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# CHAINSURANCE

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Next-Gen Blockchain Mutual-Aid Platform



POWERED AND CREATED BY CHAINSURANCE TEAM

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## 1 Vision

Bring insurance back to the essentials under help of cutting-edge block chain technology. ChainSurance will offer a mutual-aid insurance platform which makes insurance affordable for everyone, eliminate complicated claiming procedures, and automate the whole process starting from scratch.

## 2 Project Background

More and more expensive insurance premium and complicated claim process has changed insurance to the finance tool for making money for the industry rather than provide coverage with reasonable price. Insurance companies control the funding pool in order to maximize the profit. With this regard, Insurance companies raise bars of buying process, make claim process as complicated as possible. To some extent, the insured has the conflicts of interest with insurance companies.

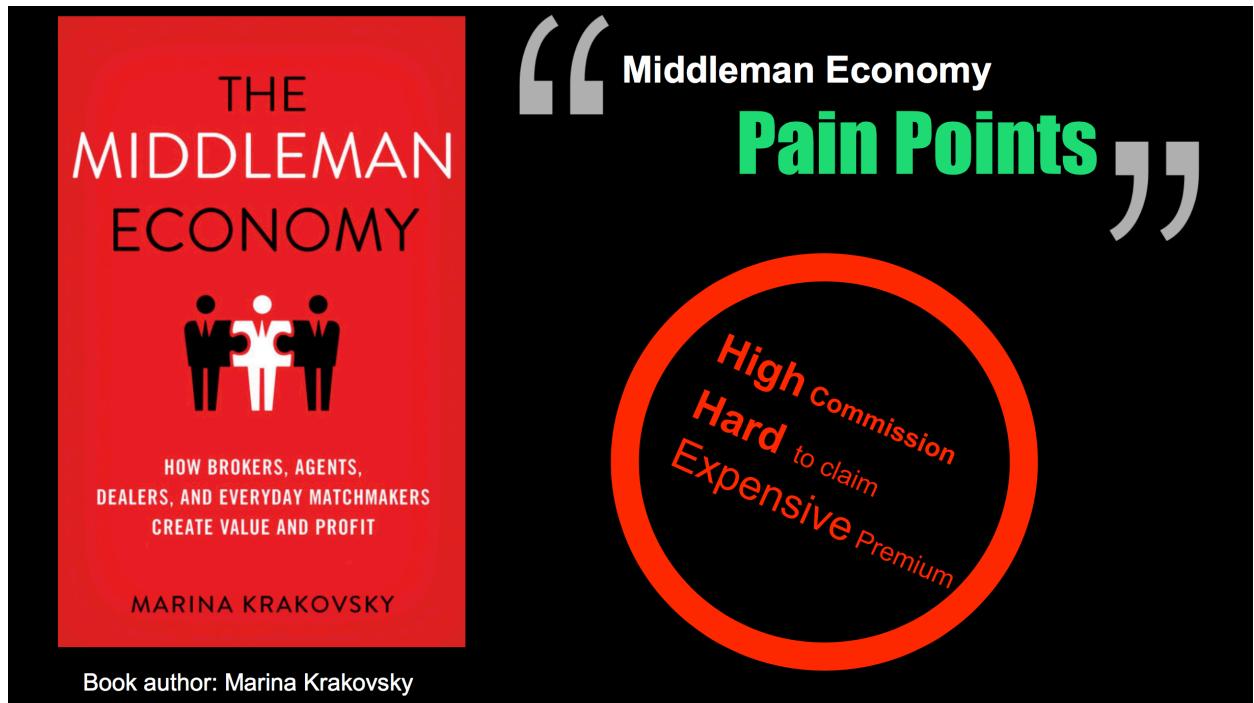
Middle-man business is accused for this situation. Traditional insurance industry tends to have high overhead costs and too much of the premiums consumers' pay aren't purely going into covering losses. Once customer claims the insurance from the funding pool which is contributed by each insurance consumers, insurance company will pay back according to the terms of contracts. However not every penny in the funding pool is used to pay back to customers, according to the data from Forbes in 2015, about 65% of funding in the pool are actually compensation pay-outs.

Lack of trust between participants and fund operation organizations make Middle-Man model is popular in the market. As the broad use of Ethereum, smart contract solve this issue. Block chain technology is immutable, 100% transparent and decentralized, which is the ideal Middle-Man for the business model. ChainSurance Team dedicates to bring the

cutting-edge technology to transform insurance industry to the essential by cutting out Middle-Man of the industry, tremendously reduce overhead costs.

### 3 Middle Man Theory

#### 3.1 Middle Man Economy Pain Points

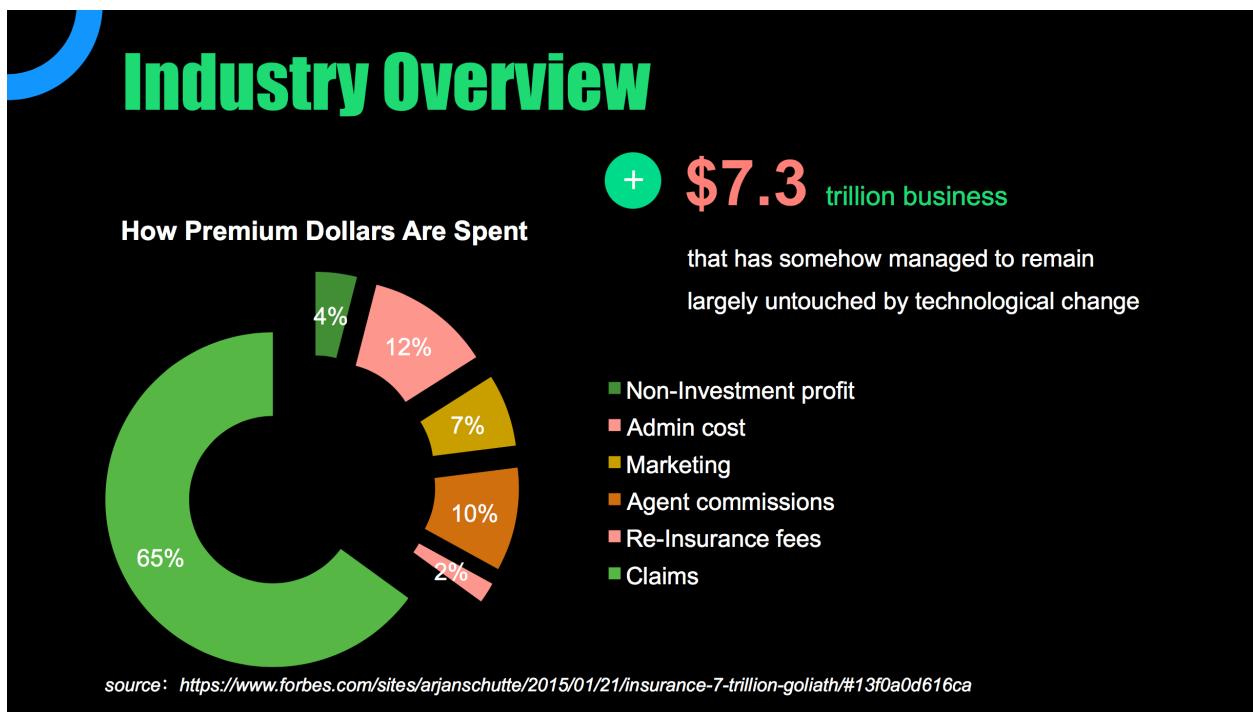


On the one hand, Middle man model incentives economy, but on the other hand it also is criticized to incur expensive agency fee. In insurance industry agency fee are also included in the overhead cost which makes premium extremely unreasonable expensive. Uber, the monopoly enterprise of ridesharing industry, controls and optimize user data. The core of middleman model is maximizing profit by increasing premium or leveraging user data. These middle mans eventually conflicts with their own customers' interest. It's not win-win situation, at least not for their customers.

