# SeguroCoin

# Whitepaper

NEW AGE OF INSURANCE,
INSURANCE OF A NEW AGE

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Date:          **2022.06.06**
Version:       **v1.2**

# TABLE OF CONTENTS

# 1. GLOSSARY

**SeguroCoin** - name of the token used on Seguro platform.

**Seguro / Seguro Company** - business name of the project used in relation to the whole business.

**Token** - A crypto token is a virtual currency token or a denomination of a cryptocurrency. It represents a tradable asset or utility that resides on its own blockchain and allows the holder to use it for investment or economic purposes.

**Staking** - Staking is the way many cryptocurrencies verify their transactions, and it allows participants to earn rewards on their holdings.

**APY** - Annual Percentage Yield (APY) means a percentage rate reflecting the total amount of staking rewards projected to be earned over an annual period, based on the then-current Rewards Rate compounding at set intervals for a 365-day period.

**IDO** - An initial DEX offering, or IDO, is a type of decentralised and permissionless crowdfunding platform, which is opening up a new way of fundraising in the crypto space.

**Blockchain** - A blockchain is a distributed database that is shared among the nodes of a computer network.

**Circulating Supply** - The total number of coins or tokens that are actively available for trade and are being used in the market and in the general public.

**TGE** - Token Generation Event.

**Initial Market Cap** - Indicates the number of tokens circulated on the date of TGE.

Fully Diluted Market Cap - Is the total value of the crypto at today's price if the entire future supply of coins were in circulation.

**VDM** - Value Distribution Mechanism - how value created in the network is distributed/ often mixed with VCM.

**VCP** - Value Creation Pattern - implementation of VCM.

**DEX** - Decentralised exchange. A type of cryptocurrency exchange which allows for direct peer-to-peer cryptocurrency transactions to take place online securely and without the need for an intermediary.

**UI/UX** - User interface, user experience.

**IFO** - Initial farming offering.

**IEO** - Initial Exchange Offering (Centralised Launchpad).

**Claim** - a formal request by a policyholder to an insurance issuer for compensation for a covered loss or policy event.

**AI** - Artificial Intelligence.

# 2. ABSTRACT

Although technology has irreversibly revolutionised whole sectors over the last decade, the multibillion-dollar global insurance business has remained stuck in the past in many ways, with little to no customer service progress or innovation.

Despite the rise of internet services, many clients still call insurance agents to purchase new policies. The majority of insurance companies still use paperwork to handle policies, resulting in making claims and payments prone to mistakes and requiring human involvement and monitoring.

Due to the inherent unpredictability of insurance, which includes risk adds to the mix, each stage of this collaborative process is a potential source of failure in the broader system, with data loss, policy misinterpretation, and prolonged settlement periods.

To sustain their market positions, insurance businesses need to adapt to current technologies such as AI and blockchain. Blockchain technology makes it possible for insurance companies to make processes easy, anonymous, invariable, and securely transparent, as it serves as a decentralised system of data storage. This technology can drive insurers from the agency-based distribution model to a usage-based business model. It can also facilitate new players and the emergence of new markets. Its decentralised structure, combined with transparency and security, allows insurers to meet several opportunities, such as creating more innovative products, cost reduction, , regaining clients' trust and providing additional value.

This paper introduces an insurtech company that aims to adopt this technology and tackle some of the biggest challenges the insurance sector is currently facing, thus creating the first ecosystem that introduces "the insurance and a service" concept.

Seguro is the world's first insurance ecosystem powered by blockchain technology that makes understanding complex insurance products easy for customers and empowers them to pick the most suitable insurance product without the

help of an external advisor. It consists of a mobile application - Seguro Mobile - used for selling insurance, providing access to services and support for users; and Seguro Core - it's the backbone of the ecosystem and the part where blockchain will be utilised.

At Seguro, we target the younger generation that uses innovations in their daily lives, people who see the world without boarders and travel around the world. Our platform bridges many traditional insurances like travel, transport, health, mobile devices, electric vehicles, drones, gaming gear Cyber security with crypto technology.

# 3. INTRODUCTION

For several decades, insurance has been the go-to method of protecting against risks present at all stages of life and business. Insurers protect against loss and pay the policyholder compensation in the event of that loss. Those who suffer the loss present a claim and request payment under the insurance coverage terms outlined in a policy.

Insurers typically cannot replace the lost items, damages and flight cancelations, but can offer financial compensation to address the economic hardship caused by a loss. Thus, insurance is a financial tool specially created to reduce the financial impact of unforeseen events and create financial security. Despite its many benefits, insurers find it hard to survive in its present form.

In the insurance industry, everything is about personal information and external data. Each insurance contract is unique. No insured has the same profile and history as another. In the same vein, the statistics used by insurers, those that allow them to establish the number of premiums, are constantly changing.

Today's insurance sector has developed into an inefficient, costly, and highly frustrating business due to its traditional way of doing business. Most clients now have digital preferences and demand personalization, which is impossible without adopting technology. Technological innovations like blockchain allow data to be stored, analysed, and managed by an algorithm that would allow insurers to have a product adapted to their client's situation and risk levels in a quasi-personalized way.

Blockchain technology helps with speeding up and simplifying the integration of new customers. It makes it possible to create a shared repository bringing together the identities of the customers and the history of their transactions. Cus-

tomers can easily switch insurers or sign new contracts without repeating the same administrative procedures. Blockchain technology can support the insurance value chain by cutting documentation, management and compliance costs.

This technology can drive the insurer from an agency-based distribution model to a usage-based business model. It can also facilitate new players and the emergence of new markets. Its decentralised structure, combined with its transparency and security, allows insurers to meet several opportunities, such as creating more innovative products, cost reduction, regaining clients' trust and providing additional value.
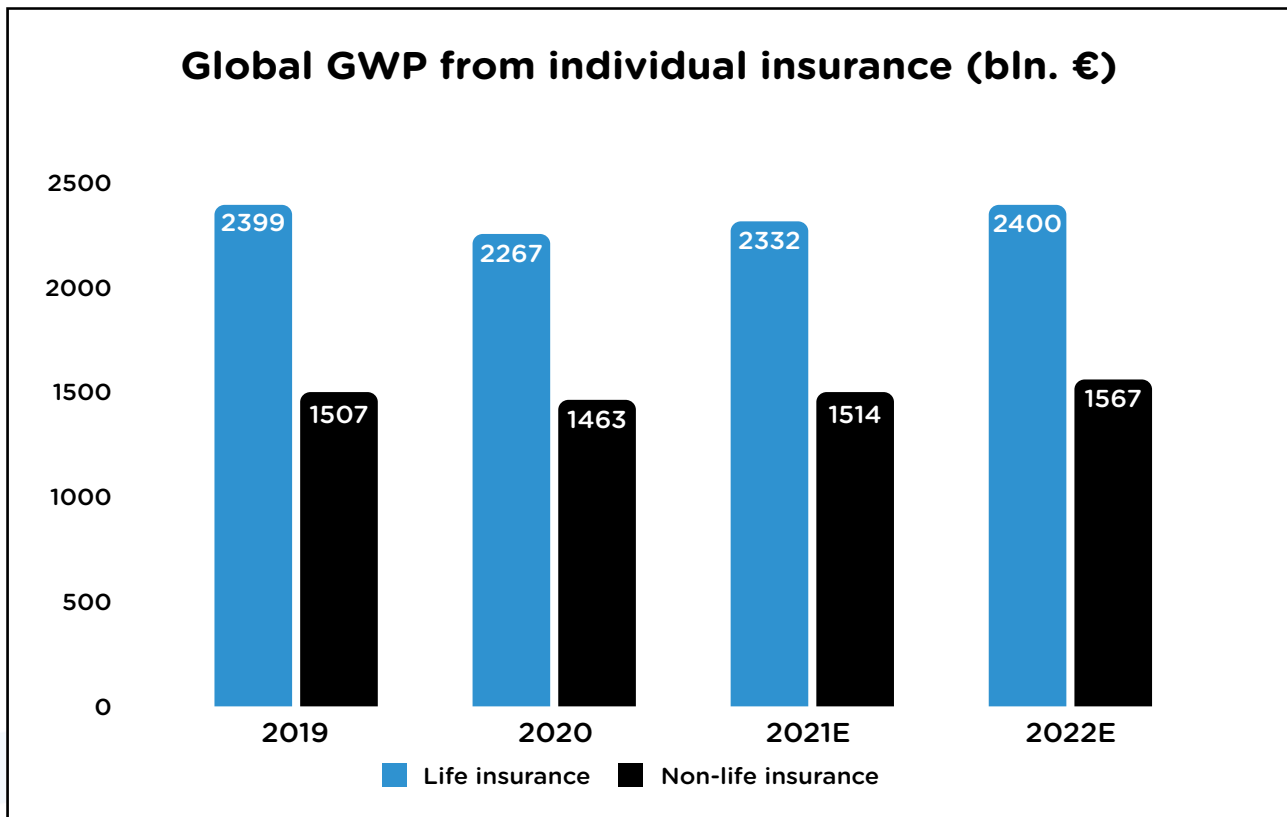
Blockchain technology facilitates the design and implementation of smart contracts. Smart contracts can automatically apply the terms and conditions of a contract without human intervention. It helps to analyse data using advanced machine learning techniques such as deep learning in analysing data stored on the blockchain. It automates everything: the claim, the verification of the files, the calculation of the indemnifications, and the compensation. Smart contracts are blockchain-based computer programs that enforce a contract's terms.

Smart contracts can easily replace traditional contracts making it easier for customers to do anything online without rigorous paperwork. This is why at Seguro, a new insurtech company, we aim to revolutionise the insurance sector by adopting technological innovations like blockchain, smart contracts and artificial intelligence to tackle many challenges facing the insurance sector and make creating new products and accessing insurance globally smooth for our customers. With that, we encourage you to get fully acquainted with "Insurance and a service" as the core mechanism behind our business model and learn more about Seguro in the following outline of this paper. We are convinced of its potential to become a first-of-a-kind insurance ecosystem with a global ambition.

# 4. MARKET OVERVIEW

According to research carried out by Forbes, the insurance industry has been relatively unaffected by technological progress despite being a  $3.7 trillion global industry. A close examination of traditional Insurance (e.g., motor line of business) companies by P&L reveals that for every dollar paid in premiums, $0.65 is returned to policyholders in exaggerated claims and misrepresented data. At the same time, the rest is spent on marketing, commissions, and operational costs. In other words, if the program allows it to work with low-risk consumers exclusively, the insurer might lower the cost of the policy. As a result, new entrants, technologies,

and business models based on a shared economy are developing at an increasing rate, causing the global insurance sector to be projected to collapse. A shift to ccountability and ownership is advocated as a solution to maintain profitability and growth, which can only be solved through Insurtech.

**Global GWP from individual insurance (bln. €)**

| Year | Life insurance | Non-life insurance |
|------|---------------|--------------------|
| 2019 | 2399 | 1507 |
| 2020 | 2267 | 1463 |
| 2021E | 2332 | 1514 |
| 2022E | 2400 | 1567 |

Life insurance   Non-life insurance

## INSURTECH

Insurtech, a combination of "insurance" and "technology," refers to technology-driven enterprises that join the insurance industry to optimise the existing insurance model and create a more technologically aware consumer base. It investigates paths that giant insurance firms have less motivation to pursue, such as tailored plans and new data streams from internet-connected devices to dynamically price premiums based on observed behaviour. Insurtech has triggered innovations throughout the insurance industry. As part of the rapid development of online insurance, our industry has made great strides in insurance inclusion, efficiency improvement, experience optimisation, product innovation, relationship building and other areas. Insurtech is becoming the major growth driver for industrial innovation. As a result of insurtech, new applications in various business processes—from pricing and underwriting to distribution and claims—have flourished, and the innovative capabilities of the industry have reached new heights.

New insurance companies that aren't used to dealing with the complexities of this highly regulated market may have trouble with underwriting and managing cata-

strophic risk. It takes time to break into the market and gain acceptance, especially when dealing with various regulatory obstacles. To fully exploit developing technology while also building a business model that appeals to the public, a thorough understanding of the insurance sector, consumer marketing, social networks, and social marketing is required. While insurtech companies have yet to impact the industry significantly, they are rapidly expanding and are poised to gain significant market share in the next few years.

