to prevent being gamed with fake claims, many insurance companies overdo this and try too hard to find flimsy excuses to capitalize on. Only few things could be more frustrating than being unfairly treated on a claim that you have insured against for years

The Morgan Stanley/BCG Global Consumer Survey<sup>5</sup> supports that by stating that online satisfaction with insurers decreases along the value chain, with the lowest satisfaction seen at the claims stage, where the net promoter score was minus 49. The big reason of that negative attitude toward insurance companies is the centralized claims handling process which lacks transparency and fairness.

## 1.3. Long claim payment times

Whenever a claim is not rejected it can take weeks until someone gets compensated. After accepting an offer of settlement for a personal injury claim you will usually receive your compensation money within **14-28 days**<sup>6</sup> from the date of settlement. We live in a fast paced world and no one has the time to wait weeks and months before he/she gets compensated. This has to change.

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<sup>1</sup> How the financial services lost its mojo - a survey by PwC

<sup>2</sup> Trust, transparency and technology: European customers' perspectives on insurance - a survey by IBM

<sup>3</sup> Edelman Trust barometer (p.26)

<sup>4</sup> Trust, transparency and technology: European customers' perspectives on insurance (p.10)

<sup>5</sup> Morgan Stanley/BCG Global Consumer Survey 2014 (p.38)

<sup>6</sup> How long does compensation take to come through

Every we mentioned above is further proven by two definitions of an insurance company in the urban dictionary<sup>7</sup>:

*“An affiliation of pirate-gamblers who accept bets called premiums. The dollar amounts of the premiums are non-negotiable but the amounts of the claim settlements, should the company lose the bet, are rarely delivered without argument.”*

*“Evil multi-billion dollar corporations that earn a profit from your premiums, and then find any loophole they can so they can refuse to live up to their responsibility in order to save money.*

An insurance company is really a legal form of fraud.”

***It's time we reinvent Insurance and make it trustworthy again.***

## 2. Vision

Our vision is for a fairer, transparent and autonomous insurance industry where the most sensitive sector (insurance claim decisions) is made independently from the insurance company or its subcontractors so no conflict of interest is achieved. Where regular people can get trained and determine the rightfulness of a claim. Where bad actors are filtered and not tolerated while good actors get rewarded for righteously evaluating a case. Where people don't have to wait weeks and days to receive a claim payment. An insurance industry which is transparent and fair.

## 3. Solution

To achieve our vision we are building a new type of insurance company running on a decentralized platform for insurance claims handling (iHIT) that facilitates a fair, transparent and autonomous claim process. The company would be fully digital (mobile-first) and would have a user-friendly (chat-like) interface.

In the following section we explain the iHIT platform in full detail.

### 3.1 Insurance Human Intelligence Tasks (iHIT) Platform

The main innovation Colibra is making is the introduction of a decentralized platform for handling insurance claims (iHIT) which is basically a transparent community driven autonomous way to decide

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<sup>7</sup> Definitions of the term insurance company in the urban dictionary

whether an insurance claims should be paid or not. This crowdsourcing approach is based on an extensive research<sup>8 9</sup> which has shown that crowdsourcing complex work is not only possible but also leads to better long-term results.

The iHIT platform will be used for decentralized claim and customer analysis, claim processing autonomous claim payments. It represents a new way for resolving insurance claims in a decentralized manner by pushing claim decisions to large community of independent operators and jurors from around the world who get rewarded for their work with LIBRA tokens

Another way to look at the iHIT platform is as **a marketplace for insurance claim processing tasks that require human intelligence.**

## Roles

Two type of roles will be involved in the human part of the iHIT:

- **Operators** - collect, analyze and resume all the required information for the claim processing;
- **Jurors** - involved in voting for the claim payments, based on the summarised information provided by the Operator. jurors will be involved in voting of the quality of the Operators work, too.

*\* Every Operator will be allowed to contribute as juror and vice versa.*

Every involved Human Operator will have **Human Operators Ratings (HOR)** and the languages that he supports.

- After successfully passing Online Exam, the initial HOR of the operator's profile will be settled and recorded on the blockchain.
- HOR will be variable number and may increase or decrease depending on the Operator / juror performance.

## Modules

iHIT framework will consist of two modules:

- Online Exam Module - Operators and jurors will have to pass an online exam.
- Online Operating and Voting Module - Operators and jurors who passed successfully Online Exam Module will be qualified to contribute in iHIT tasks.

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<sup>8</sup> Kittur, Smus, Khamkar, Kraut - CrowdForge: Crowdsourcing Complex Work

<sup>9</sup> Valentine, Retelny, To, Rahmati, Doshi, Bernstein - Flash Organizations: Crowdsourcing Complex Work By Structuring Crowds As Organizations

## Approach

Our goal is to support the coordination dependencies involved in complex claim process done using task management. Operator tasks are complex. jurors tasks are simple.

- These tasks will be self-selected and executed by the Operators and jurors for a payment in LIBRA tokens.
- Depending on their HOR, Operators and jurors will be qualified to work over claims with different size and risk exposure. This will be managed by smart-contracts.