### 3.2 Overturn Traditional Middle Man Business Model

Middle Man Economy was published in 2015, and in this year a disruptive new technology comes into the picture. Smart contract based block-chain platform root out this issue. Ethereum smart contract feature manages contracts between users and service providers by automating all procedures from signing deals, transaction and to claims. All transaction data are decentralized which means 100% transparency and improved traceability. Furthermore, elimination of middleman by the technology largely improves transaction time and reduces overhead costs which make the insurance premium way much lower than that in traditional insurance model.

## 4 Industry Overview

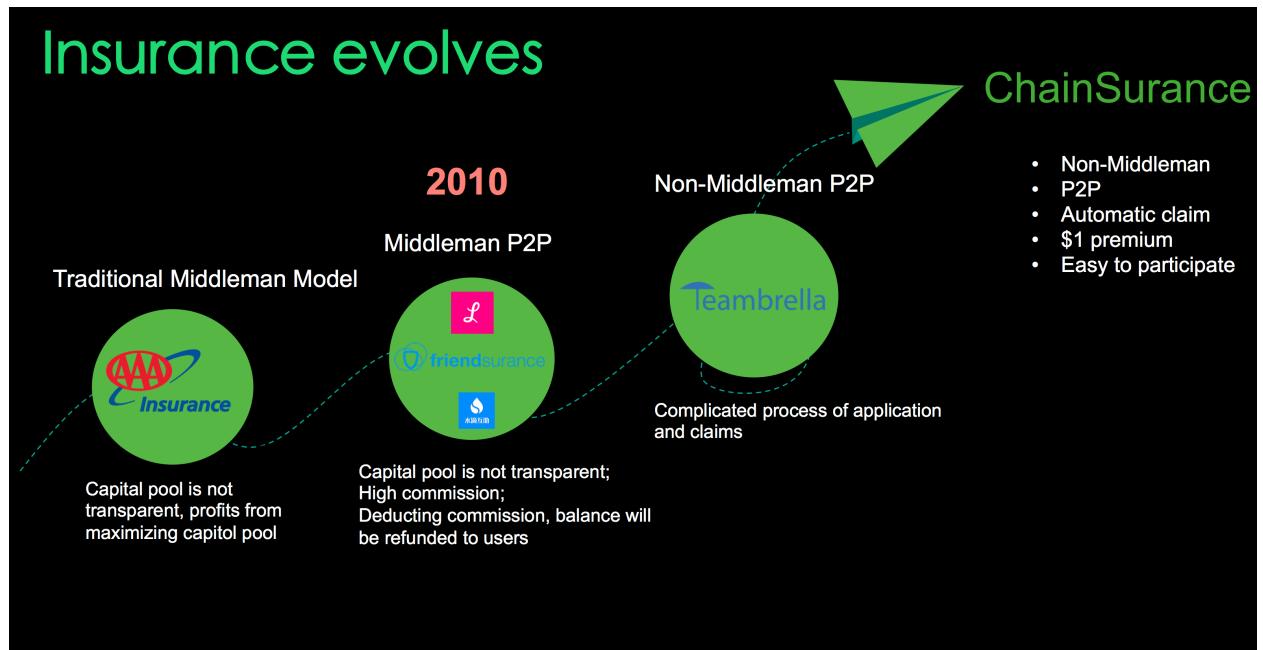


Overall market cap of the whole insurance industry is 7,300 billion US dollars according to data from Forbes 2015. Most of market share are controlled by traditional insurance

companies. Only 65% of premium are used to cover compensation pay-outs, the insurance companies leverage the rest fund to invest and earn money. If we eliminate middleman, which is insurance companies, the premium will tremendously drop.

## 5 Insurance Platform Trend

### 5.1 Three stages of insurance industry evolves

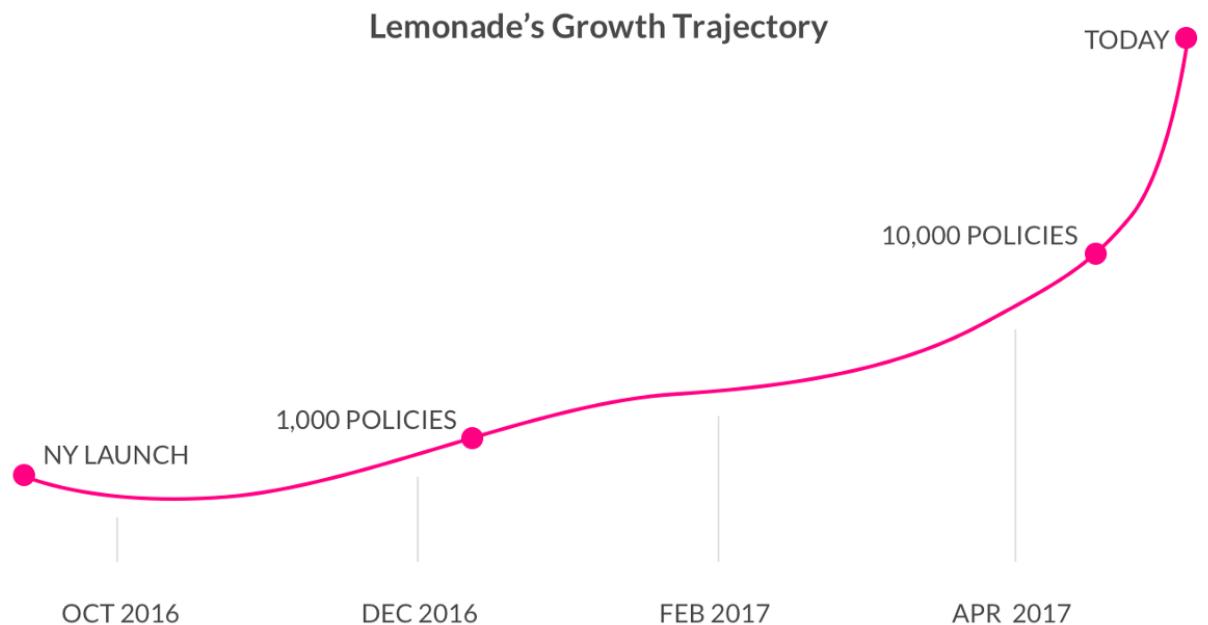


#### 5.1.1 Traditional Middle Man Model

Premium capital pool is not transparent to the public. Middle-man, who are insurance companies in this case, maximize the capital pool to gain profit. Given the conflicts of interests between the insured and middle man, the insured's benefits can not be guaranteed.