## OPPORTUNITY

According to the PWC analysis, the most competitive insurance businesses should investigate technology advancements to improve their services. However, 57 percent of those polled in the financial services business are unclear or unlikely to respond to blockchain technology. They lack the technological flexibility and expertise to adapt to the shared economy and meet clients' expectations regarding personalization. Offering users digitised personalization restores trust and helps Insurers be able to introduce new products to their users at a faster pace. The opportunity for Seguro is huge. With the increasing  rate of inefficiencies, namely high processing fees, claim frauds and extensive claim-processing times. Also, the need to aggregate insurance services into one place, where users are able to buy, renew or store their insurance policies in one app gives way for the disruptive nature of blockchain technology, and hence Seguro. The mainstreaming of blockchain technology with its rapid expanding use cases are also attracting more and more youngsters into the crypto space and Seguro sees this  as perfect opportunity to target this demographic. The GenZ are internet savvy and conduct almost all their activities online and on the go. With the AI, Seguro can offer them a streamlined and tailored insurance services, while save time by helping in  making decisions or to find the best deals in most effective way and offer the most valuable deals for each individual.

At Seguro, we recognize the needs and preferences of an emerging generation of policyholders and decision-makers. The Generation Z, according data from the United Nations, makes up 32% of the 7.7 billion global population, nudging ahead of millennials, who accounted for just 31.5% share.

## ADDRESSABLE MARKET

According to The Merkle, a lot of changes occur in today's banking industry, and the GenZ and computer-aware have shown to be the most intriguing demographic when it comes to accepting them. They are well aware that cryptocurrencies are rapidly displacing traditional investments, and they are ready to learn, test,

and experiment more. In a research carried out by Forbes, those who succeed in fully deploying the blockchain and accepting cryptocurrencies and tokenization models as next-generation valid payment methods will be the defining technologies of their lifetime. Cryptographically bound insurtech companies will be the defining technologies of their lifetime. Seguro main idea is to present "insurance as service" concept supplemented with token incentives as the core mechanism in the business model. With these concepts we are positioned for audiences in the insurtech and crypto industry. As the rise in demand for innovative solutions, intelligent experiences, and speedier processes has led to technological disruption in the insurance industry, and have given rise to Insurtech. Seguro is leveraging blockchain technology and a crypto economic model that is all encompassing and appealing to the insurance industry and the wider crypto market. Insurance is fast resembling the millennial needs of digital, flexible and immediate service delivery, and we'll see blockchain - typically associated with finance institutions - being utilised by insurance companies. Insurtech was, after all, a brainchild of fintech, and while insurance has lagged behind the finance sector, Seguro is at the forefront of this paradigm by bringing insuretch and crypto economy for all (both the old and new).

# A GLANCE AT PROPERTY & CASUALTY INSURANCE MARKET

In many regions of the world, property and casualty insurance is referred to as "non-life" insurance. The term "property" typically refers to tangible goods such as automobiles, buildings, ships, and other concrete items that might be lost, destroyed, or cause a financial loss to the insured, while "casualty" insurance covers personal accidents, third party liabilities and travel insurances

The United States property and casualty insurance market is a major leader in the global P/C industry with firms like State Farm and Berkshire Hathaway playing prominent role. The value of gross premiums written by the U.S. property and casualty insurance sector amounted to approximately 729 billion U.S. dollars in 2020. In the United States file a special statement with the National Association of Insurance Commissioners. The new normal, especially as it relates to wildfire risk, will definitely cause businesses to reconsider their approach to this (catastrophe and shock loss) risk. Insurers will need to reconsider their risk scoring algorithms, as well as their risk appetites and tolerances, given the shifting profile of wildfires over the last two years. Companies will have to grapple with any potential regulatory response to underwriting efforts as they continue to alter their approach.

Premiums for property insurance, which is poised for growth and accounts for approximately one-third of the insurance industry, total USD 1,6 trillion. However, altering customer behavior, digital disruption, regulatory pressures, and a com-

petitive market are compelling property  insurers to revise their current strategy and operating models. The internal and external growth-related challenges facing property insurers are keeping their executives on their toes. Insurance industry issues include low interest rates, keeping up with technological advancements, and the pressure to deliver profitable and sustainable growth amidst this change. Any insurer's strategy for staying relevant and maintaining — or even increasing — market share will rely heavily on innovation. New entrants, particularly those with an unusual insurance structure, may pose a threat to the status quo. Writers who can use technology to improve operational efficiency while also improving customer experience will be the most successful. Those who lack the sales, knowledge, or technology capacity to keep up with the quickly changing personal auto market will lose market share and become less profitable.

## A GLANCE AT LIFE/HEALTH INSURANCE MARKET

Life insurers give protection against incapacity, specific forms of illness, and more. In 2019, the total value of health insurance premiums written on the European market was around 149 billion euros. The European health insurance industry is dominated by the Netherlands and Germany, which account for around two-thirds of all premiums written in 2019. The European life insurance market is experiencing various challenges and possibilities that are likely to impact the future of the sector. Principal among these is the aging of the European population, which has a divisive influence on how insurers handle existing clients and acquire new ones. An important consequence of this aging population is that state-funded pensions are getting more expensive to administer. Governments are moving the emphasis to private sector solutions by laying greater responsibility on individuals to plan for their own retirement. In the United Kingdom, for instance, the introduction of automatic enrolment in employment pension systems has brought 10 million more people into the private pension market. Because retirement and mortality are sometimes decades away, life insurers often have longer investment and coverage horizons. Assets under management are frequently used to determine the relative size of life and health insurers. As sales of traditional life products have remained steady or increased marginally, and baby boomers have entered retirement, life insurers have increasingly embraced annuities and other types of retirement savings.  Life insurance companies need to minimise the risk of disintermediation by deferring annuity holders seeking higher-yielding alternatives to withdraw funds prematurely (often during periods of increasing interest rates), and force companies to pay these surrenders by liquidating investments that may be in an unrealized loss position. Insurers can mitigate this risk by matching the duration of its interest-sensitive liability portfolio with the duration of their asset portfolio, and by selling a diversified portfolio of products. Insurers also mitigate risk by designing deferred annuities with market-value adjustments on surrender values.

# A GLANCE AT EUROPEAN LIFE INSURANCE MARKET

With €6 trillion in assets as of 2021, the European life insurance sector is a pillar of the European savings and retirement ecosystem. The industry, on the other hand, is at a fork in the road. Low interest rates for over two decades have decimated the earnings of life insurance companies, who traditionally relied on fixed-income assets. The industry can now barely cover its capital costs. Life insurance's significance as a savings tool is in jeopardy if it cannot deliver on its promises of good investment returns and enticing guarantee levels. Because of this, the industry's gross written product (GWP) growth has been stagnant (0 to 1 percent), while new business has shrunk and stabilized at low levels in most areas, according to the McKinsey Global Insurance Pools.  With a market value of just over 80 billion U.S. dollars as of June 2022, Chubb was the largest life and health insurer in Europe. Allianz, a German insurance company, is the second largest life and health insurance company in Europe. Its market value was about 80 billion U.S. dollars. Allianz and AXA had more assets than any other insurance companies in Europe. When it comes to life insurance, you might think of it as a contract between you and the insurance company. When a life insurance policyholder dies, the insurance company will pay a designated quantity of money to the named beneficiaries, in exchange for the premiums paid by the policyholder throughout their lifetime. The application for life insurance must correctly state the policyholder's present and prior health issues, as well as any high-risk activities, in order for the contract to be enforceable. In order to keep your life insurance policy in effect, you must either make a one-time payment or pay continuous premiums over a period of time. As long as the insured person's designated beneficiaries are listed on the policy, they will receive the policy's death benefit. Term life insurance plans must be renewed after a specific period of time. Even if the insured person dies or stops paying the payments, a perpetual life insurance policy remains in effect. As life insurance policy is only as good as the firm issuing it, state guaranteed funds may be able to pay claims if the issuer is unable to fulfill its obligation.

## GLANCE AT EUROPEAN HEALTH INSURANCE MARKET

The European Health Insurance Market was valued USD272.78 Billion in 2020 and is forecast to grow at a CAGR of 6.07% to 2026. Health care coverage is a sort of protection that pays for medical costs incurred by the policyholders in a condition of a medical emergency. It offers fast reimbursement for individuals that are afflicted with illnesses for a low premium. The market is driven by the growing awareness pertaining to modern healthcare facilities among the population. Additionally, Europe comprises of highly regulated healthcare infrastructure wherein many public and private health insurance companies are well established

and compete with each other. Also, the European government provides subsidies to the citizens who cannot afford health insurance policies. The European Health Insurance Market is expected to witness significant growth, owing to the poor life-style habits of people, a rise in the number of people suffering from chronic diseases, an increasing number of road accidents, and a rise in health expenses such as high prescription costs, etc. Increasing GDP of many countries has prompted the growth of the health insurance market in Europe. The rising cost of quality healthcare and medical services, especially in private hospitals, has resulted in increased demand for health insurance. Hospital treatment costs are enough to deplete a person's savings if one does not have insurance. This makes health insurance plan a necessity. In many countries, the government has made health insurance mandatory for public and private workers.

Furthermore, with the sudden outbreak of COVID-19 pandemic across the globe, the countries like Italy and Spain have been badly affected and the health insurance providers have now started providing the coverage for novel coronavirus disease also, thereby propelling the market growth.

## A GLANCE AT THE TRAVEL INSURANCE MARKET

Travel insurance is a form of insurance that covers expenses and damages related to travelling. Travel insurance provides financial protection for unforeseen costs or losses incurred while travelling internationally. It typically includes coverage for lost or stolen belongings, emergency medical treatment, accidental death, and trip cancellation and interruption. It is effective from the day of departure until the insured returns home. As per a 2021 report by the insurer Battleface, over half of all Americans who travelled without travel insurance incurred fines or absorbed the expense of damages. In exchange for fees known as premiums, industry operators underwrite travel insurance policies, which means they absorb and distribute the risk of financial losses. Policies include coverage for travel cancellation and delay, baggage and other personal items loss, emergency medical help, and accidental death.

Since the start of the epidemic, passengers have purchased more trip cancellation insurance, and the industry is addressing coverage for Covid-related difficulties and moving toward greater flexibility and transparency. The announcement of the Monkeypox, Omicron Covid-19 variant, and the resurgence of Covid19 in China and a few U.S. states crashed the party just as travel restrictions were finally loosening and travellers began to rejoice. Boarder closures, fresh travel advisories, and quarantines were sparked by news of the Covid strain, indicating that the pandemic will continue to alter the way we travel for some time. The global travel insurance market as per a survey by IMARC Group was worth around US$ 13.9 billion in 2021 and is projected to reach US$ 31.3 billion by 2027, growing at a CAGR of 14.4 percent

between 2022 and 2027. The huge growth in the travel and tourism industry over the past few years, as a result of rising disposable incomes, increase in business travel, and the easy availability of online travel bookings and discounted package holidays, are the primary factors driving the expansion of the global travel insurance market. In addition, the governments of various nations have mandated the submission of proof of travel insurance when applying for a visa, which contributes to the expansion of the industry. With the advent of technological innovations and the incorporation of digital tools, such as artificial intelligence (AI), data analytics, application programming interface (API), and global positioning system (GPS), for improving distribution systems and providing a personalised user experience, the market is anticipated to grow even further in the coming years.

The travel insurance coverage categories include medical expenditures, travel cancellation, trip delay, and belongings damage or loss. There are also single-trip travel insurance, yearly multi-trip insurance, and long-stay travel insurance types of travel insurance. As with every other area of conventional insurance, the industry confronts a number of obstacles. According to *McKinsey & Company*, these difficulties may be broken down into four urgent areas:

1.  Headwinds on revenue growth.

2.  An ongoing fight for the customer.

3.  A value shift toward intermediaries.

4.  Limited productivity improvement.

Understanding and mitigating these challenges are at the core of Seguro Seguro aims at creating a global insurance market so that users could literally have "the world of insurance available at their fingertips with insurance products that are fully automated.