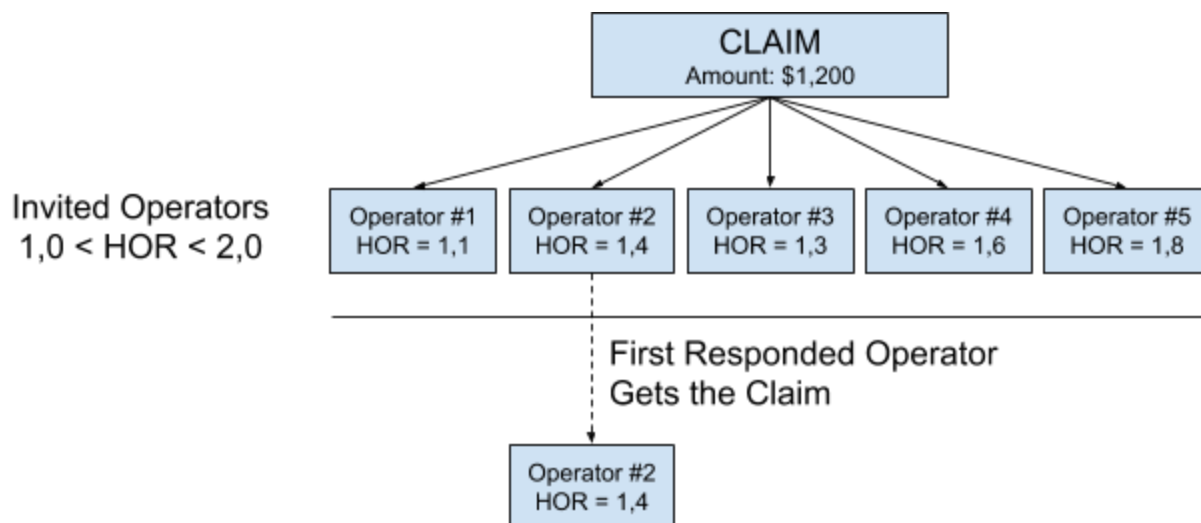
Claim sizes and risk exposures will be divided to groups based on claim amount:

- Less than \$500
- \$501 - \$1000
- \$1,001 - \$2,000
- \$2,000 - \$5,000
- \$5,001 - \$10,000
- More than \$10,000

*[smart contract example of random selection of Operators for a claim]*  
*[(if(claim > \$1,001 & claim < \$2,000; Operator\_1; Operator\_2))]*

As a claim is reported, based on the country and the spoken languages in the region the claim happened, smart-contract will select Operators with similar and according HOR. Invitation will be sent to them to compete for the claim processing. This process will be repeated on every 60 seconds while one of the invited users responses. First responder will be the selected Operator on this claim (e.g.: a valid response is place a call to the hospital).

This process is mandatory for every claim.



The Operator performs the check of the validity of a claim using the Operational Internal App - call the hospital, check the validity of all documents and all other evidence following a list of procedures specific for the claim country. When the Operator is ready with the claim processing, he submits resume with all procedures he has done. Marks validated by him documents and writes a summary for the claim and passes it to the next stage.

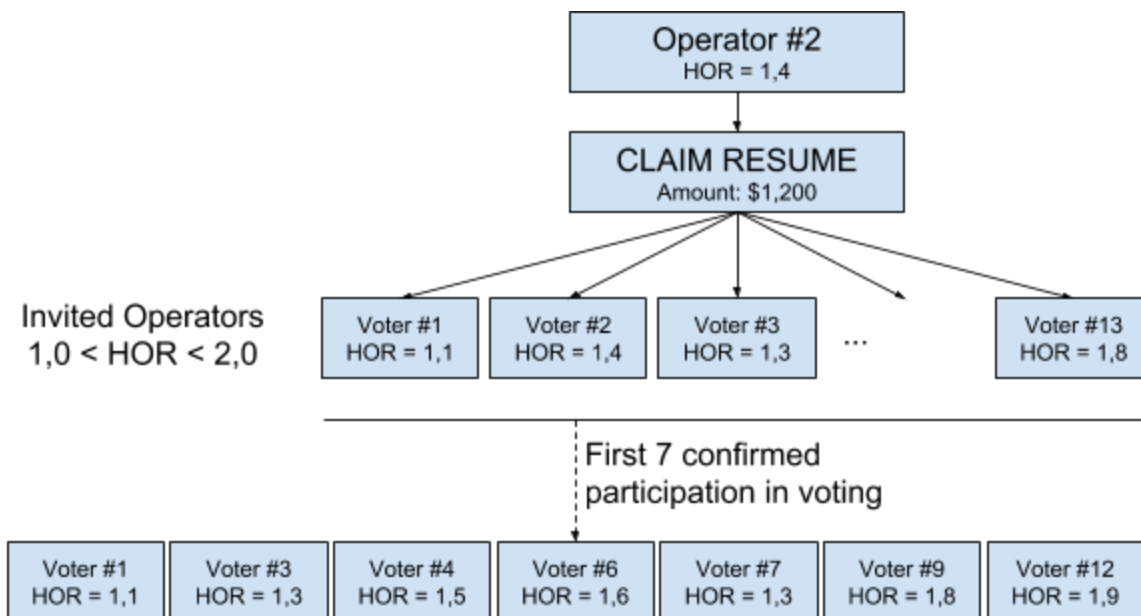
## Voting

According to the Condorcet's jury theorem<sup>10</sup> more people in the jury create higher probability to identify the right outcome of the claim. This is so because we are assuming that the probability of juror to be right is greater than 50%.