### 5.1.2 Peer-to-Peer Middle Man model

Given the ills of traditional insurance companies, Peer-to-Peer insurance companies comes into the picture. Friendsurance and Lemonade lead P2P insurance industry.



Under this business model, users will leverage their social network to raise fund on their own. If the fund is not 100% claimed, then the balance will pay back to the participants. Middle man still plays an important role in this model, but have less conflicts of interests with participants.

### 5.1.3 Decentralized Peer-to-Peer Model

Teambrella brought a new business model, decentralized peer-to-peer model to the industry. Completely eliminate middleman, and expose the capital pool to the insured with no extra commission. All these good things have to raise bars to the insured who want to join, or to claim.

## 6 Competitor Analysis

Competitive Analysis							
	ChainSurance	Teambrella	Shuidihuz hu	Friend- surance	Lemonade	MetroMile	Traditional
P2P	YES	YES	YES	YES	YES	NO	NO
Decentralization	YES	YES	NO	NO	NO	NO	NO
0 commission	YES	YES	YES	NO	NO	NO	NO
\$1 premium	YES	N/A	YES	NO	NO	NO	NO
Automatic claim	YES	NO	NO	NO	NO	NO	NO
Token securitization	YES	NO	NO	NO	NO	NO	NO
Transparency	YES	YES	NO	NO	NO	NO	NO
Profitable	YES	N/A	N/A	YES	YES	YES	YES

## 7 ChainSurance Mutual-Aid Platform

A disruptive insurance revolution, ChainSurance, introducing block chain technology with endorsement from your trust social group, provides an affordable cost by eliminating the traditional insurance company – middle man, and offers an easy exist with full initial insurance premium investment refund.

### 7.1 ChainSurance Platform Characteristics

While existing insurance companies offer coverage with expensive premium, our team is up to build a secure, decentralized, & no-middleman product based on block chain. It will include easy cryptocurrency payments integration, and even a digital arbitration system.

At the end, Our aims to integrate all companies, employees, and business assets into a unified block chain ecosystem, which will make business truly efficient, transparent, and reliable.

### **7.1.1 \$1 premium for \$250,000 coverage**

Block chain is a decentralized, distributed and public digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network. The remarkable characteristic solve the lack of trust between customers and service provides. With this regard, it completely root out middle-man in the business which make no commission fee possible. Cutting of tremendous overhead cost, we could be confidently introduce \$1 premium program to all customers.

### **7.1.2 Automatic claim and payout**

ChainSurance are leveraging of smart contract in block chain, along with new automation to form an effortless and uncontroversial platform from application to claim.

Insurance clauses and conditions are embedded and coded in the smart contract. Once any insured clause is hit, ChainSurance platform will pay out the compensation to the customers' wallet. No more complicated and time-consuming claim and audit process.

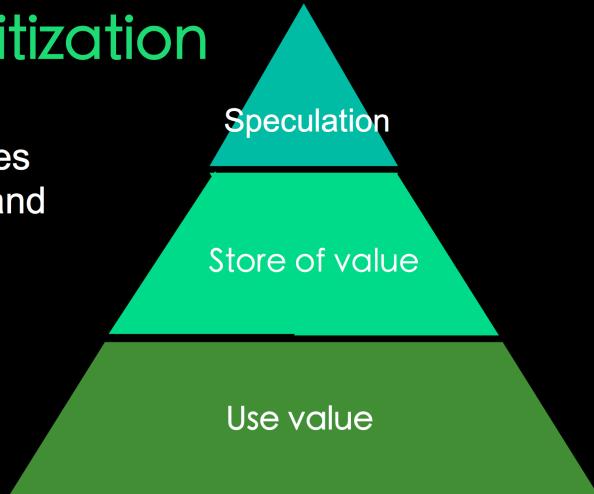
### **7.1.3 ChainSurance CSE Token Liquidity**

ChainSurance CSE token are used to participate the insurance program. And CSE token largely increased liquidity of fair currency, given CSE token could be trade as one kind of cryptocurrency and also could be withdraw whenever you want.



## Token Securitization

Introducing token increases liquidity, it can be traded and investable



CSE Token could be traded in cryptocurrency exchanges, which make CSE Token investable. As platform matures and dramatic growth of users base, CSE Token will become profitable.

Two use cases could be considered to elaborate how could users enjoy extremely low premium and might be profitable through CSE Token:

- Customer A joined our \$1 premium program by purchasing 1 CSE Token with \$1 USD. Couple of months later no accident happens and nobody claims, which is possible according to fatal airliner accident rate of Airliner Accident Statistics in 2017 is 1/11,000,000, A withdraw the CSE Token used to participate \$1 premium program. Surprisingly 1CSE Token could exchange \$10 USD. With this regard, A not only got covered of \$250,000 for a period, but also profit from the program.
- Customer B believe the invest potential of ChainSurance CSE Token, he bought some CSE Tokens for invest purpose. He didn't join \$1 premium program. As

more investors value the business model and more users join \$1 premium program, CSE Token rises up, Customer B enjoy the profit from CSE Token.

#### 7.1.4 Globalization

ChainSurance is born to serve customers worldwide in compliance with law and rules.

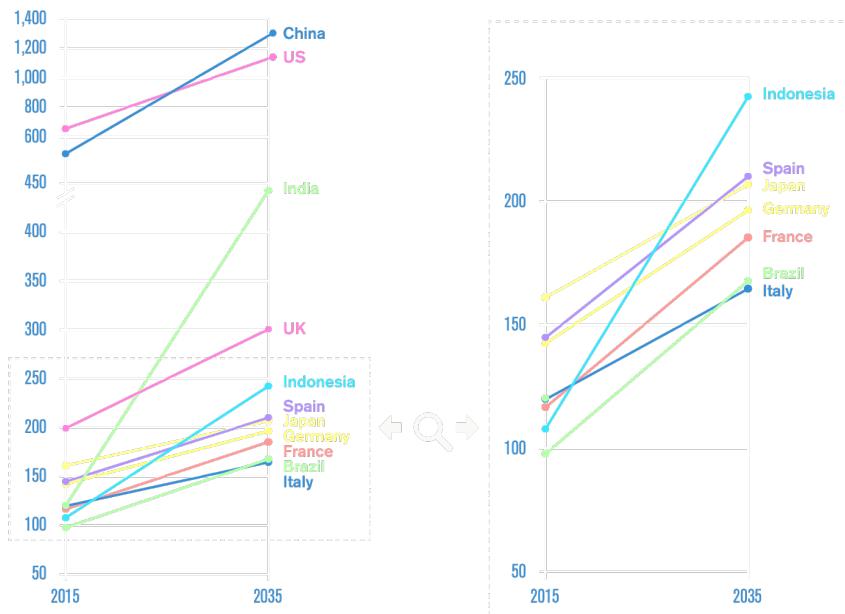
ChainSurance authorize customers by using private key system of block chain, providing extreme privacy and globalization.