## A GLANCE AT THE AUTOMOBILE INSURANCE MARKET

An analysis by *Million Insights* projects that the size of the global automobile insurance industry will reach USD 1,620.2 billion by 2028. It is anticipated to grow at a CAGR of 8.8 percent between 2021 and 2028. Growing technological implementation in existing products, the expanding middle class in developing nations, and the availability of a variety of auto insurance coverages are driving the demand for auto insurance. The emergency of new digital sales channels is also a key factor. In addition, the escalating rate of automobile accidents along with the increasing demand for third-party liability insurance  is projected to lead to the market's expansion in the coming years. Governmental efforts and insurance policy reforms

had also culminated in the enormous growth the sector is witnessing. Automobile insurance is among the most common forms of personal insurance. To lawfully drive a motor vehicle in the majority of nations, car owners are required to acquire some form of insurance coverage. In the majority of U.S. states, liability coverage is a legal requirement for automobile ownership. Liability insurance can assist cover injuries and property damage.

Advancements in technologies and the industrial revolution have taken the automobile market by storm. Constantly increasing demand in the car industry has prepared the road for the industry to accept new technology and disruptive developments. The complicated, multi-trillion-dollar auto insurance industry is still mired in archaic restrictions. The majority of clients still call the insurance firm to purchase new policies and manage current claims. Customers still run the danger of dealing with unscrupulous internet brokers, since policies are often signed and processed on paper, which frequently requires human supervision and introduces the possibility of error. The industry is threatened by the loss and misunderstanding of policies and information.

Traditionally, auto insurance has been based on a policy transaction. Customers must gradually transition from a transactional connection model to one that provides a wider mobility experience. Insurers are reevaluating commonly held beliefs regarding risk and indemnification in light of the incorporation of new safety features in vehicles, the emergence of autonomous technologies, and shifting vehicle ownership patterns, as well as the introduction of new methods for determining vehicular risk. The automobile business is the world's second-most data-driven industry. Consequently, it should not come as a surprise that digital transformation is having a significant influence on the way the industry functions, and consequently, on how car insurance is offered.

Technically, insurance is the equitable transfer of loss risk from one organisation to another in exchange for payment. Auto insurance can cover the liability risks associated with traffic accidents, natural disasters, theft, etc. It is the concept of making tiny monthly or annual payments in place of risk coverage as and when it is required, assuming the claim is valid. Claim processing in motor insurance policies has grown complex, especially in the case of covered occurrences. It is the most typical obstacle consumers encounter when attempting to file an insurance claim. Getting an insurer to pay claims is often difficult. It is never sufficient to just enter the claims department and request payment. The majority of insurance business employees would agree that the sector is characterised by antiquated legacy systems and time-consuming manual activities. The environment in which we live necessitates real-time, efficient business practices, yet the insurance sector falls short.

At Seguro, we think that blockchain-based solutions might be the key to modernising the antiquated auto insurance sector operations. Similar to how the internet transformed how we communicate and exchange information, block-

chain technology is set to transform how we perform daily transactions. Built on a blockchain network, insurance products can provide a genuinely digitised, safe structure. Using blockchain technology for processing of insurance claims might be three times faster and five times less expensive. By keeping information about claims and payments on a blockchain, it can eliminate paper forms and enable individuals to interact more effectively. Once data is recorded in real-time inside the blockchain ecosystem, it enables the secure and transparent exchange of data. This can help eliminate the frequent human mistakes that occur during manual transactions and save billions of dollars annually (which trickles down to cost savings for the consumer). Rethinking Auto Insurance, research by insurance industry software company Majesco identifies the following consumer trends and disruptive technologies as having an influence on the automobile insurance sector:

- Increasing usage of non-owned automobiles and an increase in alternate modes of transportation, such as ridesharing and rentals.

- Enhanced driver assistance and safety innovations.

- Telematics and the proliferation of linked devices provide data-driven, real-time underwriting and pricing.

- An expansion of on-demand insurance.

- The increasing trend toward autonomous/self-driving transportation in the future (the result being fewer accidents).

Consumers acquire vehicle insurance with the hope that it would be available in the event of accidents. Once people go from being a premium payer to a claims filer, their relationship with the insurance company deteriorates. Claim filing and handling shouldn't be a pain point for customers, *Seguro puts customers in the driver's seat of the whole process.*

## SEGURO MARKET AT GLANCE

Seguro came about out of empirical studies and research, these studies found that:

- There are currently around 1.42 billion functioning automobiles in the globe, comprising 1.06 billion passenger cars and 363 million commercial vehicles.

- According to the United Nations World Tourism Organisation (UNWTO), there were around 1.4 billion tourist arrivals each year.

- The number of global smartphone users is projected to reach 6,6 billion in 2022, with an annual growth rate of 4.9%.

- By 2022, the worldwide UAV market is anticipated to reach roughly 15 billion U.S. dollars.

- According to Newzoo, the global games business would produce $175.8 billion in 2021 and 200 billion by 2023.

## Travel insurances

Over 80% of travel insurance buyers from the UK, Germany, France, Spain, and Italy, who searched for  information about travel insurance policies on the internet, bought their policies online.

## Transport insurances

In the EU, 52% of customers search information about insurance policy online

## Health insurances

Globally, Only 3.5% of the world population have one form of life insurance policy or the other.

## Mobile devices

In 2021, global shipments of wearables, watches, wrist-bands, and other wearables stands at 533.6 million units. There was a 20 percent percent year-over-year growth indicating a growing market.

## Electric Devices

The global electric scooters market size was valued at USD 17.43 billion in 2018 and is projected to witness a CAGR of 8.5%

## Drones

The global consumer drones market is expected to grow from $2.09 billion in 2020 to $2.34 billion in 2021 at a compound annual growth rate (CAGR) of 12%, and the number of small hobby drones in use will exceed 3,5 million under the forecast.

## Gaming gear

Global gaming software and services revenue grew 21.6% to an estimated $174.53 billion. Mobile led the way, with nearly $100 billion in annual revenue accounting for 57.2% of the market. Console content was a distant second at $40.61 billion in annual revenue while PC trailed with $34.12 billion. Revenue,  also exceed $50,4 billion in 2020.

**Cyber security**

According to a CNBC report, Apple's App Store had gross sales of around $64 billion in 2020 and about $92.1 billion revenue of app store 76% came from micro-transactions in games and 24% from app purchases.

# CHALLENGES IN THE INSURANCE SECTOR

The insurance industry for decades now has struggled with the concept of insurance as a product model. The industry has operated on the *no perceptible value in insurance products if an insured event does not occur* with this business model. The inability of **the $5 trillion** global insurance market to tap into the untapped gig economy will spell doom for the sector. Today the market is dominated by big players who find it difficult to leverage technological innovations and advances to revolutionise sales, manage customer relationships, manage a multi-generation customer base (Gen-Z and Boomers), and operate new digital channels. Insurance products are complex and difficult to understand for regular clients with this business structure, relying traditionally on brokers and agents to traverse the intricate web of coverage, benefits, and claims processing, among other things. The new standard is to make insurance more accessible to the masses by streamlining the purchasing process. When selecting an insurer or product, convenience influences the decision-making process for many customers. The majority of insurances are sold through traditional agency channels, while clients' preferences have shifted towards digital distribution channels, making the introduction of new products a challenging and long-lasting process.

Further, insurance companies struggle to adapt to the sharing economy to meet clients' expectations regarding offer personalization. Customers are at the heart of today's most successful insurance businesses. Experience also equates to loyalty in the eyes of the customer. However, it is not so with the legacy insurance ecosystem. According to **PwC**, the sharing economy will be embedded in every part of the financial system. Consumers will need insurance services, but they may not go to an insurance company to get them. Or at least, it might not have been what we think of as insurance now. At the end of the 1990s, when businesses started to see how powerful the Internet could be, e-commerce investments and experiments went through the roof. Even though the "dot-com crash" happened, it's unlikely that anyone would argue that technology hasn't been a big deal. Today, there are some strange parallels between blockchain and how insurance companies' products and services operate. The current economics of the industry is not sustainable, so insurers need to rethink their business models to stay in the game.

Customers are the focal point of the operations of the most successful organisations of today. And for the customer, experience is the sole aspect that determines loyalty. According to The State of Connected Customer survey, 84 percent of customers

believe that a company's experience is just as essential as its products or services. nonetheless, there is a vast gap between customer expectations and what the majority of businesses really offer. This is also true of contemporary insurance providers.

For many decades, people considered insurance as a product that they had to buy depending on what was available. But over the past decade, the market has gotten saturated with more insurance products and possibilities, resulting in a more discerning customer with a wide variety of requirements and desires. Insurers must be agile, operate swiftly, and prioritise offering an exceptional customer experience in order to adapt to these shifting demands. The insurance industry needs to shift to a customer-centric model. In this whitepaper, we introduce Seguro, an insurtech company that utilises the most innovative technology to revolutionize the insurance industry, by implementing both the insurance and the service concept.

## COMPETITION

| | Seguro | Lemonade | Nexus | Instanda | Wefox |
|---|---|---|---|---|---|
| **New generation of insurance products** | Yes | No | No | No | No |
| **Type of insurance** | Insurtech | Insurtech, instant insurance, fast claims | Insurtech | Insurtech | Insurtech |
| **Services** | Insurance as a service | Insurance as a service | Insurance as a product | Insurance as a product | Insurance as a product |
| **Blockchain Technology** | Yes | No | Yes | No | No |
| **Automated claims, instant claim settlement** | Yes | No | No | No | No |
| **Data collection & anonymization** | Yes | No | No | No | No |
| **Process automation** | Yes | No | No | No | No |
| **Distribution channel** | Insurance companies, agent, owned products | Agents | Agents | Agents | Agents |
| **Artificial inteligence** | Yes | No | No | No | No |

# TREND DURING THE PANDEMIC

In 2020, the human tragedy of the COVID-19 epidemic precipitated a global economic crisis initially more severe than the Great Depression. As government support programs took shape, the recession bottomed out quickly, resulting in a robust economic rebound in 2021. The global financial markets also saw a roller coaster ride. The impact on the insurance business was significant; premium growth slowed to about 1.2% in 2020. (compared with more than 4 percent per year between 2010 and 2020). Profits decreased by around 15% compared to 2019. The drop was notably exacerbated in Asia–Pacific (down 36 percent) by diminishing life earnings. Preliminary data suggests that premium growth and earnings recovered in 2021, particularly in nations where robust vaccination rollouts made numerous activities feasible again, at least on occasion. COVID-19 has affected multiple facets of our lives, ranging from our work to our leisure activities. Some of these impacts will be amplified into trends by the underlying technology transformation. In a world following a pandemic, shifting consumption patterns will result in the emergence of new Mega Trends while abruptly altering previously established Mega trends with long-term consequences. COVID-19 advanced the following nine Mega Trends:

1. Connectedness and convergence: The epidemic heightens the need for connectivity and networking in both personal and professional contexts.

2. Cognitive Era: AI and automation have tremendous potential to develop answers to the epidemic and will continue to fuel innovation.

3. Future of Retail: Innovation in retail environments, point of sale, people, and processes will determine the post-COVID-19 future of retail.

4. Smart is the New Green: The epidemic has highlighted the necessity for governments to monitor human social behavior in smart cities of the future.

5. Social Trends: Diverse effects across generations will result in diverse alterations in consumer behaviour.

6. New Business Models: Businesses able to swiftly adopt new business models have been able to avoid the recession.

7. Health, Wellness, and Happiness (HWW): Telehealth promises a substantial growth opportunity post-pandemic. However, telemedicine is underutilized and represents a substantial barrier to patient care.

8. Innovating to Zero: A synchronized sequence of creative techniques is crucial to achieving zero COVID-19 cases worldwide.

9. The Future of Mobility: E-commerce, digital vehicle platforms, bike-sharing, and in-car HWW features will provide post-pandemic development potential.

# 5. OVERVIEW OF SEGURO

Seguro is the world's first insurance ecosystem powered by blockchain technology that makes understanding complex insurance products easy for customers and empowers them to pick the most suitable insurance product without the help of an external advisor.

