

# D.A.G Guarantee/ Insurance Solution



Digital Asset Guarantee Insurance Solution July 2022

Powered by GotG Platform

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# What Is Insurance?

保險

Chinese character 保 for 'preserve'  
險 for 'forbidding'

## Insurance

1. an agreement in which a person makes regular payments to a company and the company promises to pay money if the person is injured or dies, or to pay money equal to the value of something (such as a house or car) if it is damaged, lost, or stolen see also national insurance
2. the amount of money a person regularly pays an insurance company as part of an insurance agreement

# The History of Insurance

## The First Insurance

**The economic activity of ancient times, when people gathered goods to cope with accidents.**

Around 2000 B.C., the following provisions relating to insurance existed in the Code of Hammurabi:

"Merchants engaged in maritime trade are exempted from part or all of their debts in case of an accident"

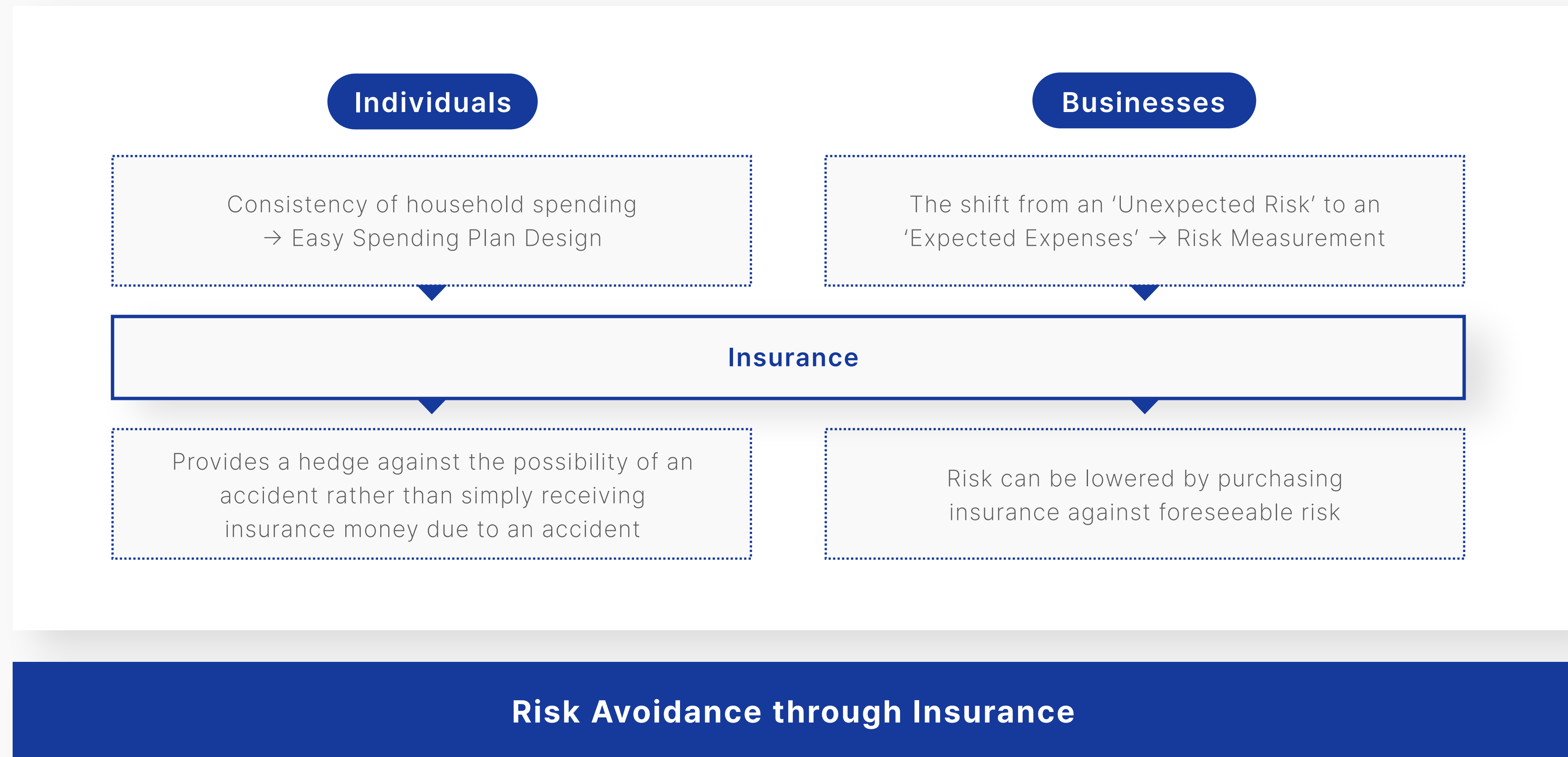
## Modern Insurance

In the 12th century, merchants in Genoa and other countries started with insurance against accidents on ships called marine insurance.

In the past, merchant ships in Europe were able to achieve astronomical profits through one expedition, but there is always the risk of sinking or ships loss.

The beginning of change of 'high risk and high return' to 'middle risk and high return'

# A Need of a Modern Insurance



# A need for a DA Insurance

As DA transactions increase, the need for risk insurance has also increased



## DeFi Trend

Increased security accidents and fraud (scams) such as smart contract defects due to the continued De-fi (Decentralized Finance) trend

[Case]

DeFi service hacking accidents such as bZx and Deforce : Yam Finance attracted more than 500 billion in deposits on the first day of launch, but on the second day of launch, the project declared a failure due to a smart contract bug, and the DeFi project called Yfdexf Finance disappeared after collecting a deposit of 20 million dollars.



## Increase of NFT Transactions

NFTs trade in the market as a sustainable and meaningful asset

The big increase in NFT (Non-Fungible Token) Transactions

Growing need for insurance products that cope with risks and guarantee value stably

# Today's DA Insurance



DeFi Professional Insurance Services.  
Provision of insurance services for  
loss of funds caused by smart  
contract hacking, malfunction, etc.

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- Paying premiums with its own token, NXM
  - Smart contract risk is determined by NXM holders
  - Insurance premiums are determined according to the level of risk
- 

[Case]

In February 2020, Nexus Mutual pays compensation according to the price manipulation at bZx

## Opyn

Development and provision of insurance products that enable DeFi service users to execute put and call options

## US Etabus

Providing insurance products such as executive liability insurance (D&O) and technology error and defect liability insurance (Technology E&O) to companies operating DA-related businesses

## Other Cases

Development of DA Business Hacking, liability insurance products for theft and disasters by UK 'London Royce' and US 'Great American Insurance'

# D.A.G Guarantee Program

The D.A.G (Digital Asset Guarantee) program is divided into Guarantee/Insurance programs targeting various customer. It provides liquidity to investors and stability to issuing foundations.