### 7.2 ChainSurance Platform Statistic Model

ChainSurance Platform will start offering aviation accident insurance first. Total 20 billion passenger journeys per year were in Top ten aviation and transportation markets including United State, China, United Kingdom, Japan, Spain, Germany, Italy, France, Indonesia and brazil.

#### Top Ten Passenger Markets

Million O-D passenger journeys (to, from and within)



source: [iata.org](http://iata.org)

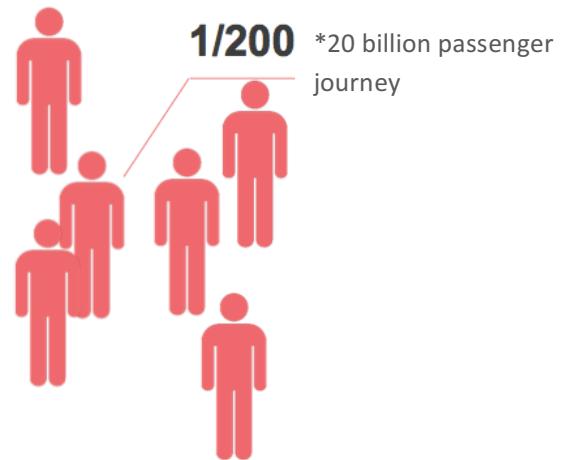
According to Aviation Safety Network, 44 fatal accidents in 36,800,000 flights that means 1 passenger dies due to accident every 736,000 flights, the fatal accident rate 1/11,000,000 which is 0.00000909%.

Three most popular aviation insurance tiers are on market: \$20 USD for \$250,000 USD coverage, \$35 USD for \$500,000 USD coverage or \$59 USD for \$1,000,000 USD coverage according to [Traelinsurancecenter.com](#).

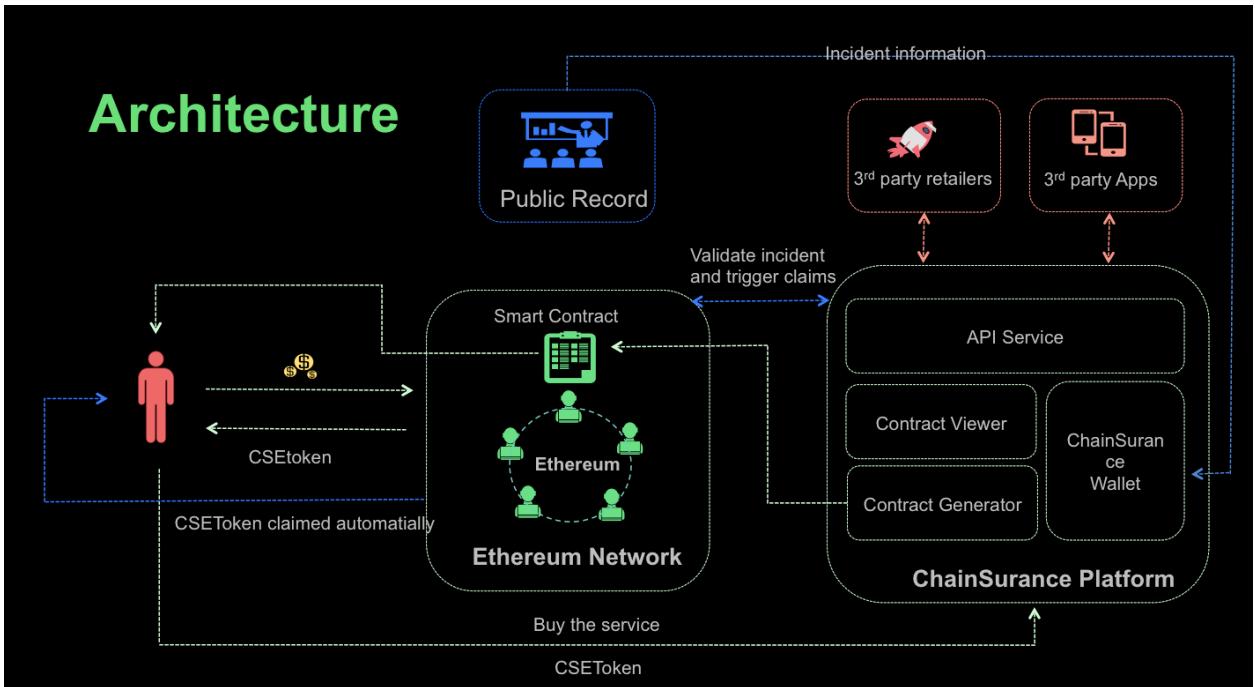
Given the options, if ChainSurance offers \$250,000 USD coverage option to customers, only need 1/200 of total passenger journey.

$$2,000,000,000 \text{ passenger journey} * 1/200 * \$1 \approx \$250,000$$

## ChainSurance Data Model



### 7.3 ChainSurance Platform Architecture



Each customer can use mobile wallet (Dapp) powered by ChainSurance to purchase CSE token and participate \$1 Aviation premium program. ChainSurance Mutual-Aid Platform is on top of Ethereum ensuring decentralization, irretroactive ledger and traceable transactions.

- **Ethereum**

Ethereum is an open block chain platform that enable developers to build and deploy decentralized application. Like Bitcoin, Ethereum is independent and not controlled by any organization or individual. The open source platform is contributed by developers worldwide.

- **ERC20 Token**

Token are Ethereum block chain assets that have value and are tradeable. ERC20 Token is a technical protocol used for smart contracts on the Ethereum block chain for implementing tokens. ERC20 Tokens have are highly liquidity, and could integrate with Dapps.

ERC20 new standards make ERC20 Token easily compatible with other features on the platform including vote and mark token contract. Token holders completely control their token assets. And ERC20 Token distribution could be traceable and exposed to the public so that the public know the exact distribution and transaction anytime anywhere.