Example: 3 person jury with 80 % success rate each, end up with almost 90% correct prediction. Of course we will not use such lower jury member numbers. Based on the Nagel & Neef<sup>11</sup> study the optimum jury size is between 6 and 8. Our approach is to use even jury members size that is why we start with 7 people.

## Selecting the Jury

When summary is submitted in the system, based on the size and the languages / country, gender, age and HOR the jurors are selected and invited to participate in voting process. Invitations will be sent until those who accepted reach the predefined number. Time for voting will be 5 minutes but not less than 2 minutes - enough time to get familiar with the summary and vote accordingly.



<sup>10</sup> Condorcet's jury theorem

<sup>11</sup> Nagal and Neef study

## Voting Results

Example:

- Claim price is average 1200\$ - average risk
- Insurance is made 2 weeks before claim - low risk
- Claim is made in the last days of the insurance period - high risk

Based on the results of the voting, system requires at least 61% acceptance of a decision to approve it.

7 jury members

100%	85.7%	71.4%	57.1%	42.8%	28.6%	14.3%
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9 jury members

100%	88.9%	77.7%	66.6%	55.5%	44.4%	33.3%	22.2%	11.1%
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11 jury members

100%	91%	82%	73%	64%	55%	46%	37%	28%	18%	9%
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Legend:

claim is approved

system invites 2 more jury members

claim is rejected

System summarize the risks and decides that the jury must be from 7 members. After voting the results shows, that only 4 approve the claim. This means that the system should invite two more agents to vote. This passes the case to the next row where 9 jury members are shown. If both of the new comers vote to approve or reject the claim the then this is what happens to the claim itself. But if the votes are split the claim is returned for new video or more information and documents to be provided.

jurors vote for:

- The operator's summary - will be evaluated by the jurors - YES / NO
- Claim approval - YES / NO.

Operators get money for the claim based on their HOR:

$$P_n = \frac{V_{nHOR}}{\sum_1^n V_{HOR}} \cdot P_{pot}$$

**$P_n$**  - the price which juror  $n$  gets.

**$V_{nHOR}$**  - is jurors  $n$  HOR

**$P_{pot}$**  - the whole price dedicated to jurors

Human Operators Rating is variable and can go up and down depending on the performance. Operator's HOR will be changed based on the evaluation of claim's summary from the jurors. Let's select a scenario with 7 jurors (n). jurors are separated into two groups based on their opinion: in the bigger group are 'm' in the other are 'k' since n is even then  $m \neq k$

$$V_{mHOR} = \left( \sum_0^k V_{kHOR} \right) \times 0.05$$

$$V_{kHOR} = - \left( \sum_0^m V_{mHOR} \right) \times 0.05$$

If the juror is in the bigger group with people with same opinion then she wins (losses) 5 % of the difference between the sums of the 2 groups HOR. This means that wins or losses.

*Example: Jury of 7 members with HOR of 1.0. One person votes negative the others positive. According to the formula:*

$$V_{IHOR} = (6) \cdot 5\% = -0.30$$

*Others*

$$V_{2-7} = (1) = 0.05$$

Travel insurance includes different coverages - health, flight issues, trip cancellation, baggage issues, etc. Our goal is to develop a framework iHIT that supports the crowdsourcing of all specific processes of these highly complex tasks. Specifically, our frameworks aims to support:

- Intelligent selection of Operators and jurors with experience in different insurance coverages
- A variety of quality control methods, including voting
- Intelligent decision making on claims both automatically and by Operators and jurors

To accomplish these goals our approach will combine organizational behaviour and decentralized decision making. It can be viewed as a decentralized system in which each contributor (Operator, juror) is analogue to a computer process that can solve a task requiring human intelligence.

Our approach builds on the general approach to simplified insurance claim processing using computer systems to help the contributors and human intelligence by breaking down a complex process into a sequence of simpler tasks and self-managing the quality.

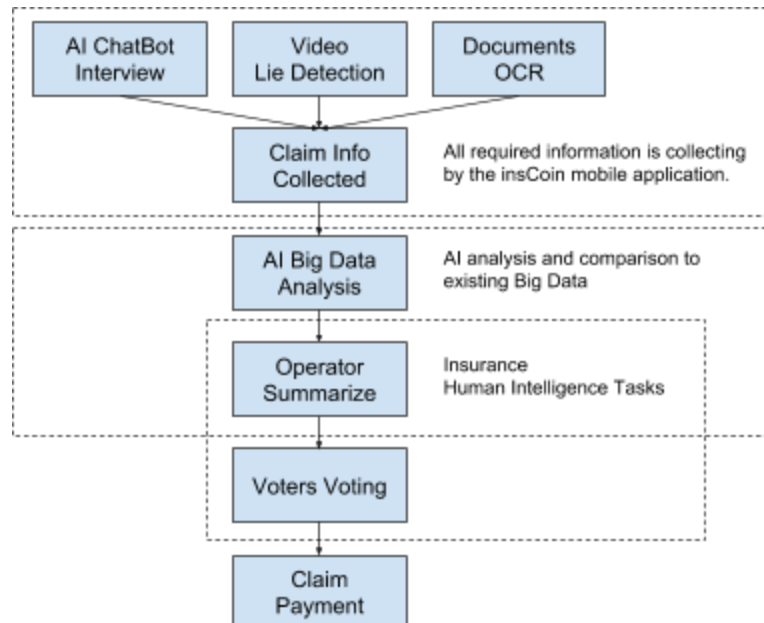
## Case Study

Example and evidence of how the system works in practice through a case study - hand injury in Costa Rica.