## D.A.G Guarantee Program

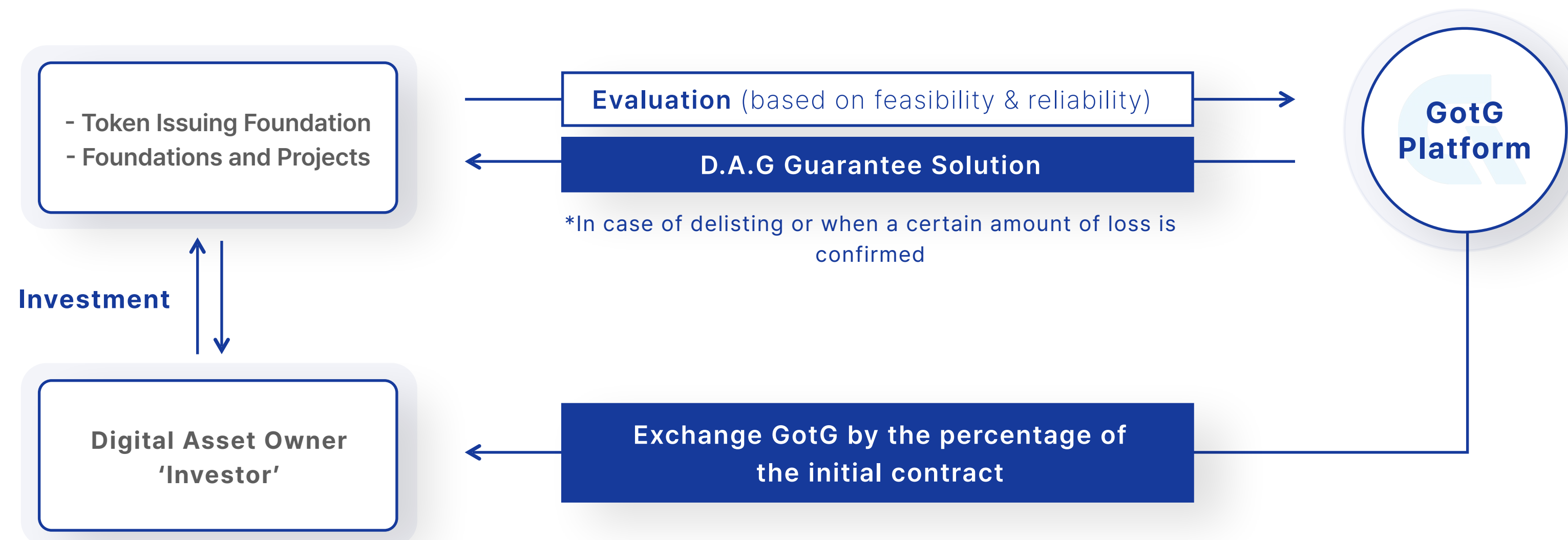
- Token Issuing Foundation
- Projects (company, foundation)