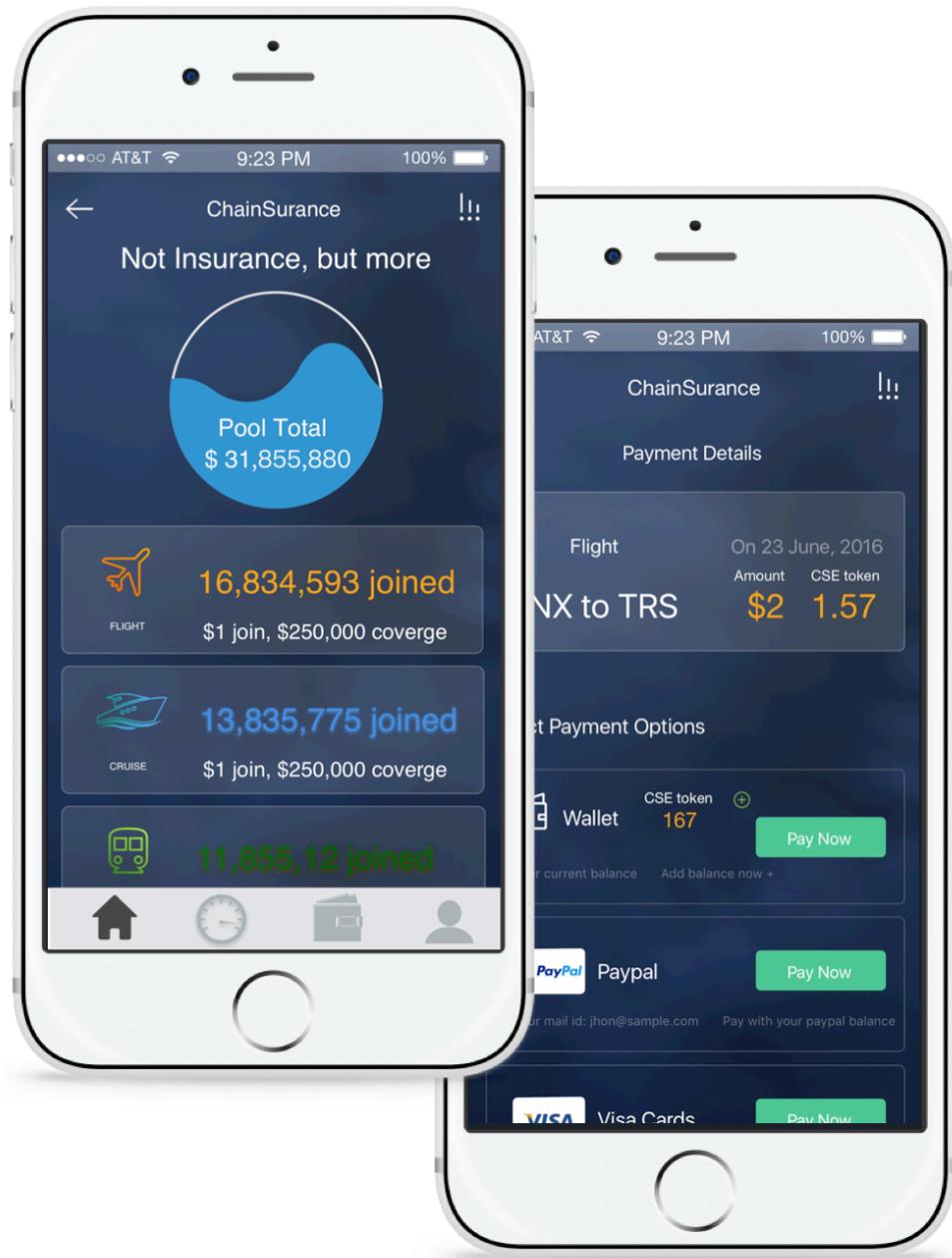
- Dapp

Dapp stands for Decentralized application that running on a decentralized peer-to-peer network with its backend code.

- Smart Contract

Smart contract is a computer protocol aiming to spread, verify and enforcement contracts. It build a trustable platform enabling exchange without third party. All transaction is traceable and irretroactive.

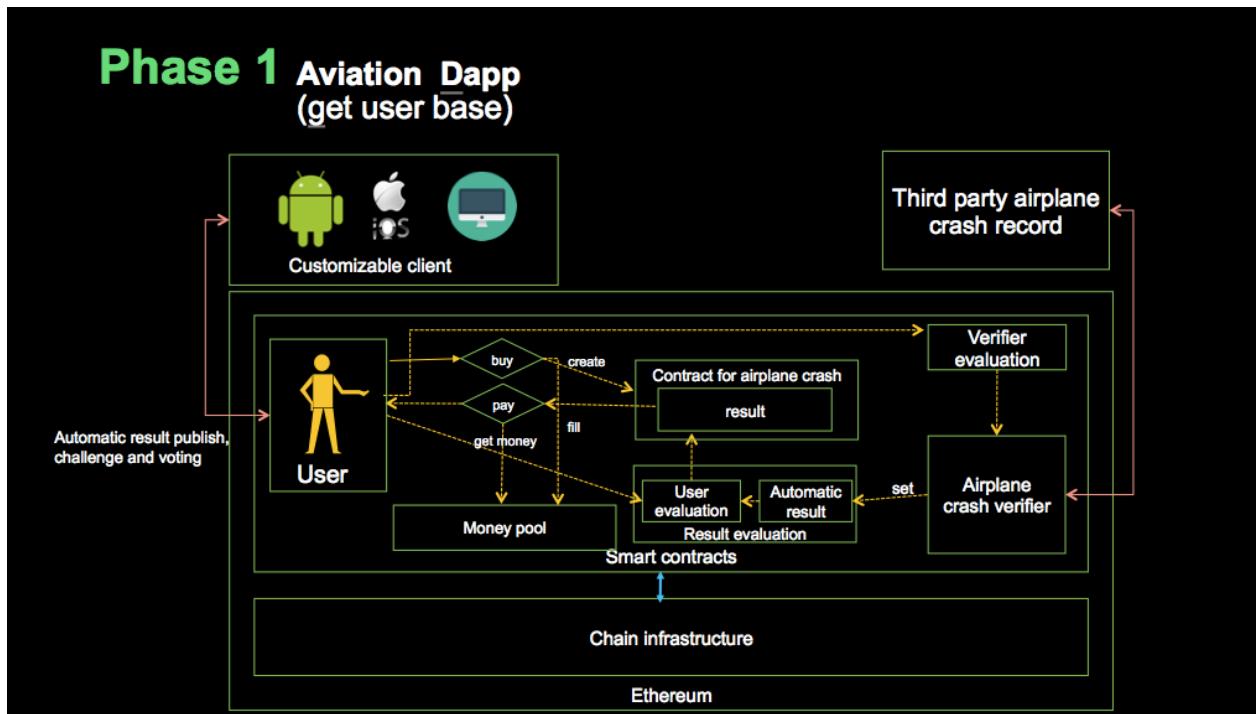
## 7.4 ChainSurance Mobile DAPP



ChainSurance's back-end infrastructure has been established and now focus on developing IOS mobile front-end interface for end-users. Android system is also in the roadmap and will be supported in near future.