One of the most widespread travel insurance claim is an injury. That is a challenging claim that involves many different tasks: collecting information for the insured, collecting evidence, collecting required information about hospitals and prices, fraud detection, final decision. In traditional



insurance companies these tasks are outsourced to third companies like Coris. These kind of companies have enormous teams to handle claim processes and the cost of this service is up to 10 times the price of the insurance policy. iHIT challenges this by decentralizing the process in all steps by the help of Blockchain, AI and Big Data.



Peter from Italy travelled to Costa Rica. While enjoying the great nature of the country, Peter injured his palm. Peter reports the claim by the Colibra mobile application. As he started the application, Colibra already knows that this is Peter and he has active travel insurance policy and he is currently in Jaco city in Costa Rica. AI ChatBot asks him couple of questions and helps him with the nearest hospital and calls him a taxi. The hospital is informed about Peter and his injury and waits him for the medical treatment.

After successful treatment, Peter uploads all the documents - prescriptions, photos, invoices and bills. He makes a short video-interview with the AI ChatBot. ... and that is all. All done in a couple of minutes via the Colibra mobile application.

In the next up to 10 minutes:

- AI analyzes all the information from Peter, applies OCR on all the documents and compares the case to all existing similar cases in Big Data
- The Smart-contract selects an Operator to handle the claim
- Operator check all the information, confirm it with the hospital and proceed to vote
- Smart-contract selects particular number of jurors and present them case info
- jurors rate the Operator's work
- jurors vote for the claim payment
- Payment is done

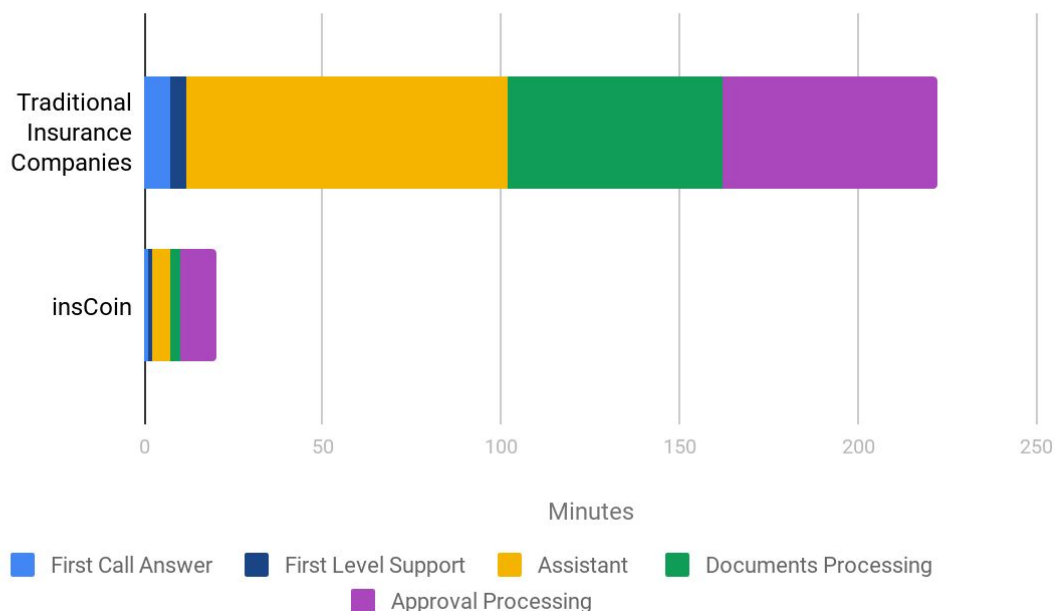
- jurors and Operator get rewarded in tokens for their work

iHIT, AI and Big Data helps us to significantly decrease the cost of claim process, making the process more suitable and trustworthy for both sides - insured and insurer. Finally, since neither the Colibra business, nor the Operator and jurors depend on the decision of the claim payment, they work with higher professionalism. Traditional insurance companies pay for claim processing at average more than \$50 per case and require huge team worldwide to handle cases worldwide. iHIT will have contributors from every country with local specific knowledges. That will reduce the claim processing cost to less than \$24 in total for a case - \$10 for the Operator and \$2 per juror. Prices are based on the time of work to be done based on \$25 / hour.

The time that the traditional insurance companies work on a claim is up to 5 hours. For Colibra our target is to reduce this time to less than 2 hours for the initial phase. Following Colibra versions will decrease to 30 minutes, near instant and instant evaluation. In traditional insurance companies each person works on several cases at a time. Cases are from regions but it is impossible for a person to know everything about the region and its specifics. Decentralized participants, decentralized decision making, AI and Big Data will help Colibra to handle each case in total less than 30 minutes.