## D.A.G Insurance Program

- Individual Investor's DA



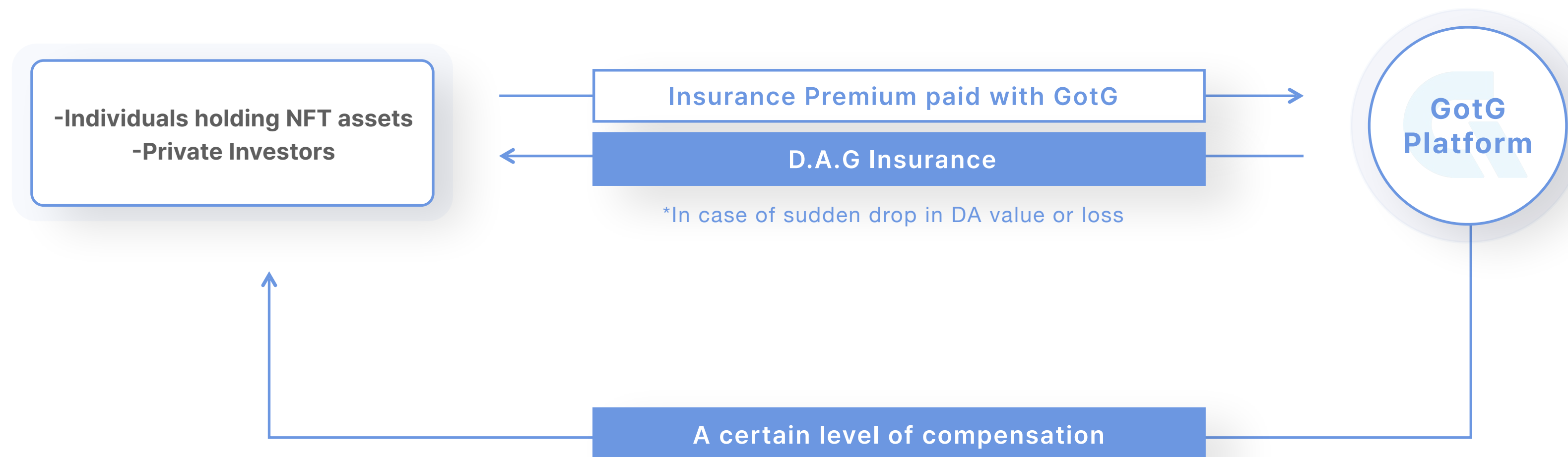
# D.A.G Guarantee Program



- D.A.G guarantee program to secure the project
- Providing stability and creating a stable investment environment in which every investment is clearly differentiated by a standard - 'D.A.G Secured'