SeguroCoin wants to revolutionize the insurance sector and take the insurance industry to a whole new level. Imagine a situation when you can create an insurance product that is tailored exactly to your needs and expectations, the product which is transparent and understandable, the product which has clear compensation values for insured events, and if such an event occurs specified compensation value is paid to your wallet automatically. This is why we call it a 'revolution' in the insurance industry.

At Seguro, we target the younger generation that uses innovations in their daily lives, people who travel around the world. Our platform will bridge many traditional insurances like travel, transport, health, mobile devices, electric vehicles, drones, gaming gear cyber security with crypto technology.

Presently, we realised that many existing blockchain-based solutions for Insurance use blockchain technology to automate payments. However, none of them offer personalization that meets clients' expectations. Therefore, at Seguro, we proposed a new insurance model that allows users to get personalized offers without any intermediary and provides value-added services after any insurance purchase from us.

Our goal is to be the leading platform for distributing the next generation of blockchain-based insurance products in the near future. To achieve this, we aim to encourage the use of blockchain, smart contracts, and artificial intelligence to transform the current sales process of the insurance sector into a fully digital form and provide the flexibility required for product innovation and support.

One of the essential things that makes Seguro stand out is that our clients have access to all forms of insurance in one app while also securing their data by adopting blockchain technology. We didn't stop there; we also adopted artificial intelligence on our platform to make it easy for our clients to get recommendations based on their unique needs and ask questions directly without any hassle.

## MISSION STATEMENT

Our mission is to create an insurance platform that offers "insurance and a service" to its customers. We want to empower each user to pick the most suitable insurance product without the help of an external advisor and provide users with value-added services after insurance purchase.

## VISION

Our vision is to revolutionise the insurance sector by introducing an "insurance and a service" concept and giving users access to the global insurance market all in one app. We aim to be a platform that makes getting insured a necessity and not an afterthought after suffering a loss. We hope to make understanding complex insurance concepts easy for our clients. Seguro will be powered by blockchain, and therefore, sales process as well as claim handling processes will be fully transparent for our users, there would be no need for intermediaries, allowing us to create excellent end-to-end insurance solutions.

# 6. WHY SEGURO

We're used to having insurance coverage for our life, travel, health, and vehicles, however today's multi-trillion-dollar insurance market also covers a wide range of other risk areas. For instance, supermodel Heidi Klum insured her leggy gams for millions of dollars. Travel insurance now covers kidnapping-related costs, pets are also insurable, and the list continues. Despite being well-established and lucrative, the insurance sector faces several challenges, including inefficiency, fraud, human error, and most worrisomely, cyberattacks.

Using public ledgers and enhanced cybersecurity standards, blockchain's potential to generate trust in a trustless ecosystem has good implications for the insurance industry's future growth. In addition to artificial intelligence and smart contracts, the unlocking of blockchain's potential in the insurance industry is here with Seguro.

In the new normal, insurance customers are searching for suitable insurance coverage that matches their needs, personalised services that match their wants, and affordable solutions that match their wallets. That is exactly what Seguro will offer to its users;

**Comfort** - users can receive multiple insurance offers depending on their criteria.

**Added value** - user will have access to different complementary services (e.g. information services such as flight info, COVID restrictions)

**Claim handling support** - in case of an insured event user will be able to contact the insurance company from their app, Seguro will also provide advice regarding the policy coverage if it was bought through our service.

At Segurocoin, we are putting customers in the driver's seat of the purchasing process, and showing them offers based on customer criteria with an  advisor during this process. Then after the insurance purchase, we offer complimentary services aimed at helping  users make sustainable decisions and providing additional value.

## SEGURO – THE ULTIMATE SOLUTION

To transform insurance from just "*products*" to "*services*" that are affordable, accessible, and customizable involves putting customers in the "driver's seat" of the whole insurance  purchasing process.  Showing insurance offers based on customer criteria and providing advice during the process is vital for the insurance of the future. This is critical, because, after insurance purchase, the Seguro platform would offer users complementary services aimed at helping unsustainable decision-making and providing additional value. In the event of an insured event, the user will receive advice regarding the policy coverage and required documents. With this, we empower each user to pick the most suitable insurance product without the help of an external advisor and provide users with value-added services after insurance purchase.

At Seguro, we are redefining what insurance is supposed to be, by leveraging the most innovative technology to revolutionise the insurance industry, implementing the "*insurance and a service*" concept with blockchain technology, smart contracts, and Artificial Intelligence. We are building the first blockchain insurance ecosystem that will consist of a mobile application (Seguro Mobile) - used for selling insurance, providing access to services and support for users; and Seguro Core - it's the backbone of the ecosystem that incorporates blockchain technology, due to its transparency, scalability, and possibility to create a smart contract. This in turn  will allow us to create fully automated insurance products that will not require any effort from users in case insured events occur. These sets of tools will help us tackle the problems that have plagued the insurance market for centuries now - the lack of value/benefit for people who did not have an insured event during the policy lifetime and also build a relationship with insurance clients.

## SEGURO COIN ADVANTAGES

- By integrating distributed ledger technology, a full proof-of-insurance ledger is created, eliminating the need for insurance to rely on state-specific databases. A transaction-free, industry-wide shared claims ledger that is open for inspection can also assist eliminate fraud. In addition, because regulators will be able to monitor all insurance variables on the distributed ledger in real time, blockchain will make audits simpler and less burdensome.

- Opportunity to create new distribution channels by technological integration with chosen partners

- Opportunity to sell different types of digital insurance products as well as to introduce new products for dedicated partners

- Opportunity to collect and access information about clients/user's behaviour and preferences, as well as to set up and define sales reports/statistics

- Access to the best consultants in the area of digital sales efficiency improvement dedicated to the insurance industry.

- The ability to have consensus algorithms built into our ecosystem will enable provenance, trustworthiness, auditability and immutability. This makes it easier to build smart contracts on blockchain, which is hugely beneficial to the insurance industry.

- To empower each user to pick the most suitable insurance products without the help of an external advisor and provide users with value added services after insurance purchase.

- Transform the current sales process into a fully digital form, and provide the flexibility required for product innovation through the use of smart contracts.

# 7. MARKETING STRATEGY

Our marketing strategy will involve concentrating on developing messages and marketing strategies that resonate with Seguros' audiences: insurance companies, consumers, and service providers. Each of these audiences has particular engagement and education marketing needs and programs. The campaigns listed below correspond to at least one if not all of these target audiences. Throughout 2022, we will need to:

**Develop educational Seguro Insurance Academy and AI assitance**

We want to establish an insurance education academy. Its goal is to persuade customers to regularly check for the most updated information that will inform them about brand-new insurance services and products, how they work and what value they can bring. Users will get token rewards for being active in the academy.

Seguro will also employ artificial intelligence (AI) technology, which will offer recommendations and ideas depending on the user's individual patterns.

### Develop our brand message

A well-articulated and relatable formal brand narrative and identity. We must establish a brand that is energizing, trustworthy, and capable of competing with the audience's outstanding brands. Once built, we will need to allocate resources to promote the brand narrative and increase Seguro's visibility within the insurance and cryptocurrency communities.

### Concentrate on digital Channels

We will leverage the opportunities provided by Twitter, Facebook, Discord and Google to drive Segurocoin message to millions of people across Europe and other countries. This will be achieved by creating content that enlightens and motivates our core audiences.

### Taking Part in Crypto Exhibitions

Our marketing strategy will also incorporate formal event marketing strategy with participation in crypto related events across multiple platforms to spread the word about SeguroCoin and create a forum for our audience to discuss their plans for establishing their own coin.

### Attend industry-specific events

Establish a significant presence at industry events where insurtech, insurers, and crypto enthusiasts gather to learn about cutting-edge innovations.

### Promotional Offers

We will embark on promotional events, using Banners, and hostesses at places like airports, rail stations and public places. Furthermore, we may go into television ads.

### Crypto influencers

Engage the services of strong influencers creating and posting reviews of the project. (Europe, Asia and Africa) before the token launch.

# 8. PARTNERSHIPS

Besides creating a marketplace for insurance, Seguro will add a service layer on its platform, to enhance users' experience and provide additional value to insurance customers in situations where an insured event did not occur.

SeguroCoin will have a Business Partners Programme which is centred around growth partnerships that allow us to connect with Seguro's client base, audience in exchange for exposure, referral bonuses or direct product integrations through our Open API. Seguro can connect with these groups. Seguro partners can interact in three different ways:

- By paying commission, as we will charge partners commission for leads that come from us

- Through sponsorship

- By becoming Perks Partners.

A partner channel is the first of them. A significant portion of our partnership program will be made up of Seguro partners, and the majority of these agreements will be built around business referrals for commissions.

Other partners could want to get paid up front or get sponsorship. They might happen if Seguro believes the organization is a fantastic fit for their brand and their current demographic matches.

The Perks Partner program is an opportunity for partners to get associated with Seguro. The mechanics of this partnership are built on a shared interest in the success of the other party's business, as opposed to performance-based incentives or one-time fees.

**Partnerships examples:**

- Car rentals

- Restaurants

- Ticket sellers (to different local events)

- Airhelp

- Ride hailing

- Currency Exchange

- Flight ticket sellers

- Local doctors - doctor's assistance in every case, insured or not.

# 9. THE ECOSYSTEM STRUCTURE

## PLATFORM ARCHITECTURE

There will be four layers in the Seguro platform:

- *User Layer*, to provide the user access functions for platform.

- *Operation Layer*, to cover the various user or business operation scenarios interacting with core product functions.

- *Products Layer*, to build the core functions of the platform, such as product offerings, pricing models, etc..

- *Infrastructure Layer* sets up the interactions with the blockchain network as a base, and maintains compatibility with oracles and off-chain data.

# 10. TECHNOLOGY AND SOLUTIONS

SeguroCoin is going to use **blockchain technology** to enable a decentralized form of recording events, transactions and contracts. We strongly believe that blockchain is a multipurpose tool ideal for insurtech solutions. The construction of the chain gives this technology a lot of security, making it resistant to hacker attacks and manipulation of stored data. It is a secure and transparent register available to users as an open source.

The concept of Smart Contract Cover will be introduced by Seguro. The use of smart contracts in insurance is a technological step into the future. Step towards modern transparent insurance products which are easy to create, modify, and bring to market. The application of smart contracts in the insurance industry will enable the development of completely customized policies (i.e., the final product coverage is an exact fit to the criteria and parameters picked by users).  Moreover, by using smart contracts Seguro plans to automate claim handling to save clients' time and money, while providing operational benefits for insurance providers.

**The application of Seguro's artificial intelligence** (AI) in mobile insurance solutions leads to better matching of insurance products to client needs and preferences, as well as more accurate risk assessment for insurers. It's the perfect technology to utilise the capabilities of the insurance market and make it more accessible, understandable, attractive, and transparent to clients. Seguro will utilize AI to create the first Private Insurance Assitant - sales bot responsible for advising users regarding their insurance needs, coverage extensions, etc.

**Why does Seguro use blockchain technology:**

- Insurance companies could be replaced by decentralized entities that follow a uniform protocol thanks to blockchain technology. Tokens can then be used to represent capital and revenue sources.

- In order to replace the basic insurance entity with mutual insurance, blockchain technology enables people to efficiently deal directly with one another.

- Transparency - It is very challenging for a client to determine how secure a specific insurance is. A problem with knowledge asymmetry is evident.

- Eliminating existing conflicts of interest between insurance companies and policy holders in the claim handling process. Employees responsible for claim handling are encouraged by insurance companies to keep claim payments within specified levels. While smart contracts provide transparency for both parties and clearly specify claim value in case of insured events.

- Additionally, by utilizing membership tokens, blockchain technology can bring back the mutual insurance's original goals, where all contributions are solely used for the benefit of members. Instead of the current adversarial and unbalanced relationship between an individual and a large institution, aligned incentives will promote a sense of community.

- Staking: Insurance companies keep client funds on hand until a claim event takes place. In order to generate a higher return during this period, they frequently invest these funds very cautiously.