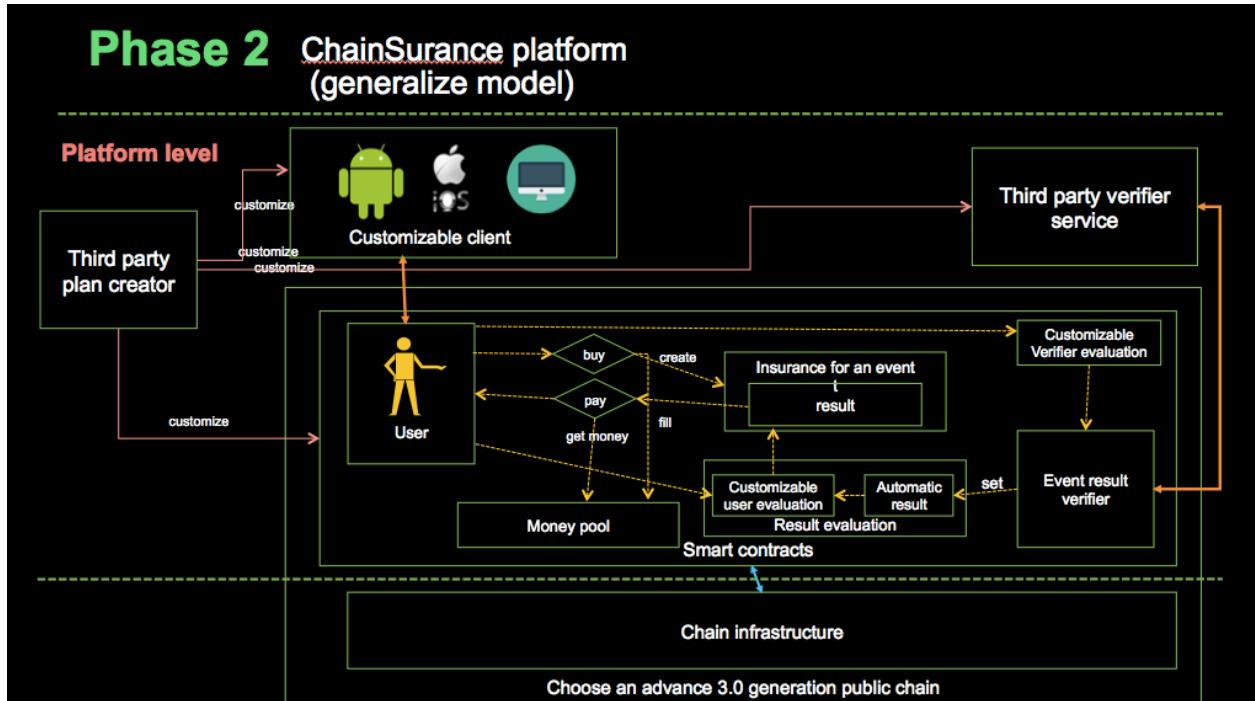
## 7.5 ChainSurance Ecosystem

### 7.5.1 Phase 1 Growth hacking by offering \$1 Aviation Accident Insurance program



Aim at user growth in Phase 1 by introducing \$1 Aviation Accident Insurance Program. Unprecedented low premium, \$1 USD, and automation of claim process, definitely attract large amount of users to join the program.

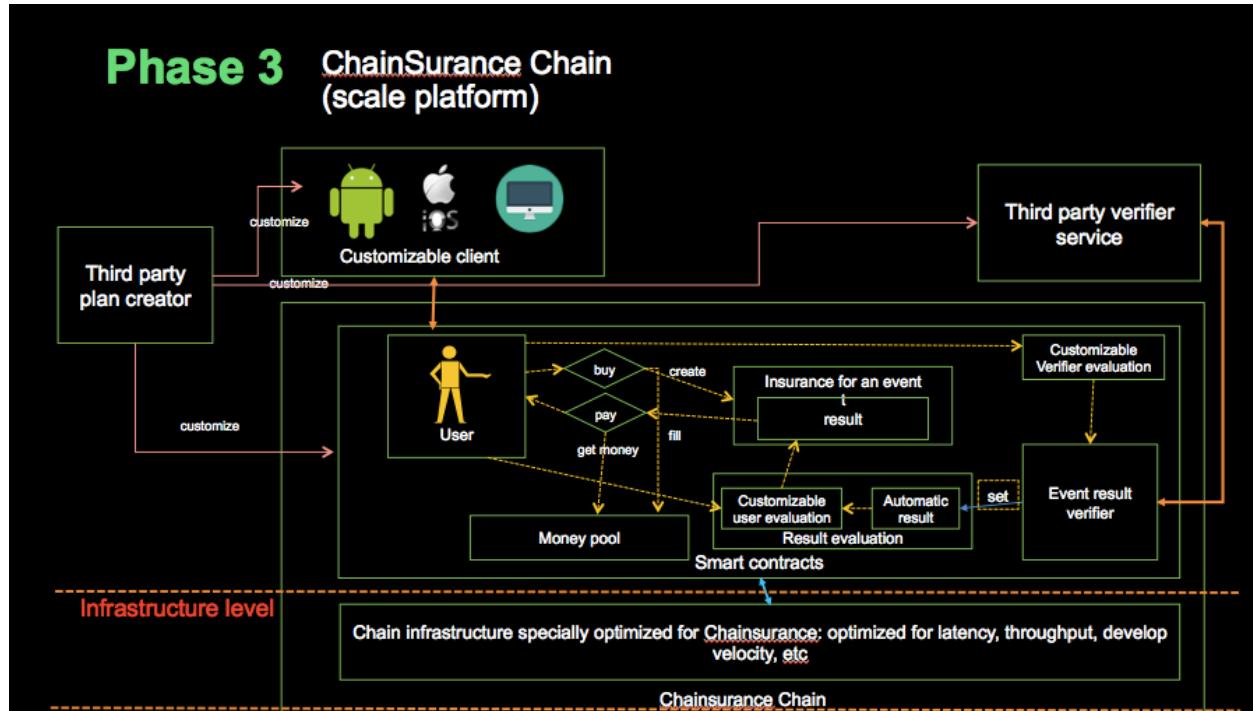
### 7.5.2 Phase 2 Open platform and integrate with third-party



Individual or organization could create customize insurance program based on ChainSurance platform and offer to the public to join.

ChainSurance will invite and introduce third-party legitimate authority to users. Insurance products will not limit to aviation accident insurance, but spread to other experimental insurance products.

### 7.5.3 Phase 3 Establish ChainSurance block chain



With the development of ChainSurance platform, existing block chain 2.0 platform might not be able to meet all requirements of ChainSurance daily operation. Expansion to ChainSurance Blockchain and establish ChainSurance ecosystem is the move.