**GUARANTEE MECHANIZM**

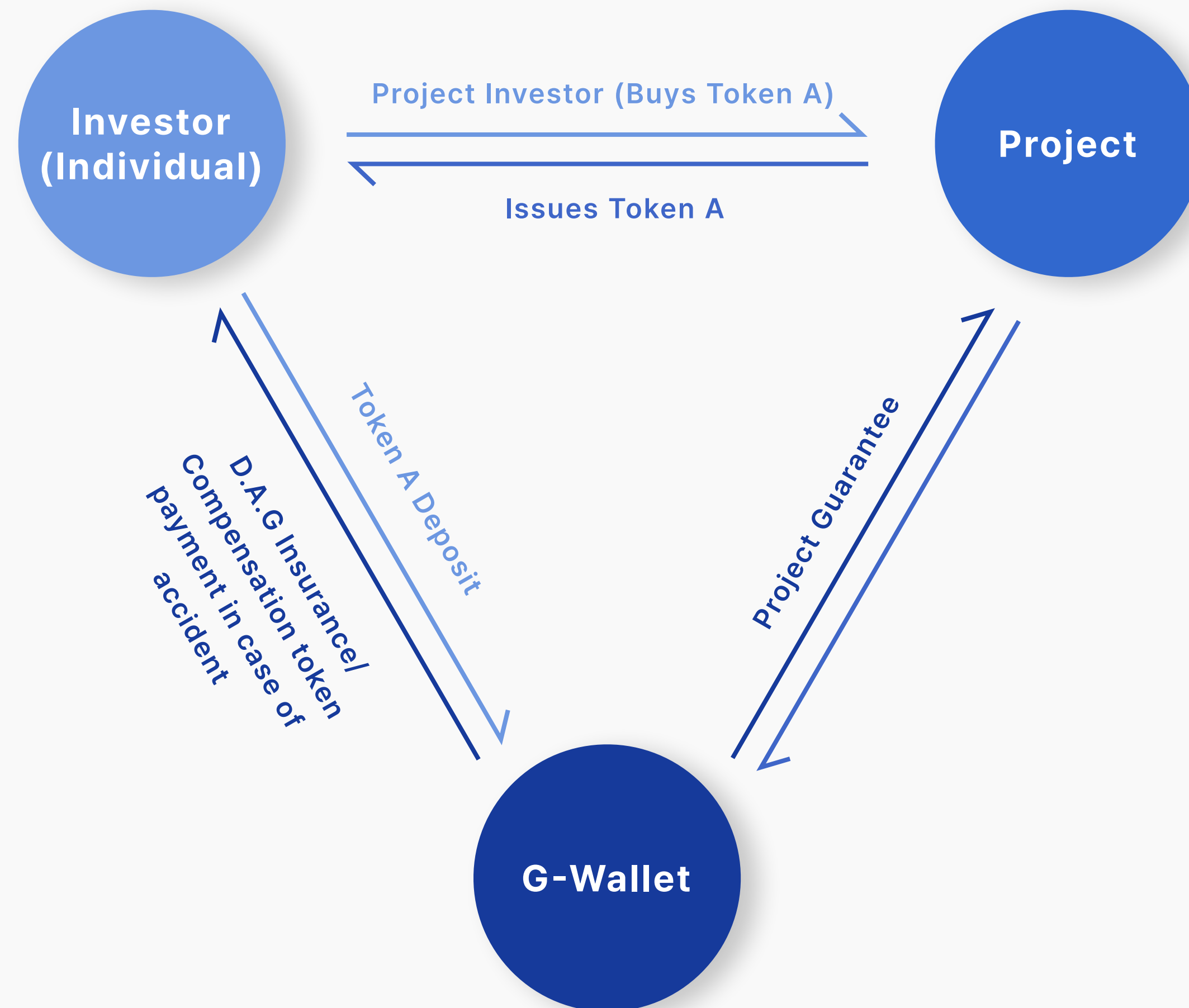
# D.A.G Insurance Program



- By acting as a stabilizer to minimize the investor's loss, our service provides an opportunity to avoid risk and recover the DA that was devalued.
- Market size can be expanded by revitalizing investor sentiment and behavior in the highly volatile DA market

**INSURANCE MECHANIZM**

# D.A.G Insurance Program



# D.A.G Guarantee/ Insurance Basic Conditions

Guarantee Token	A token that can be stored and exchanged within the G-Wallet as a project endorsed by the GotG platform.	
Registration Process	1. Apply for Insurance of the project	
	2. After applying for membership, the customer deposits the project token to G-Wallet  Ex) In order to insure the token value of 10 million KRW, the token corresponding to 10 million KRW value (the value of the token at the time of subscription) is stored in the G-Wallet as a deposit.	Automatic cancellation of the insurance if tokens are withdrawn
	3. Insurance premiums are paid with GotG tokens on a weekly basis (Requires automatic payment of tokens corresponding to insurance premiums)	3 month, 6 month, 1 year premium subscription will be added lately
	4. D.A.G Insurance Card	Automatic cancellation in case of delinquency in premiums and withdrawal of tokens deposited in G-Wallet

# D.A.G Product Types

## Proportional Guarantee

A portion of the deposit in a  
Guaranteed product

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Secure 10~50% of the deposited token  
ex. Deposit 10 million KRW, apply the '50% guarantee'  
product. If the value of the token decreases to 5  
million KRW Investor receives 5 million GotG Premium

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**Pros:** Individuals can freely choose the amount of  