In the beginning the less automated OCR process would slow us down to 2 hours. In the mid-term we will work with iHit for about of 20-30 minutes. Finally, once we have fully automated deception detection and EDI approvals would usually take up to several minutes. Challenging cases would still require manual work by the iHit and take up to 30 minutes.

### Average Time to Process a Claim



To verify the quality of these collaborative insurance claim tasks we compared the traditional claim processing approach vs iHIT. In existing insurance companies there is 1 team lead that check on random the quality of job of 25 workers. With iHIT every Operator's job is checked by 7 jurors.

*[formula: 1 x QA / 25 x Workers VS 7 x QA(jurors) / 1 x Worker(Operator)]*

	Traditional Insurance Companies	iHIT
<b>Quality Assurance - Team Lead</b>	1 per 25 workers	7 jurors per 1 Operator
<b>Specialization</b>	YES	YES
<b>Improvements - courses</b>	1 x annually	On every case
<b>Big Data Support</b>	NO	YES
<b>AI Support</b>	NO	YES
<b>Fraud</b>	28%	14%*

*\* target fraud percentage in claim processing.*



*\* Predictive fraud percentage with different approaches and technology involvement.*

Overall, the result is that using iHIT to crowdsource the complex and independent claim tasks of insurance claim processes will work surprisingly well. It will take some time in gradual improvement in order to develop the proper algorithm in combining the data from Big Data, AI, iHIT. The lack of coordination efforts and the focus on a simple evaluation tasks, coupled with much higher operational efficiency and additional system support will result in much lower fraud percentage.

## Quality Control

In the iHIT, claim processing tasks are completed by a single Operator. This creates the risks that could have large negative result on the claim. However, we try to minimize possibility any task to fail due to low quality by evaluating the Operators' works.

Our approach to dealing with this challenge is the evaluation of the Operators' tasks by the jurors and changes of HOR of the Operators.

## Operators, Jurors Availability and Payments

- Operators will be paid based on their past performance and reliability of data provided, as described above.

- jurors will be paid based on their case-specific performance in comparison with their peers' performance.

- Most costs will also be variable based on scarcity of resources. At times/locations where the system maintains lower number of human operators the price would be higher in order to ensure SLA for claim processing as promised via insurance terms and conditions. Our marketing team will have to focus efforts in those regions in order to reach higher operator numbers

## Skin in the game (Staking)

Before a juror is allowed to evaluate a claim case and cast his vote he will have to stake LIBRA tokens in equivalent between 10% and 30% of the total reward pool. The percentage of staked tokens depends on his reputation and past experience as a juror.

Staked tokens act as a guarantee that the juror would not act maliciously. Once tokens are staked in a smart contract, the juror evaluates the claim's case and casts his vote. When a majority is reached a claim payout claim is either approved or rejected. Approved claims trigger a payment from the Smart Contract to the end user.

After a claim case has been resolved jurors who voted in the majority split the reward pool evenly. Jurors who cast a vote against the majority lose their staked tokens and get penalized.

The reward pool is comprised of three components:

1. Staked tokens from each juror
2. Claim Decision Reward allocated by Colibra's operational expenses fund
3. Bonus reward (for the first 10 000 claims) allocated by Colibra's network growth pool to further incentivize early adopters of the system

Reward tokens, however, are not instantly credited to the jurors' wallets. They will be linearly vested for 4 weeks with a 25% cliff. This is done because of a possibility for dispute resolution.

## **Dispute resolutions**

If there are no disincentives for malicious voting the system would not function properly because jurors might conspire to vote in the same manner in order to form a majority and take the reward without solving the claim in an honest and independent manner. This possibility of conspiring may have negative impact on Colibra's claim reserves.

To avoid the possibility of conspiring and unobjective behaviour Colibra's network will have a dispute resolution process. This dispute resolution process will act as a "Claims Supreme Court" within the system.

Any claim case can be disputed. Three types of people can initiate the dispute resolution process:

1. Jurors who have voted against the majority on a claim case but believes his decision to be the true/correct one;
2. Clients who have been rejected a claim payout;
3. "Claim Prosecutors"- jurors with excellent rating which proactively want to act as guardians of the network

To open a dispute one must pay a dispute fee in LIBRA tokens equivalent to 25% of the reward pool. Once the tokens are paid a "Claims Supreme Court" is gathered to decide whether the dispute is valid or not. The members of the "Claims Supreme Court" are jurors with the the highest rating in the network.

If the "Claim Supreme Court" decides a dispute is valid, a smart contract instantly transfers all tokens from the initial reward pool, multiplied by a factor of 10, to the juror who opened it. The additional amount of tokens will come from the bug bounty pool (described below).

The jurors in the "Claims Supreme Court" split the dispute fee regardless of the dispute outcome. However, they are incentivized to act honestly because they want to preserve their reputation which gives them extra token rewards and benefits in various occasions.

## **Bug Bounty Pool**

2% of each case rewards will go to a bug bounty pool which will be used to pay when "Claim Prosecutors" open a dispute which gets approved (serving as a major stimulus for catching bad actors), as well as for paying other players within the system who report bugs/bad behaviour or prevent attacks on the system.

