What is

Magen is a **parametric, liquid, and permissionless** insurance marketplace. Our strength lies in three core architectural pillars:

- **Market-Driven**
  Both Covered Tokens (CT) and Yield Tokens (YT) are priced purely by supply and demand, creating a real market for risk. Users can enter or exit protection and yield positions at any time, instantly, and at the prevailing market price.

- **2. Frictionless**
  Magen is fully permissionless and automated, with no KYC for any type of position. As a parametric system, payouts are triggered automatically when predefined conditions are met. There are no claims to file and no discretionary committees: once the event is verified, compensation is executed programmatically, typically within 30 days or sooner.

- **Solvency by Design**
  Magen operates as a closed and overcollateralized system. Every potential payout is backed 1:1 by USDC locked in protocol vaults before coverage is issued. This removes counterparty risk entirely—the capital required to pay claims is already secured on-chain at the moment protection is purchased.

How it works

1. **Insurance Pool Creation**
   A Liquidity Provider (LP, can be a DeFi Protocol, DAO, Risk-Curator or Institution) deposits USDC into the Magen Vault. For every USDC deposited, the system mints a pair of tokens: **Covered Token (CT), Yield Token (YT).** These tokens are seed in the Insurance Pool (IP) in a ratio that reflects the CV value (the premium paid and the risk perceived).

2. **Active Trading**
   The **Insurance Pool (IP)** is now live and active. Participation is fully permissionless, and users can interact with the pool in three distinct ways:
   a. **Insurance Buyers**
      Users seeking protection can purchase insurance by acquiring **Coverage Tokens (CV)**. Holding CV tokens grants exposure to insured capital in the event of a covered incident.
   b. **Protocol Insurers**
      Users who wish to underwrite risk act as protocol insurers by holding **Yield Tokens (YT)**. Their return is derived from the residual value of the pool, represented by the value of YT.
   c. **Liquidity Providers**
      Liquidity Providers can supply CV and YT to the Insurance Pool and earn **trading fees and liquidity-driven yield** generated by market activity.

3. **Settlement & Claim**
   At maturity, or upon the occurrence of a covered event, the oracle determines the final state of the Insurance Pool based on verifiable on-chain data. Possible Outcomes:
   a. **No Event Occurs**
      - No exploit or adverse event is detected.
      - **YT value converges to 1**, while **CV expires worthless (0)**.
      - **YT holders** capture the insurance yield.
      - **Liquidity Providers** earn the accumulated swap fees generated by trading activity.
   b. **Partial Hack**
      - Only a portion of the insured funds is affected by an exploit.
      - **CV value reflects the percentage of funds compromised**.
      - **YT captures the remaining, unhacked portion of the pool value**.
      - Payouts are distributed proportionally based on the verified loss ratio.
   c. **Total Hack**
      - A full loss of the insured funds is detected.
      - **CV value converges to 1**, while **YT converges to 0**.
      - CV holders receive the full insured amount.

For CV Holders, Positions are verified using **on-chain snapshots** taken at the time of the event. Claims are processed automatically, with payouts completed in **less than 30 days**. **YT Holders** can **redeem their tokens instantly** once the final outcome is resolved.

Customers Personas

Social Media Strategy

Launch Strategy