- Blockchain as a decentralized solution enables the development of open markets that are immune to collusion and lack single points of failure. We can see the creation of numerous such marketplaces for various industries, including calculation, file storage, and asset exchange; insurance is merely another industry in this regard.

- Four major issues that drive up expenses in traditional insurance businesses can be resolved with blockchain: 1. Management ("coordination") costs. 2. An interest conflict between clients and the business. 3. There is an information gap between clients and the business. 4. Access to risk pools.

- The pressure on insurers to cut administrative costs is growing, and blockchain technology has the potential to have a significant impact in this area by upgrading fragmented legacy IT systems, enhancing efficiency, and boosting competitiveness.

- The aging workforce in the insurance sector calls for more **automation**, which blockchain capabilities can facilitate.

- In order to meet increasing client demands for customized services, more privacy, innovative products, added value, and competitive pricing from their insurers, new systems, procedures, security measures, and business models are required.

- While future-proofing themselves against encroachment from other industry sectors and non-traditional competitors, insurers should strategize, experiment, and develop proofs of concept to leverage blockchain to create next-generation products and services featuring more interactive relationships with their policyholders.

- Permit real-time, secure data exchange between primary insurers, reinsurers, brokers, and regulators.

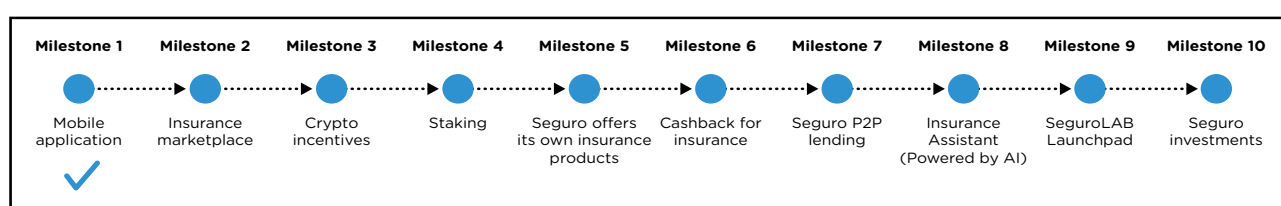- Automate audits, compliance checks, and risk modeling.

## ECOSYSTEM

| Participants | Role |
|---|---|
| Insurance companies | At first, the Seguro application will serve as the marketplace for existing insurance products offering a range of insurance alternatives for retail users.<br><br>In later stages, Seguro's role will evolve as it will serve as a technological integration platform between insurance companies and other businesses that want to offer their clients custom insurance products. Additionally, Seguro will serve as a research and development resource for insurance businesses looking to produce unique products improved using blockchain and AI technologies (e.g., flight delay insurance based on smart contracts and oracles, drones insurance, cyber insurance, etc.). |

| Participants | Role |
|---|---|
| Services providers | From the standpoint of the Seguro application, service providers will increase the value of insurance products (e.g., buying flight delay insurance gets: <br><br>• COVID travel information<br>• Travel checklist<br>• Flight info<br>• Covid info<br>• Travel Checklist<br>• Weather info<br>• Luggage tag<br>• Sightseeing propositions<br>• Car rental offerings<br>• Hotel bookings<br>• Emergency /rescue button<br>• Document repository (allows clients to store photos of documents in case of a claim)<br><br>From the perspective of service providers, it will often function as a marketing and sales channel utilized primarily for new user acquisition, existing user retention, and more income. |
| Retail users | Retail users will be the main participants in the Seguro-Coin ecosystem. They will purchase insurance products and will get access to complementary services on top of that.<br><br>Retail users were chosen as the main incentive group because of network effects. They are the ones who will stimulate network effects and eventually reap gradually growing rewards for insurance consumers. |
| Seguro as a centralized authority | Seguro will have centralized authority and work as a mediator between all the user groups aforementioned above. However, Seguro will distinguish from its traditional competitors by providing more value to customers and focusing on building and maintaining relationships:<br><br>1. Clients will be able to freely control their vulnerable data.<br><br>2. All the surplus capital generated from deviations between risk models and actual results will be distributed to all insurance owners and ecosystem participants.<br><br>3. Some insurance products will have built-in services that provide additional value. |

# 11. PROJECT DEVELOPMENT MILESTONES

SeguroCoin's ultimate objective is to establish itself as an insurance provider with blockchain capabilities. Seguro will increase its investment in user traction, lending feature development, and a launchpad that works as an innovation hub for projects that aim to build new insurance products and new technological services.

Long-term users who are attracted may also develop into a launchpad community with the capacity to invest in the projects powered by SeguroCoin.

| Milestone 1 | Milestone 2 | Milestone 3 | Milestone 4 | Milestone 5 | Milestone 6 | Milestone 7 | Milestone 8 | Milestone 9 | Milestone 10 |
|---|---|---|---|---|---|---|---|---|---|
| Mobile application | Insurance marketplace | Crypto incentives | Staking | Seguro offers its own insurance products | Cashback for insurance | Seguro P2P lending | Insurance Assistant (Powered by AI) | SeguroLAB Launchpad | Seguro investments |

The SeguroCoin project development roadmap consists of 10 main milestones:

- Mobile application for insurance distribution.

- Development of the complementary services layer and onboarding of first partners.

- Seguro will serve as distribution channel for Insurance companies and agents. Seguro will become Insurance marketplace.

- Segurocoin also will enable incentives such as rewards, discounts and cashbacks.

- Seguro will introduce staking option.

- Custom Seguto insurance products products

- Seguro will start offering cashbacks for insurance owners.

- P2P lending mechanisms.

- Insurance Assistant (powered by AI). Seguro will use AI to offer enhanced products.

- Support for users through our claim handling process powered by AI.

- SeguroLAB implementation.

- Seguro will start investing into new ideas.

At the beginning Seguro will launch its own custom blockchain insurance products, whereby they will be able to manage revenue internally and settle claims automatically. So instead of just earning sales commission from other insurance companies in addition SeguroCoin will increase their revenue through custom products sales and data utilization as well.

In order to achieve the most efficient administration of the insurance process based on the rules and management and automation of claims, insurance products are driven by smart contracts as part of platform functionality.

In later phases of Seguro development, the SeguroCoin platform will add tools for peer-to-peer lending. Clients will be able to use their token holdings and, if they like, invest their own additional funds thanks to lending and borrowing capabilities.

If an insurance product is not claimed after the insurance termination time, existing insurance owners will have the possibility to get cashback.

Segurocoin also offers bundle packages of insurance products with built-in service offers.

Client data will be processed using AI technology, and future product development will be smartly adjusted based on the data collection. That ought to aid in improving the current product and ensuring that it meets actual client needs.

In the long term Seguro will introduce its launchpad named SeguroLAB launchpad, which will serve as an innovation centre for initiatives aiming to develop new insurance products and technological services. The SeguroCoin community will soon have access to investing tools for generating additional income.
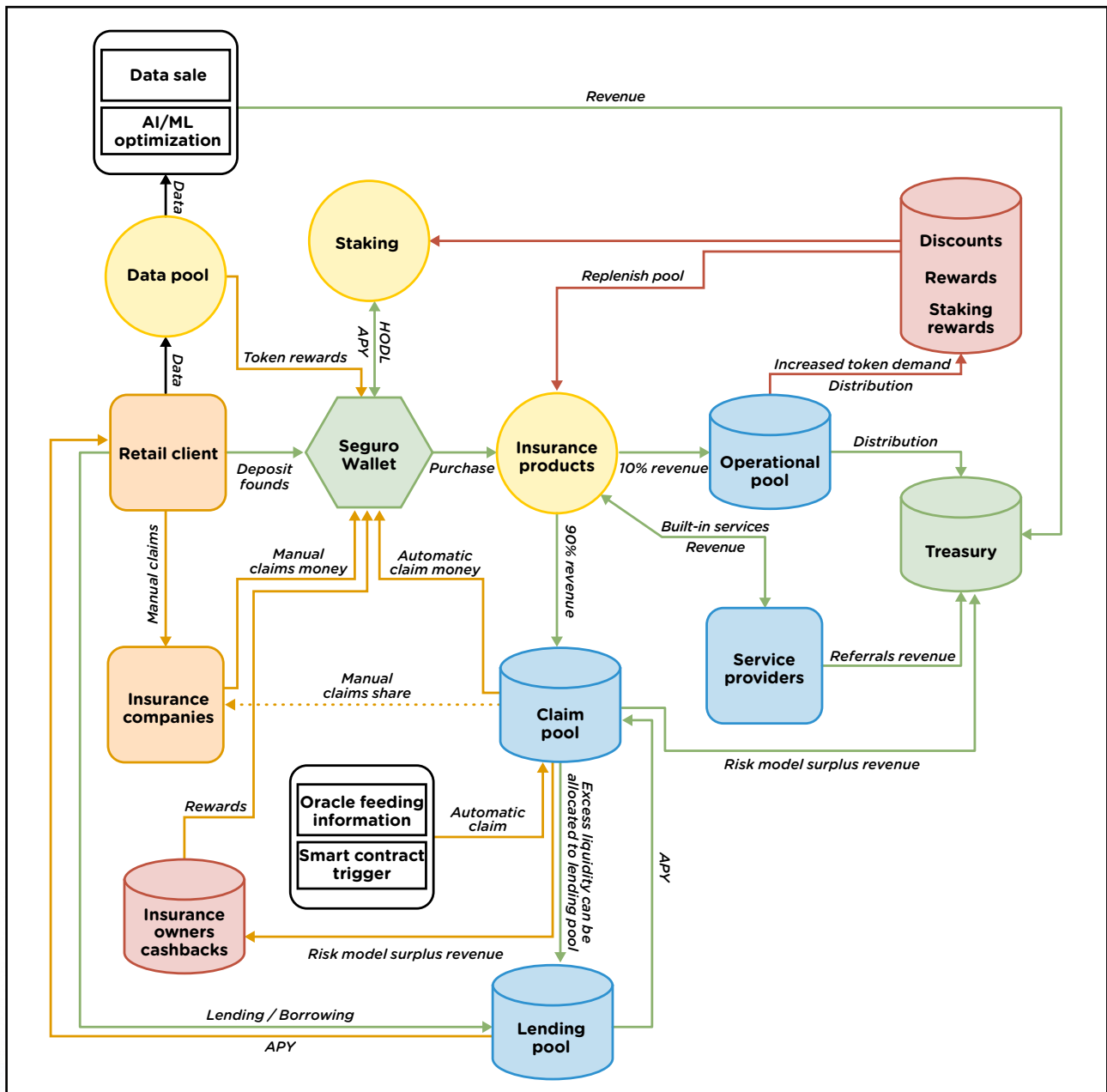
## PLATFORM FOR AGENTS
## AND INSURANCE COMPANIES

The SeguroCoin Platform will function as an insurance broker to market and sell insurance products of third-party insurance companies. Seguro acts like an intermediate charging insurance companies with a platform fee for insurance products. Sale. Collected fees will be distributed to the users as incentives and part of them will be secured in the Seguro treasury.

Settlement of revenue can be carried out once a month, quarter or year depending on the insurance product type it is associated with.

Additionally, Seguro will develop a mobile application with functionality for handling claims in addition to the sale of insurance and services.

The process:

- Onboarding of Insurance companies.

- Insurance company's product listing to the Seguro marketplace.

- Seguro starts listing their own insurance products in addition to third-party insurance products.

- Insurance product sales.

- Part of the sale revenue is given to the operational pool as a platform fee (this fee will be deducted from the insurance company or Seguro sale revenue).

- In the event of a third party sale, a major part of the sales are transferred to the insurance company.

- In the event of a direct Seguro sale, major part of the sale revenue is transferred to the Seguro claim pool.

- Claim management. In the event of a claim, the insurance company pays the client directly. The insurance company will personally handle the claim.

- In the event of a direct sale of Seguro insurance products, Seguro will handle claims automatically with the aid of artificial intelligence (AI) and smart contracts. The client gets paid instantly in tokens.