## 4. Roadmap

- **VC funding and private private sale**

*Goal: Secure soft cap*

***Target: June 2019***

- **Pre-Sale**

*Goal: Secure soft cap*

***Target: July 2019***

- **Public Sale**

*Goal: Hit hard cap*

***Target: July/August 2019***

*Our team wants to deliver the first insurance application as quickly as possible to the market in order to provide value to our Coin investors. The first application version would feature a conversational bot to insure flights and vacations against weather oddities. Those types of insurances do not need a claims filing and iHIT decentralized decision making as the flight and weather data can be obtained from APIs and smart contracts will take care of the rest of the flow based on predefined logic and insurance contractual data.*

- **Colibra V1**

*Goal: Get a foot into the market and start gathering data.*

***Target: Q4 2018***

*This is the first release of iHIT application. The basic iHIT application will allow for our first jurors to handle the first cases. This will serve as a test for the application algorithms for managing the juror community for positive insurance claim handling motivation. It is planned to release the travel insurance into the customer app into beta testing. The release will be scheduled for a portion of the users of the customer application in order to manage the iHIT evaluation process carefully.*

- **Colibra V2**

*Goal: Drive costs down by increasing efficiency.*

***Target: Q3 2019***

*The Second version of Colibra would focus on ensuring more reliable and quicker OCR document data, improving the iHIT performance and basic product monitoring and customization. It will allow for placing risk where it's due based on global data by adjusting different insurance & add-on prices based on location, season and more.*

- **Colibra V3**

*Goal: Provide near-instant payments to any health facility, increase operational efficiency*

**Target: 2020**

- **Colibra v4**

*Goal: Almost fully automated insurance company with personalized insurance products and decentralized claim processing.*

**Target: Long term (2022)**

## 5. Token Utility

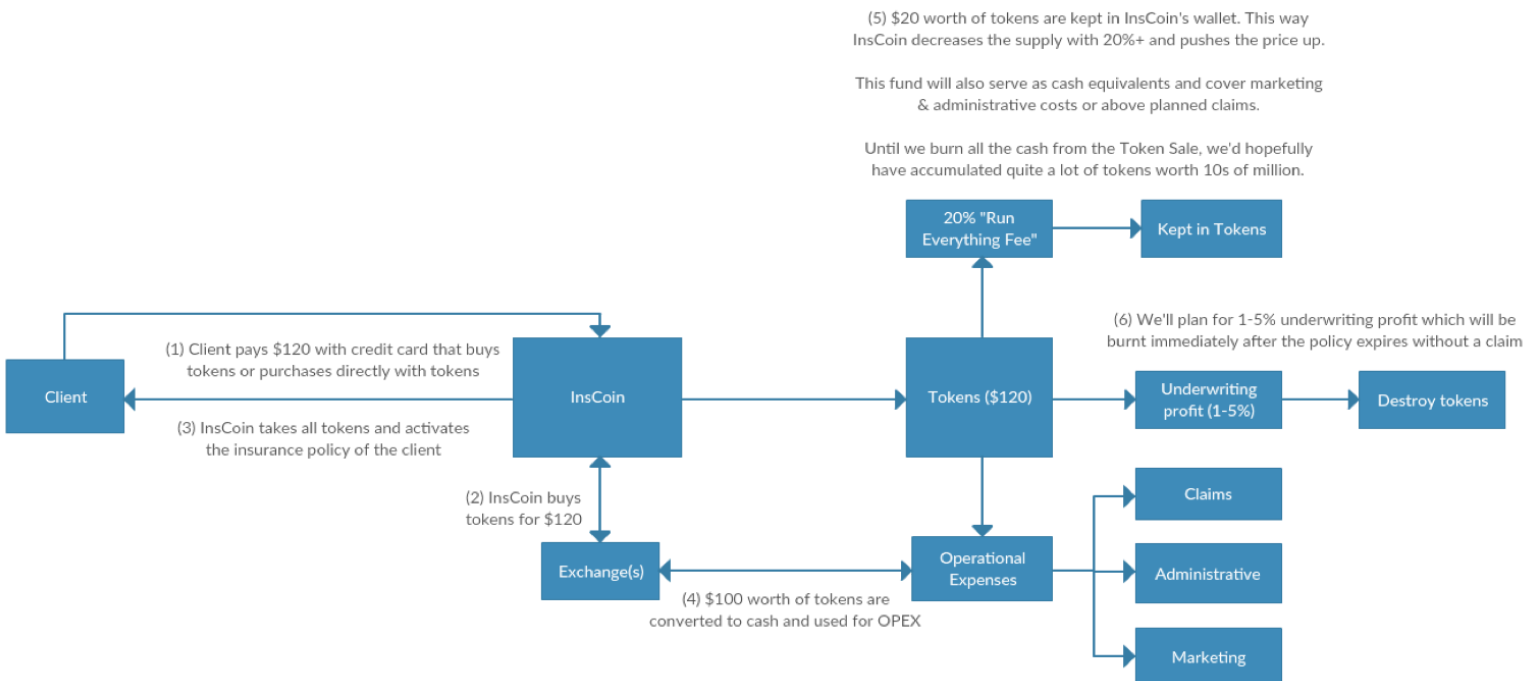
Colibra's token will be called LIBRA and is designed as a 100% utility token with a deflationary mechanism.