coverage and sign up  
**Cons:** Difficulty in calculating insurance premiums  
due to various insurance amounts

## Flat-rate Guarantee

Guarantee product with a  
fixed amount 10 million KRW,  
5 million KRW etc.

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Double the price of the subscribed product  
Deposit tokens to G-Wallet

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**Pros:** Insurance premium can be calculated by  
determining the amount of insurance  
**Cons:** Difficult to secure various deposits

# D.A.G Insurance Premium Calculation

Insurance Premium = Expected Insurance Price X Accident Rate(%) / Number of users

- Insurance premium calculation variable
- Insurance premiums can be calculated only when there is data on the accident rate of project tokens
  - A minimum preventive strategy is required because a huge damage occurs in case of an error in the calculation of the accident rate.
  - Currently, the accident rate has not been calculated, and the initial launch of flat-rate insurance is proposed to reduce initial variables and increase safety.

Insurance Premium Calculation table example

Amount to be secured	Number of users	1 year Accident Rate (Insurance per user)					Insurance premium (weekly / 12 months plan)				
		1%	2%	3%	4%	5%	1%	2%	3%	4%	5%
10,000,000	100	100,000	200,000	300,000	400,000	500,000	1,923	3,846	5,769	7,692	9,615
30,000,000	100	300,000	600,000	900,000	1,200,000	1,500,000	5,769	11,538	17,308	23,077	28,846
50,000,000	100	500,000	1,000,000	1,500,000	2,000,000	2,500,000	9,615	19,231	28,846	38,462	48,077
100,000,000	100	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000	19,231	38,462	57,692	76,923	96,154