## PLATFORM FOR SEGURO
## OWNED INSURANCE PRODUCTS

The Seguro platform will start to offer its own products. However, the platform fee will be applied to all external and internal products. Later, collected platform

fees will be given to the incentive pool. This distribution will give an opportunity to implement and support an incentive mechanism.

Seguro will use incentive mechanisms for clients who purchase insurance through the SeguroCoin platform. Receiving tokens as reward enables clients to purchase additional insurance at a lower cost or with a discount, stake or to lend it to other members of the ecosystem.

90% of sales proceeds from direct Seguro insurance sales will be given to the pool of claims. The excess from the claim pool will be utilized to fund incentives and cashback programs for current insurance owners who didn't use their insurance coverage. The Claim Pool will pay for all running expenses.

# PLATFORM FOR INSURANCE CLIENTS

Seguro will develop a mobile application for retail customers with marketplace functionality for insurance products. Clients will be able to search for the best offers based on their own insurance preferences.

The process:

- Clients enter the platform.

- Clients search for the best insurance deal.

- Clients purchase the insurance with fiat or crypto currency.

- Client receives reward in tokens.

- Seguro tokens can be used to discount next insurance purchases.

- If insurance isn't claimed, existing insurance owner will get cashback.

- Client can stake their owned tokens in order to get rewards

- Client also can use their tokens by lending in order to rewards from borrowers.

- Client also can borrow money from other members.

- In case of incident user submits/initiates claim.

- Clients' claim is rejected or accepted.

- Payout to the client in tokens or fiat.

## LENDING P2P

Seguro has introduced a lending pool. Users will be able to earn more money thanks to these features.

In addition, the Seguro P2P lending service will serve people who have a claim situation. After claim submission, the client will be able to ask for an emergency loan. Seguro will provide the verification and administration services and will collect the fee for them, while the lender receives the interest and capital. Ideally, the loan should be repaid by the insurance company, but it can also be done by the borrower (e.g., in cases when the claim is declined by the insurer).

Clients can borrow money to pay for insurance upfront, pay in monthly instalments, or put their money in a pool to earn interest.

Part of Seguro's strategy is to reinvest excess liquidity in the lending pool vertical.

## SEGUROLAB LAUNCHPAD

The latest stage of the project is to implement SeguroLab Launchpad. The goal of the Launchpad is to continue partnering with insurtech companies who want to offer new insurance products, services or technology, while advancing innovation and expanding new insurance coverage options.

Launchpad will offer product innovation programs where companies will be able to mint their own tokens and primarily use them for Launchpad's token sale. This feature enables the Seguro community to gain extra revenue from investments.

B2B clients will be able to incorporate Seguro direct or third-party services into their ecosystem through API integrations thanks to SeguroLab launchpad.

## TOKEN FLOW AND POSITIVE FEEDBACK LOOP

SeguroCoin will focus on network effects and positive economic loop:

1.  With SeguroCoin's hybrid concept, clients can buy insurance using FIAT and native tokens. SeguroCoin will incentivize token usage over FIAT to make the token economy valid with healthy velocity i.e. users should have motivation to hold Seguro tokens.

2.  Major part of the insurance value will be devoted to claims. However, if there is a deviation between the risk model and actual data and fewer claims will occur, the SeguroCoin platform will distribute claim pool surplus to insur-

ance owners in the form of cashback. SeguroCoin will incentivize insurance purchases as it works as a main value capturing action in order to distribute surplus revenues and power the ecosystem with other benefits.

3. SeguroCoin is a data-driven company, with a significant role for client data in the overall business strategy. Client service will be improved using client data. Users will control and have sovereignty over their data, i.e., to decide if they want to monetize it or leave data for themselves. Also, it opens new possibilities to monetize personal data if users wish so (e.g., by sharing the data with an insurance company for a discount). Of course, it creates additional risks and all cons and pros should be discussed.
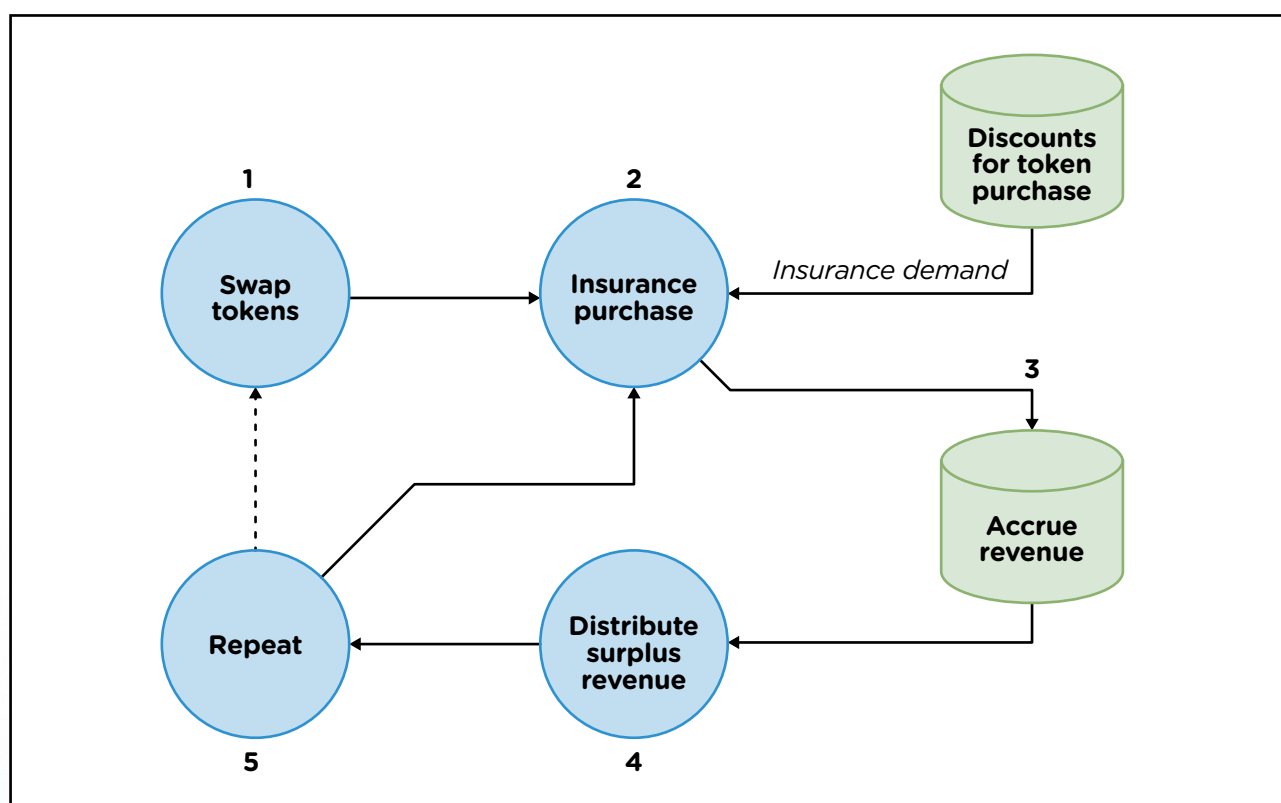


# 12. UTILITY USE CASES /INCENTIVES

Generally speaking about incentives we see 3 main categories:

- Financial - in the form of fiat or tokens.

- Product - in the form of insurance or insurance upgrades.

- Service - by implementing some premium services with limited accessibility.

Seguro, along with offering services at a lower cost than their well-known competitors, entices clients with mechanisms that split part of the earnings among all participants. SeguroCoin will delay comparisons with traditional insurance providers thanks to its incentive systems because its novel approach will enable consumers to receive more benefits than just buying insurance.

## OVERVIEW OF SEGUROCOIN UTILITIES AND UNIQUE FEATURES UTILITIES

- Using NFT as a discount club - create a collection for a limited time period, possession of NFT grants you a given % discount for a specified time.

- Combine staking with discounts. Either in a way that during the staking period you are given a discount. The value of the discount is being paid at the end of the staking period. Another option is that active staking grants you a discount which is subtracted from the price to be paid. Different combinations of staking % and discount % are possible.

- Cash back in tokens, for expired insurance policies without claims.

- In case of more expensive insurance (e.g., motor or household) users can be offered to pay in smaller instalments. Lending pools can be created for that purpose, and can consist of users & seguro funds.

- P2P lending enables clients to borrow money to pay for insurance upfront, pay in monthly instalments, or put their money in a pool to earn interest.

- In case of membership seniority we can provide insurance coverage upgrades for certain types of members.

- For fiat users or once someone is paying in fiat and has SeguroCoins, we can propose a client to pay partially in fiat and the remaining party be paid in SeguroCoins.

## UNIQUE FEATURES

- Putting customers in the "driver's seat" of the purchasing process.

- Showing insurance offers based on customer criteria and providing advice during the process.

- Unique deployment of AI to claims processing, underwriting, fraud detection, customer service and helps users to make informed decisions. Seguro virtual sales assistant is key to make this possible.

- Membership seniority program provides insurance coverage upgrades for certain types of members.

- With the use of API Seguro can interface with third-party service providers, and exchange data with those providers and match the context and core features of their insurance products.

- Advice on policy coverage and required documents when insured events occur.

- Automated claims.

- Additional services : reporting, information which benefits users, more traceability.

## OTHER FEATURES/ BENEFITS FOR THE USER

With the use of API interfaces with third-party service providers, Seguro will be able to exchange data with those providers and match the context and core features of insurance products. For instance, if a client buys flight delay/cancellation insurance, he won't need to worry about claim management because it will be handled automatically and without the client's involvement. Seguro can obtain information about flights thanks to the API interaction with airport information services. If the flight is cancelled or delayed, Seguro will initiate the claim in such an event based on the data received.

On top of access to insurance offers from multiple providers and claim automation, Seguro will introduce a service layer, which will be aimed at improving customer experience and providing value added. Let's use variations in COVID requirements between nations as an illustration. Thanks to the Seguro service layer, the client will be able to get the most recent information regarding the updated COVID document requirements at his destination point, etc.

Another illustration would be that Seguro will provide its clients with checklists or tips on what needs to be done in advance of travelling to particular countries/destinations.

More examples of services to be available for clients using Seguro are listed below:

1. Flight info - ongoing information about your flight.

2. Covid info - current information about COVID requirements.

3. Travel Checklist.

4. Weather info.

5. Luggage tag - check your luggage location.

6.   Sightseeing propositions.

7.   Emergency button - button which automatically send signal to ER.

8.   Document repository - allows clients to store photos of documents in case of a claim.

9.   Taxi assistant - notification reminding you when to order a taxi so that your are not late for the flight.

10.  Third party service proposals for accommodation, etc.

# 13. MECHANISMS

By providing value adding services for the ecosystem users, Seguro platform has a few inflow and outflow streams.