## 8 ICO

### 8.1 ICO Details

ChainSurance CSE offering will comply following rules:

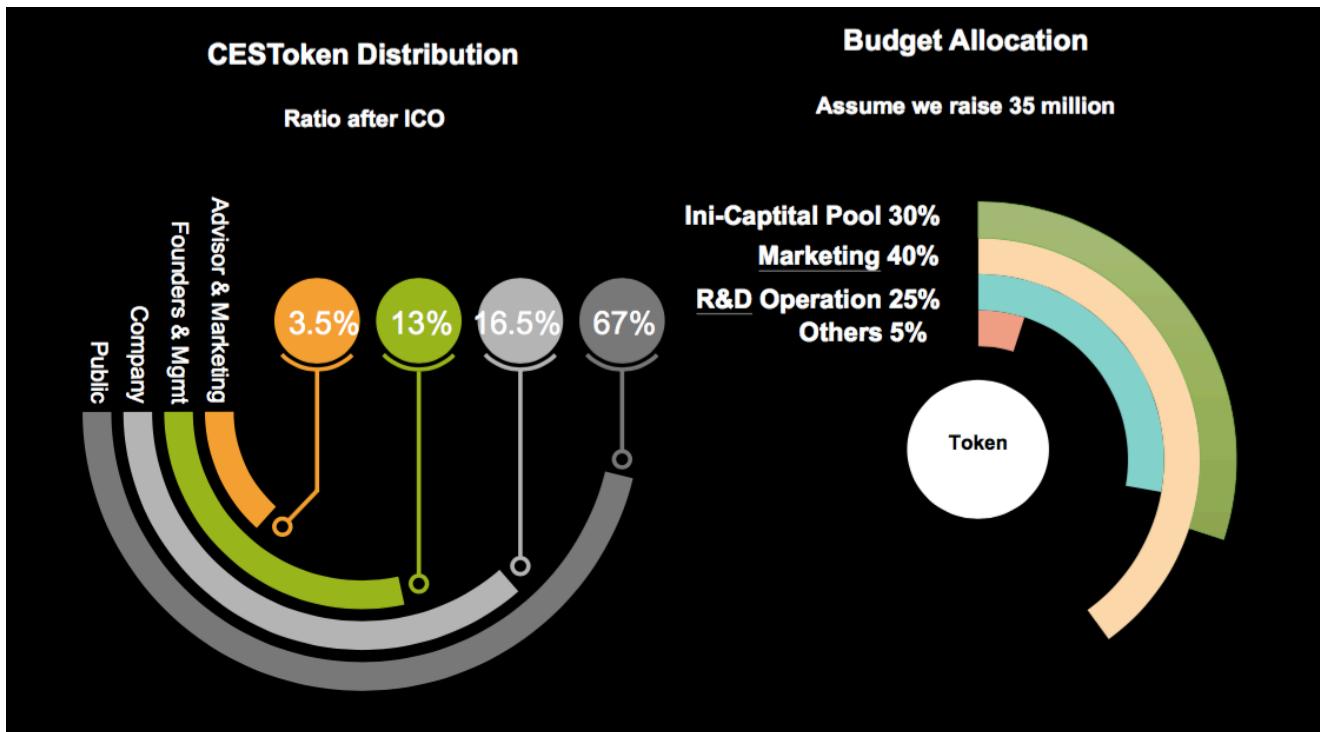
- ChainSurance accepts ETH exchanges for CSE
- Exchange rate: 1 ETH = 500 CSE
- This ICO is not Initial Public Offering

- Pre-ICO: CSE token holders could register on ChainInsurance official website to participate in our pre-ICO. CSE token holders will enjoy extra discount based on the pledged amount
- CSE Token Amount: A second ICO will be offered if this ICO couldn't generate 35,000,000 CSE tokens in sales. The second round ICO price is guaranteed greater than the first ICO. ChainInsurance CSE offering will comply following rules:

## 8.2 ICO hard cap

ChainInsurance Team will launch different marketing campaigns in terms of different amount of ICO sales, we ensure to maximize the profit of our ChainInsurance CSE Token holders.

Raise Amount: \$35,000,000 USD



## 8.3 ChainInsurance CSE Token Holders Incentive Plan

Investment agency will hold 20% of CSE Token in this round CSE ICO. And founders, upper management, company, advisors and ICO marketing expenses will together hold another

10%. Remaining 70% of CSE Token shares will be released based on Proof-of-Stake to all token holders including founders, management, company, advisors and marketing campaigns.

Every single CSE Token holders could get extra CSE token starting from two month later of ICO. The whole incentive plan will last for three years. CSE tokens used for incentive plan will reduce to half comparing with the first-year incentive plan. Therefore, the earlier purchase CSE tokens, the more incentive CSE tokens will be gotten. Below is the ICO incentive distribution plan details:

- First 12 months after this ICO: 40% of incentive CSE tokens will be distributed to our CSE token holders. Average incentive token distributed in each month is about 7.316%
- The second 12 months after this ICO: 20% of incentive CSE tokens will be distributed to our CSE token holders. Average incentive token distributed in each month is about 2.1163%
- The third 12 months after this ICO: 10% of incentive CSE tokens will be distributed to our CSE token holders. Average incentive token distributed in each month is about 0.8818%

Our system will calculate accurate amount of CSE Tokens used for incentive plan in terms of this ICO sale. Users could check Incentive CSE token distribution of each month on our official website.

Time	1 <sup>st</sup> 12 months	2 <sup>nd</sup> 12 months	3 <sup>rd</sup> 12 months
Average CSE Token used in incentive program per month	7.31606308774%	2.11637098910%	0.88187006043%

Once all incentive CSE Tokens are distributed to our CSE Token holders, amount of CSE Tokens will approximate 100% of this ICO. Given deviation, any CSE Token not issued in ICO sales and Incentive plan, will be released to all investors according to smart contract data. Our team will publish the exact number generated by smart contract after incentive plan.

*\* Due to the fact that we will only be able to calculate the exact token distribution after the ICO. The smart contract token distribution will be generated after the ICO to determine the exactly monthly distribution amount. ICO token holders can visit our website for more details or query the smart contract directly.*

**As CSE Tokens used in incentive plan are degressive, the earlier purchase CSE Tokens, the more profit**

Assume 35,000,000 CSE Tokens are created from this ICO:

- **User Case 1:** Alice purchases 1000 CSE Tokens during this ICO. On the first day of the sixth month after this ICO, she'll receive additional 527.52 CSE Tokens from incentive program. Simply put, she could get over 50% additional CSE if she's been holding original 1000 CSE for five months.
- **User Case 2:** Bob purchases 1000 CSE one year after this ICO and holds for 12 months, he'll be rewarded 285.7 CSE Tokens. He'll get about 28% additional CSE. The return is still good but not as good as Alice's case.
- **User Case 3:** Allen purchases 1000 CSE three years after this ICO, and then he won't be issued any incentive CSE Tokens.