Within the ecosystem Colibra tokens (LIBRA) will have several utility functions:

### 1. Currency

- a) **Pay for insurance policies** - Insurance policies will be purchased only in Colibra tokens from the native app. Token holders who store their tokens in other wallets can deposit and pay for insurance with Colibra anytime they want. All they have to do is transfer their tokens in their Colibra wallet and then pay for the service;
- b) **Receive payments from claims** - Claim payments would be sent in tokens so that clients can have them almost instantly. We'd also offer the option to auto convert tokens to fiat or other crypto if the client requests that. This will be done by Colibra being a marketmaker and purchasing the tokens of a client in exchange for fiat from the actuarial reserve of the company.

Below you can see the a typical flow of the token when buying insurance and paying a claim:



However the LIBRA token has two more important utilities which are connected to the iHIT platform:



## **2. Participation in the iHIT platform**

### **a) Receive the right to vote in the claim handling platform**

In order to be able to vote on claim decisions one must first possess LIBRA tokens. Second to participate in voting decision a juror must stake LIBRA tokens because this facilitates honest behaviour through “skin in the game”.

Example: Let's assume John wants to be a juror within Colibra's iHIT platform. Right after he get qualified through the online certification process he can choose a claim task that fits his profile. The task would have a minimum stake token amount (ex. 30 LIBRA) each juror must commit in order to be able to take part in the decision process. Once he commits the required amount he will be able to evaluate the claim and decide whether it has to be paid or not.

### **b) Get rewarded for claim handling decisions on the iHIT platform**

Once the operator/juror has voted, the claim has been settled with a majority vote and the majority's vote coincides with the one of the juror, a smart contract will get triggered and all jurors who have been part of the majority will split the reward pool. The reward pool will be comprised of:

- the stakes of each juror (ex. 30 LIBRA)
- Job reward set by Colibra (ex. 140 LIBRA)
- Additional reward set by Colibra (ex. 60 LIBRA) which will be available only in the beginning

To prevent malicious or unethical behaviour, all of the juror's recent rewards would be locked for period of 4 weeks.

## **Deflationary Nature**

1. A certain number of LIBRA tokens, equal to the positive financial result from the underwriting activities of Colibra, would burnt. This burning mechanism will be executed every quarter on a strict publicly listed schedule. The process would be very similar to the Binance Coin burn. The burn would

Therefore, as demand for the Colibra insurance services increases, there would be a corollary decrease in the token supply making the token deflationary. However, as the price of the token increases the number of burnt tokens will become lesser following a natural logarithmic function.

2. Colibra would keep its “run everything fee” in LIBRA tokens;
3. Jurors have a 4 week “lock-in” period
4. Colibra would not mint more tokens

## 6. Token Sale Metrics

### 6.1 Summary

Colibra's goal is to raise a maximum of **\$25 million (hard cap)** and a minimum of **\$10 million (soft cap)**.

- **Token contract address:** TBD (Published through various channels 48hrs before crowdsale launch date).
- **Launch date and time:** TBD
- **Token launch time-frame:** 28 days
- **Token launch completion:** Token launch will end when either all tokens are sold, hard cap is reached. If the Soft Cap is not reached all contributions will be returned.
- **Exchange rate\*:**

Private Sale - **\$0.05\*\*** (minimum investment - \$100k)

Pre-Sale - **\$0.075\*\*** per token (minimum investment - \$10k)

Public Sale - Week 1 - **\$0.10** per token

Public Sale - Week 2 - **\$0.11** per token

Public Sale - Week 3 - **\$0.12** per token

\*(ETH at the time of the investment)

\*\* Vesting schedule

### 6.2 Token Distribution

Total amount of Colibra tokens - **500,000,000**

- **45%** will be available for sale to the public\*
- **20%** will go to the Colibra Team & Advisors and will be vested for 24 months with a 6 month cliff
- **20%** will go to Colibra Reserve to keep good solvency (paramount for insurance companies)
- **14%** will be used for network growth (payout to jurors, affiliates, etc.)
- **1%** will be set aside for bounty and airdrop programs.

*\*because of the hard & soft cap, not all tokens will be sold in the initial crowdfunding event.*

## 6.3 Budget Allocation

	Soft Cap \$10M	Hard Cap \$25M
iHIT protocol	Yes	Yes
Mobile App	Yes	Yes
Insurance License	Yes	Yes
Actuarial Reserve	\$4M	\$ 9M
Product Development	\$3M	\$ 5M
Marketing	\$2M	\$ 5M
Business Development	\$ 0.75M	\$ 4M
Legal	\$ 0.25M	\$ 1M



## 6.4 Bounty program

In total up to 5 000 000 tokens will be allocated for the bounty program

- 2% will be given to translators
- 12% will be given for to the bitcointalk signature campaign
- 12% will be given for the Facebook campaign
- 12% will be given for the Twitter campaign
- 12% will be given for joining Telegram
- 50% of tokens will remain for additional rewards

## 7. Team & Advisors

### Management Team:

#### **Kalojan Georgiev** **CEO**

Kalojan is the founder of [K-Pharm Global Group](#) (KPGG), \$100mln+ pharma trading group of companies. The company is a one-stop shop offering services such as logistics, distribution, marketing and regulatory support for pharma manufacturers covering over 50 countries in Africa, Europe and Asia.

Kalojan used to work as a VC advisor in the USA for projects related to leading US VC firms such as Sierra Ventures, Storm Ventures, NEXIT, Walden VC, BlueRun VC, Trinity Ventures, e-Planet Ventures, Singtel Innov8 and T-Venture.