# D.A.G Service Detailed Information

Limited product subscription period	<p>Limited insurance subscription period from the start of the project to a certain period of time</p> <p>ex. In the case of smartphone insurance, you can purchase insurance only for one month after purchasing a new smartphone</p>
Limited product maintenance period	<p>Limited from the start of the project to the listing date of the project token on major exchanges</p> <p>This helps minimize the risk because the price fluctuation range is large after listing</p>
Integrated management of insurance	<p>Insurance premiums paid by subscribers are managed/paid in an integrated way, and applicable to all projects</p> <p>Integrated management is necessary since there are few products for each project, and a lump sum compensation is distributed when the value of a specific project drops to 0.</p>



# D.A.G Insurance Card News

Original  
DA Insurance/  
Guarantee

The Story  
begins here and now

D.A.G Insurance/Guarantee  
Overview

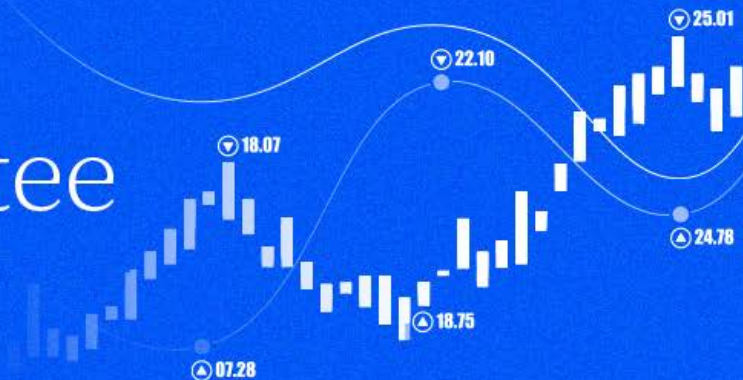
```
graph TD; Investor([Investor  
(Individual)]) -- "Project Investor  
(Buys Token A)" --> Project([Project]); Project -- "Issues Token A" --> Investor; Investor -- "Token A Deposit" --> GWallet([G-Wallet]); GWallet -- "D.A.G Insurance/Guarantee,  
Compensation token  
payment in case of accident" --> Investor; Project -- "Project Guarantee" --> GWallet;
```

Store and exchange functions within the G-Wallet are available since  
this project is secured by GotG platform



# D.A.G Insurance Card News

## D.A.G Insurance/Guarantee Sign up



In order to receive GotG's D.A.G insurance solution an NFT issuance foundation and individuals with token NFT assets make an agreement approved through a certain screening process on a D.A.G solution within the GotG platform, which makes an investor’s digital assets to be a part of GogG's insurance deposited in the asset basket.

In a case when investors of the foundation who gets the security and guarantee through the foundation insurance program and individuals who receive guarantee through individual insurance programs may lose their assets value as their assets price decrease due to the foundation’s business failure or delisting and default.

Program users could recover their investments in form of GotG tokens from the Asset Insurance/Guarantee basket based on the D.A.G Insurance Solution Agreement.

## D.A.G Insurance/Guarantee Product

Product type	Insurance Coverage	Insurance Premium
Proportional D.A.G 10%	10% of Total Asset Value under the agreement	KRW 10,000 (10 GotG)
Proportional D.A.G 30%	30% of Total Asset Value under the agreement	KRW 30,000 (30 GotG)
Proportional D.A.G 50%	50% of Total Asset Value under the agreement	KRW 50,000 (50 GotG)

\* Insurance Premium is paid weekly. The premium calculated as 1 GotG = KRW 1,000



DA insurance

Many variables still exist,  
and insurance/guarantee is difficult  
because data on these variables is  
not available. Therefore,  
even in the case of insurers in the  
system, it is not easy to enter  
the DA insurance market.  
Still, someone has to do it  
because it is absolutely necessary.

**Let GotG start this  
Journey to the Safe  
Digital Asset Management**