Part of the collected transactional fees will be allocated to maintain incentive mechanisms:

- Seguro treasury.
- Lending pool.
- Cashback pool.
- Claim pool.
- Seguro operational pool.
- Staking pool.
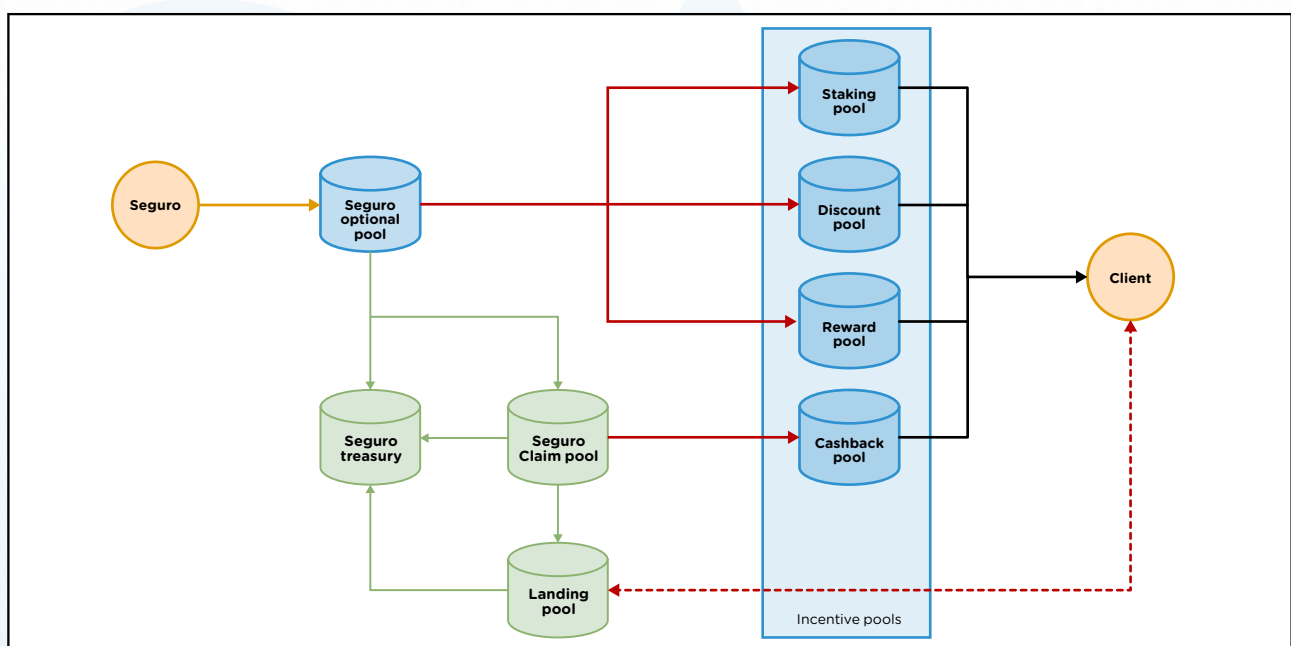
## OPERATIONAL POOL

The operational pool is utilized to gather all incoming revenue streams and distribute earned funds to sustain particular pools. Mainly the operational pool is used to balance all revenue collected. The income received will be distributed according to the principles set out in the document.

| Inflow | Outflow |
|--------|---------|
| <ul><li>Platform transactional fees</li><li>Fiat to crypto exchange - Transactional fees</li><li>Insurance product sale - platform fee</li><li>Intermediary Lending/Borrowing fees</li><li>Claiming pool surplus</li><li>Third party service sales</li></ul> | <ul><li>Cashbacks</li><li>Staking APY</li><li>Claims</li><li>Lending APY</li><li>Rewards</li><li>Discounts</li></ul> |

## TREASURY ACCOUNT

The Treasury Pool is the collective name of all funds held in the Seguro reserves. These funds can be used to cover operational costs of the project and in addition to fund incentives, marketing and other activities. Part of the Treasury account's funds can be invested in a mixture of investment types such as lending or marketing activities.

In the long term, income received in the Treasury account will also be used for the development of the Insurtech Launchpad.

## STAKING MECHANISM

The SeguroCoin staking pool is initially being utilized to support the coin price stability.

The more tokens staked, the more control Seguro will have over the ecosystem and token price.

For Seguro's clients staking gives owners a means to use their digital assets to generate passive income without having to sell them. In addition to staking APY, users will be able also to access exclusive discounts, rewards, and other incentives.

## LENDING POOL

Seguro will employ a lending pool to provide additional revenues for users and insurance firms to generate cash.

To lend money to the community, a portion of SeguroCoin revenue will be reinvested in the lending pool. Seguro will receive compensation for doing this in the form of APY for lending their own money.

Users will also have a possibility to allocate SeguroCoins owned by them to the lending pools and receive interest from borrowers, in such cases Seguro will charge administration fees, while interest paid by the borrower will be transferred to the lender.
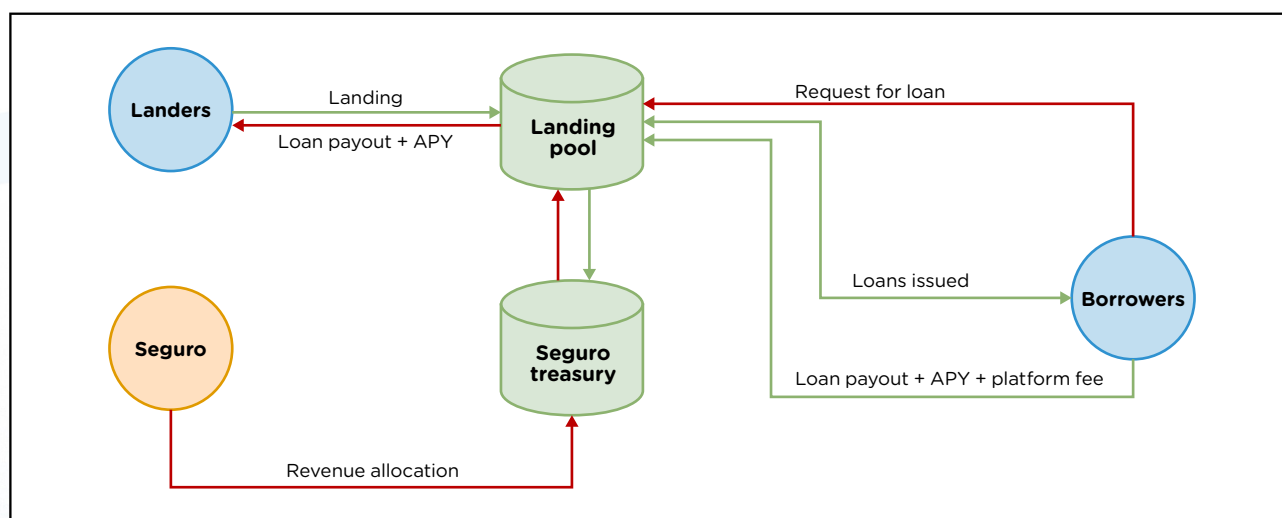


## CASHBACK POOL

The community will be encouraged by SeguroCoin to use platform services not only for buying insurance but also to use other features that allow users to make extra money.

Through the Cashback Pool, part of the surplus capital generated resulting from an inaccurate risk model will be dispersed to all insurance owners in the form of cashback.

In the current market, the insurance firm typically keeps the surplus from unclaimed insurance as a profit.

Seguro believes that if the claim wasn't triggered, some of the earnings should be returned in the form of cashback to the current insurance owners.

## DISCOUNTS/ REWARDS POOL

Seguro strives to provide the best quality and the best pricing offerings for its clients and discount/ rewards will enable this.

Mechanisms of discounts and rewards will play an important part in Seguro's business. With discounts and rewards, SeguroCoin will be able to provide its clients with the greatest products at the best prices.

The categories of the discounts and awards that will be given to the Seguro community are explained in the list below.

- Rewards for allowing personal data usage.

- Rewards  in native tokens for purchasing.

- SeguroCoin will run promotions to reward and discount clients with savings on additional purchases.

- Reward for participation in referral programs.

- Rewards for choosing payouts in SeguroCoin tokens.

## CLAIM POOL

SeguroCoin provides a novel method for managing claims. Seguro will be able to automate parts of the claim management procedures with the help of blockchain technology and smart contracts.

For the avoidance of doubt, in the event the effective claim occurs, the data will be evaluated by the criteria of the smart contract.

Automatisation of insurance claim handling is possible if 2 conditions are fulfilled:

- An oracle to fetch data to determine whether an event occurred or not can be created.

- Claim is handled by money transfer.

If the conditions are met by the system, the smart contract will satisfy the claim and the claim payout will be performed.

To sustain the claim pool, part of Seguro revenue achieved through direct product sales will be held in the claim pool to fulfill claim requests. Specifically, this pool will be used for claim handling related only to the Seguro owned insurance products.

Third party insurance claims will be handled by the insurance companies manually.

Users receive incentives for choosing payout claims in SeguroCoin tokens. However, payouts in FIAT are also possible.

## Claim handling

After claim submission, the Seguro platform collects data from 3rd party services such Airport for example, Seguro platform sends a request to the airport database and collects data on the relevant claim incident. If the data is verified and correct, the claim is approved. A smart contract will request a claim payout for a specific user related to the specific claim record. Seguro will transfer SeguroCoins tokens from the Seguro claim pool.
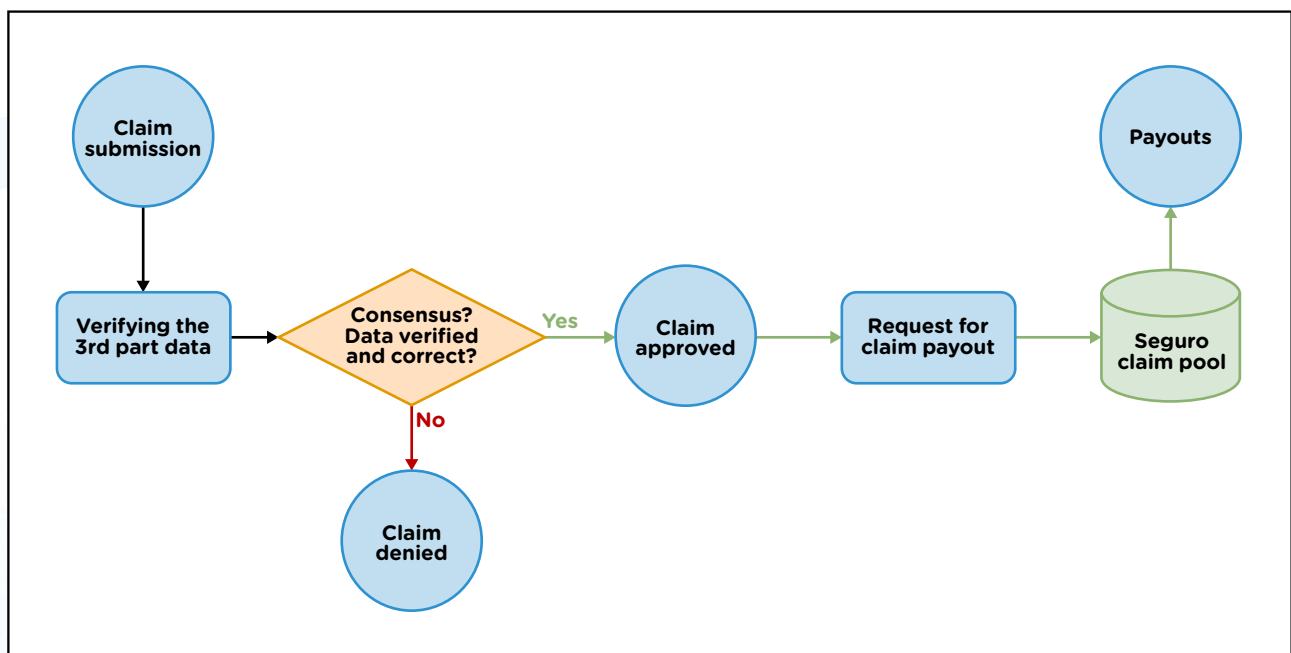


## Client data collection and usage for the analytical proposes

If users agree, Seguro will use some of their personal information. Seguro will offer additional incentives in the form of tokens in exchange for granting access to the personal data that will be utilized for AI and service improvement.

A client could save their personal data and interests on their drives before deciding whether to give the platform access to other information. Clients' desires to share

information and personalize their experiences will be satisfied, and this will also lessen their concerns about privacy and the time commitment of repeatedly entering preference information. Clients will be aware of a platform's data regulations and will be able to choose wisely how to release their information. Greater information will be available to those attempting to promote over the Internet, allowing for better analysis and offers.

# 14. VALUE PROPOSITION

**Insurance companies**

- Insurance companies/Agents - insurance firms, searching for a way to increase sales by exploring new distribution channels and entering new markets. SeguroCoin becomes the new channel for insurance sales

- Cost reduction for insurance companies. Seguro can offer additional channels for sales that can potentially decrease the cost of sales support. Sales support takes the big part of all cost in insurance business

- Using smart contracts improves the claim handling process. Process can be automated for some of the insurance products such flight insurance, weather insurance (and not only crop insurance but also weather insurance during travel, luggage insurance, household insurance vs natural disasters (e.g. flood, hurricane, etc.)).

- Possibility to create insurance products for a new age.

- Creation and access to the global insurance market.

- Shorter time to market for new products.

- Access to big data gathered from around the world.

- User identification and verification (KYC).

- Paperless sales process.