He has vast experience in Sub-Saharan Africa being engaged as strategic financial adviser for number of private projects as well as the sovereign bond placement for a gigantic hydroelectric power plant project of the government of the president of the DRC Congo - Joseph Kabila.

Kalojan started or participated in the early age of the following companies:

- **Nippon Bells Matrix** Ltd – a startup wholesale pharma distribution company based in Central Africa - DRC Congo
- **AllTelecoms JSC** – a startup company developed and patented the world first steering of roaming solution for mobile operators
- **Airlines Group** – a low cost air carrier in Eastern Europe
- **Act Soft JSC – Microsoft** exclusive distributor for Bulgaria
- **Orbitel JSC** – a startup telecom operator later acquired by MATAV, a part of **Deutsche Telekom Group**

#### **Boris Strandjev** **Chief Technology Officer** *Ex: Google, Musala Soft*

Boris is a solutions architect that has a long proven track record of designing and delivering complex technical solutions with multiple front-end applications and high availability backend systems. He has a BSc in Informatics and a MSc in Artificial Intelligence. He used to

work at: Google and Musala Soft, where he developed software solutions for companies such as the insurance giant Allianz, IBM, Cisco and many more.

**Teuta Oruci**  
**Chief Financial Officer**

*Ex: Barclays, Credit Suisse, Willis Towers, Vanguard*

Teuta is a CFO/Executive Director with 19 years in regulated financial markets covering investment banking, insurance and asset management. Former director at Willis Towers, one of the largest insurance brokerage companies in the UK she is bringing invaluable insurance expertise on the team.

**Milena Guentcheva**  
**Chief Insurance Officer**

*Ex: EuroIns*

Milena was a Deputy CEO of Euroins Romania which is currently the 4th largest insurance company in Romania with assets valued at 250 million euro. Milena has been in the Insurance industry for more than 20 years.

**Ivan Belomorski**  
**Chief Operating Officer**

*Ex: IBM, Deutsche Telekom, Musala Soft*

Ivan has extensive experience as a Product and Project Manager in multiple successful mobile and backend systems. Understanding product added value from a customer standpoint and translating it via meaningful functional and ux design into a software product as a coherent solution is something Ivan excels at. Ivan has gained experience with developing large-scale operation with multiple teams and deliverables from scratch.

**George Stoyanov**  
**Conversational AI**

*Ex: Uber*

George has launched two Deep Learning products with hundreds of thousands of users, processing millions of images per day and contained millions of analyzed events, first to commercially pioneer video style transfer. Currently focusing on bespoke Deep & Machine Learning consultancy – delivered Predictive and NLP solutions for companies with millions of users. Featured on the cover of Forbes Bulgaria as part of the selection for 30 under 30. He used to work for Uber prior to starting his entrepreneurial journey.

**Miroslav Zaporozhanov**

**Chief Marketing Officer**

*Ex: E.On, OMV*

Miroslav is a former business consultant to some of the largest energy companies in Europe - OMV, E.ON. He's also a co-founder of Zapomedia, which is one of the most prominent digital marketing companies in Bulgaria. Miroslav is a former international markets stock broker in the largest investment company in Bulgaria - Karoll.

**Velizar Velichkov****Chief Commercial Director**

Velizar is a co-founder of Grabo.bg - the biggest daily deal website with 2 million visitors per month and EUR 15 mln. annual turnover. He is also a co-founder of Trendo.bg - an online shopping club in Bulgaria with 2 million annual revenue. He is also co-founder of worldwide digital company for online personal meal plans, operating on more than 100 markets with annual revenue of 10 mln. Euro.

**Marin Panekov****OCR & EDI Specialist**

*Ex: Coca-Cola*

Marin has extensive experience as a document management system designer of one of the highest volume document systems in Europe. As such he has gained experience as Optical Character Recognition vendor manager and functionality designer, Electronic Data Interchange expert and Document Archive expert. He holds key knowledge and skills to deliver a working and highly efficient claims processing solution in a short period of time.

## Advisors

**Anton Titov****Security/Technology**

Founder of Hotfile.com - one of the largest p2p file sharing websites. Co-founder and CTO of the leading hosting company in Bulgaria. CTO of the Top5 Cloud Storage service pCloud with 7 million users.

**Tunio Zafer****Technology/Marketing**

Top5 Cloud Storage service pCloud. Former CSO of one of the largest hosting companies in Bulgaria - Host.bg. Web Marketing veteran with 12y experience

## **Zlatolina Mukova**

### **Insurance**

Managing partner at the largest private equity fund in Bulgaria NEVEQ. Former CEO of Euroins Bulgaria. Former deputy prime minister of transport and telecommunications. ACCA holder. Master in Mechanical Engineering.

## **Ivaylo Strandjev**

### **Artificial Intelligence & Machine Learning Algorithms**

*Ex: VMWare, Google*

Ivaylo is an advanced Machine Learning and Artificial Intelligence solutions architect. Ivaylo excels at delivering high performing algorithms for machine learning. His role on the team would be to design and monitor the implementation of the self-learning artificial intelligence modules that would monitor the system's performance and adjust product pricing, product generation, customer segmentation and more.

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