Some more details are as follows:

If 35,000 CSE Tokens have been created in this ICO. Alice purchases 1000 CSE Tokens in this ICO; On the first day of the sixth month after this ICO, she'll have over 1,527 CSE Tokens which return is more than 50%; On the first day of the tenth month, she'll get 2,026 CSE Tokens which return is over 100%; On the first day of the sixteenth month, she'll enjoy 2,537.22 CSE Tokens which return is over 150%; On the first day of the twenty-fourth month after this ICO, she'll have about 3,000 CSE Tokens which return is about 200%. During the incentive period, Alice will need to execute the smart contract and fill in forms to unlock the tokens.

*Given we will only be able to calculate the exact token distribution after this ICO. The smart contract token distribution will be generated after this ICO to determine the accurate monthly distribution amount. ICO token holder can visit our website for more details or query the smart contract directly.*

## 8.4 CSE Token Holders Incentive Plan Enforcement Details

From the first to tenth of every month, CSE Token holders can execute ChainSurance smart contract in any ERC20 supported wallet to check exact CSE Tokens amount from last month. Meanwhile bonus CSE Tokens could be claimed through incentive program on a monthly basis.

### 8.4.1 Enforcement details

- Execute ChainSurance smart contract in your ERC20 supported wallet
- Release scheme starts on the 2<sup>nd</sup> month after receiving CSE Tokens. CSE Token holders can execute ChainSurance smart contract anytime from the 2<sup>nd</sup> month through the 7<sup>th</sup> month, in order to receive the release tokens from the previous 1<sup>st</sup> till the 6<sup>th</sup> month
- ChainSurance smart contract determines the number of CSE Tokens in an address from previous month by last day of the month at 23:59, if the smart contract detects that user hasn't claimed the release tokens for several months,

- it will then re-determine the unclaimed released tokens of each month, and returns all released tokens;
- CSE Tokens unclaimed more than six months will be forfeited. Each time a smart contract is executed, the maximum release tokens are for a maximum of six months;
  - Calculation: Determine the month(s) of CSE Token amount of each month by the last day of the month at 23:59 of an address, multiply by the month(s) to determine the release token amount;
  - On the last day of each month, ChainSurance will activate a smart contract to determine unclaimed tokens used in incentive program over six months, unclaimed bonus tokens will be announced and kept for further usage;
  - Time zone used in calculation are GMT+8

## 8.5 Reserved CSE Tokens

Based on the number of CSE tokens created during this ICO, additional portion of tokens will be created for our founders, management, company, advisors and for the payment of ICO marketing expenses.

Assuming 'A' amount of CSE Token are created in this ICO, the percentage of tokens will be distributed for the additional portions are:

- A\*25% CSE tokens will be distributed to Founders and management
- A\*20% CSE tokens will be distributed to the company, reserved for employees and incentive program
- A\*5% CSE tokens will be distributed to advisors and used for ICO marketing expenses
- Reserved tokens will be unlocked at a rate of 10% each month

Calculation as follows:

For example after the conclusion of the ICO, if we have created 35,000,000 CSE Tokens, the reserved tokens created on top of the tokens from the ICO are indicated below:

- 8,750,000 tokens for founders and management;
- 7,000,000 tokens for company, reserved for current and future employees;
- 1,750,000 tokens for advisors and ICO marketing expenses.

## 9 Team

### 9.1 Founders and Management Team



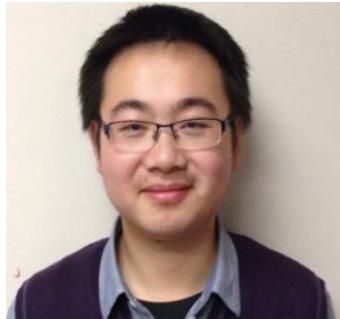
#### Founder & CEO

**Elson Chan**

FinTech (LendingClub) big data and machine learning veteran.

Founders of mobile search engine Loopq

10-year experience in Tencent engineering



#### CTO

**Shangzhou Xia**

Senior software engineer in Facebook

Co-founder of an interest-based social media platform pivot.com

Texas A&M university M.S. in computer science

## **CFO**

Robat Tan



Co-founder and President of Horizon Family Office which service are over 8 finance institutions and 400 high net worth families

Years Wall Street working experience (Naok Financial)

Boston University Finance MBA

## 9.2 Advisors



### **Business Advisor**

**Gary Bleetsein**

Board member of Association of National  
Association of Independent Life Brokerage  
Agencies (NAILBA)  
Partner of ASG(A Large Life Insurance Brokerage  
Agency located in NY NJ and NC)



### **Legal Advisor**

**Viktoria Beress**

Partner of Beress & Zalkind PLLC  
New York Law School LLM (Master of Laws)  
Benjamin N. Cardozo School of Law (Juris Doctor)



### **Technical Advisor**

**Zhong Ling**

Senior Scientist of IBM Corporation  
Visiting Professor of Stanford University Business  
School

## 10 Risks and Indemnity

The information contained in this Offering Memorandum (or White Paper, hereinafter ‘Memorandum’) is intended only for the persons or organization to whom it is transmitted for the purpose of evaluating ChainSurance CSE Tokens offered hereby. Prospective purchasers should not only rely on the information in this Offering Memorandum. We strongly encourage purchasers to do their own research. No persons are authorized to give any information or make any representation in respect of the Project or the Token offered herein and any such information or representation must not be relied upon. This Offering is a private placement and is not, and under no circumstances is to be construed as, a public offering. The ChainSurance CSE Tokens are being offered in reliance upon exemptions from the registration and disclosure requirements set forth in applicable legislation. This Offering Memorandum does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy an securities.

## 11 Anti-Money Laundering

Purchasers agree that he or she shall not participate any money laundering, illegal currency exchange and other restricted activities in any form via ChainSurance CSE Token and other relevant derivatives if any. Each purchaser shall understand that he or she will be restricted from selling, exchanging and disposal ChainSurance CSE Token and other relevant derivatives directly or indirectly for the purpose of Money Laundering.

## 12 Countering the Financing of Terrorism

Purchaser agrees that he or she shall not participate in any financing, exchanging and supporting activities for the purpose of financing of terrorism via ChainSurance CSE Token and other relevant derivatives if any. Purchaser shall understand that he or she will be restricted from selling, exchanging or disposing of CSE Token and other relevant derivatives for the purpose of Financing of Terrorism.

## 13 Purchasers' Obligation

Given legality issues, this Offering is being made to, and subscriptions will only be accepted from, persons resident or citizen not in following regions or countries, including but not limited to P.R. China, United States, Malaysia and other regions or countries that forbid ICOs. This Offering is being made pursuant to certain exemptions contained in the Isle of Man's Designated Business Act.

## 14 Confidential Terms

This Offering Memorandum is confidential and has been prepared solely for delivery to and review by selected prospective purchasers of the Token offered hereby. Distribution of this Offering Memorandum to any person other than the person to whom it is delivered and those persons, if any, retained to advise such person with respect thereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the Corporation is prohibited. This copy of the Offering Memorandum is personal to the person to whom it is delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the token offered hereby.