**Users**

- Clients want to buy insurance in a comfortable way without visiting an insurance company. The client can get the best offer and purchase the insurance product.

- All insurance products in one mobile app.

- Intuitive fast and friendly sales process.

- Instant benefits for the data (received or gathered).

- Tailored insurance offers.

- Personal sales assistant is available 24/7.

- (AI) insurance portfolio management.

- Support in claim registering and monitoring.

- Clients will be able to get SeguroCoin tokens to discount other services.

- Clients can get rewards for purchasing products, referring Seguro to others.

- User can get instant claim payouts in SeguroCoin tokens.

- User can stake in order to get a source of fixed income, at a certain risk. Capital has to be locked for a certain period of time, and there is a potential risk of losing the capital provided.

- Seguro is offering a lending option that can become an additional source of income.

- Clients can borrow the money in emergency situations to cover the real time costs.

- Discounts for future installments.

- Discounts for future insurance products.

- Clients can even get cashback for unclaimed insurance.

## SERVICE PROVIDERS

By using Seguro platform 3rd party companies can use reach additional sale distribution channel to sell their services or products (e.g. taxi, car rent, legal advice etc.). In the long term SeguroCoin wants to implement cross sales as bundle packages for the clients.

# 15. TOKEN DISTRIBUTION AND RELEASE SCHEDULE

## TOKEN SALE INFORMATION

SeguroCoin tokens will be unlocked gradually on a predetermined schedule that will last for 36 months from the Token Generation Event (TGE). The initial circulating supply (excluding the liquidity pool & market making) is set at 5 500 000 tokens (220 000 USD). The fully diluted token supply is 500 000 000 tokens with an initial listing price of 0.04 USD.
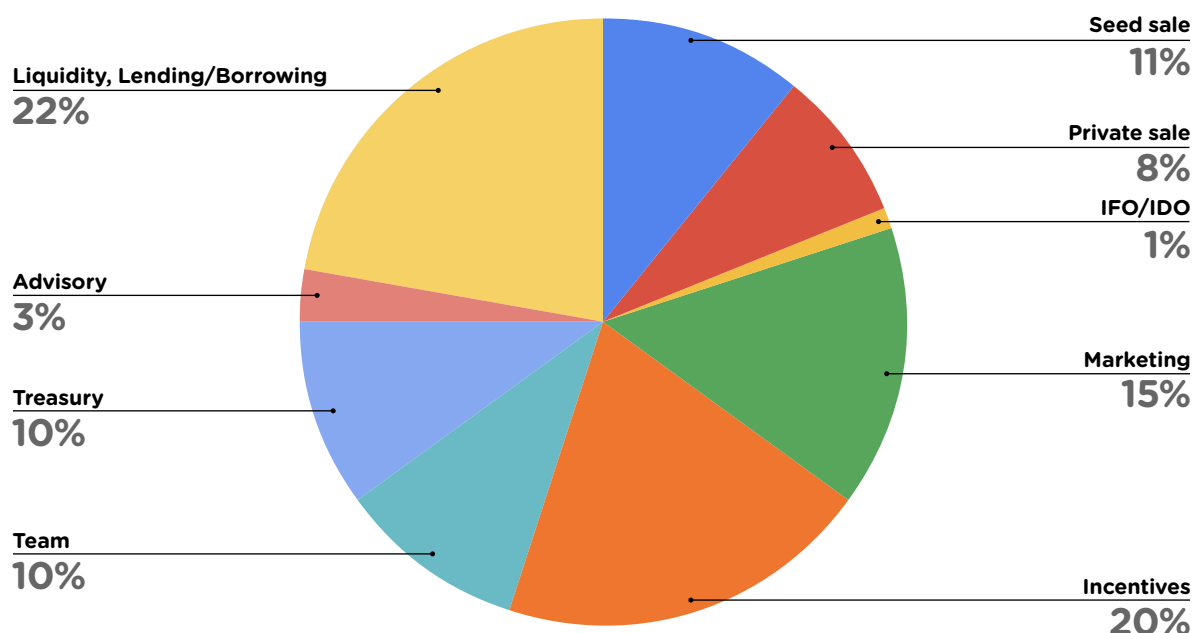
| Token Name | Description |
|---|---|
| Token Symbol | $SGCN |
| Token Decimals | 18 |
| Token Background | Polygon blockchain native chain in-platform blockchain technology |
| Token Type | Utility |

## TOKEN ALLOCATION AND TOKEN DISTRIBUTION

Summary

| Summary | |
|---|---|
| Total Token Supply | 500 000 000 |
| Tokens for Seed Sale | 55 000 000 |
| Tokens for Private Sale | 40 000 000 |
| Tokens for IFO/IDO | 5 000 000 |
| Public Sale Token Price (USD) | 0.04 |
| Initial Market Cap (USD) | 220,000 |
| Sale Supply (%) | 20 |
| Initial Circulating Supply at launch | 5 500 000 |
| Initial Circulating Supply (%) | 1.10 |
| Amount to be raised (USD) | 2 500 000 |
| Fully Diluted Market Cap (USD) | 20 000 000 |

## Token distribution



| Token distribution | |
|---|---|
| Seed sale | 11% |
| Private sale | 8% |
| IFO/IDO | 1% |
| Marketing | 15% |
| Incentives | 20% |
| Team | 10% |
| Treasury | 10% |
| Advisory | 3% |
| Liquidity, Lending/Borrowing | 22% |

# TOKEN SALES PROCEEDS

Funds raised through the token sales in all their phases will be used for the following areas:

| Token sale proceeds | Allocation |
|---|---|
| Platform development | 30.00% |
| Marketing + KOL | 30.00% |
| Legal | 10.00% |
| Liquidity | 30.00% |

# TOKEN RELEASE SCHEDULE

Seguro is introducing 37 month distribution schedule of SeguroCoin tokens $SGCN.

| Token sale | Token distribution | Vesting schedule |
|---|---|---|
| Seed sale | 11.00% | 5% unlock at TGE, 3 months cliff, monthly unlock over 24 months |
| Private sale | 8.00% | 5% unlock at TGE, 3 months cliff, monthly unlock over 24 months |

| Token sale | Token distribution | Vesting schedule |
|---|---|---|
| IFO/IDO | 1.00% | 15% unlock at TGE, monthly unlock over 6 months |
| Marketing | 15.00% | 1 months cliff, monthly unlock over 23 months |
| Incentives | 20.00% | 1 months cliff, monthly unlock over 23 months |
| Team | 10.00% | 24 months cliff, monthly unlock over 12 months |
| Treasury | 10.00% | 6 months cliff, monthly unlock over 12 months |
| Advisory | 3.00% | 12 months cliff, monthly released over 16 months |
| Liquidity, Lending/ Borrowing/ Staking | 22.00% | 4% unlocked at TGE, monthly unlock over 12 months |

## Token distribution
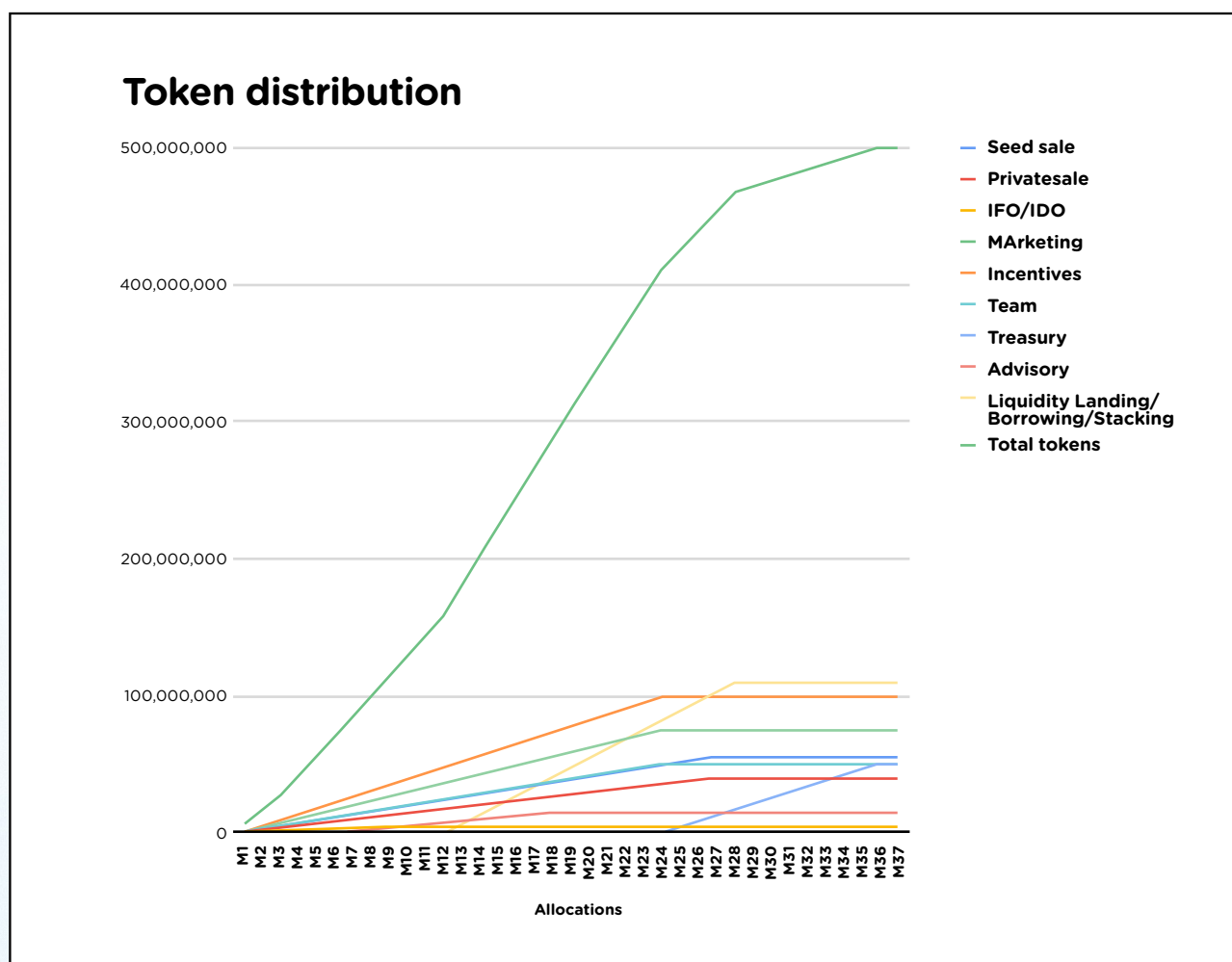
# 16. POLYGON BLOCKCHAIN

Polygon believes in Web3 for all. Polygon is a decentralized Ethereum scaling platform that enables developers to build scalable, user-friendly dApps with low transaction fees without ever sacrificing security.

Polygon combines the best of Ethereum and sovereign blockchains into a full-fledged multi-chain system.

- It is able to fully benefit from Ethereum's network effects.

- It is inherently more secure.

- It is more open and powerful.

## ETH COMPATIBILITY

Industry dominance, established tech stack, tools, languages, standards, enterprise adoption.

## SCALABILITY

Dedicated blockchains, scalable consensus algorithms, and custom Wasm execution environments.

## SECURITY

Modular ''security as a service'', provided either by Ethereum or by a pool of professional validators.

## DEVELOPER EXPERIENCE

Equivalent to Ethereum, no protocol level knowledge required, no token deposits, fees or permissions.

## TOKEN STANDARD AND CAPABILITIES

ERC-20 introduces the token standard for creating fungible tokens on the Ethereum blockchain. Simply put, ERC-20 consists of properties that support the development of identical tokens.

For example, an ERC-20 token representing a currency can act like the native currency of Ethereum, Ether. That means 1 token will always be equal to the value of another token and can be interchangeable for each other.

## ERC 20 TOKEN SET STANDARDS FOR THE DEVELOPMENT OF FUNGIBLE TOKENS:

- Reputation points of any online platform.

- Lottery tickets and schemes.

- Financial assets such as shares, dividends, and stocks of a company.

- Fiat currencies, including the USD.

- Gold ounce, and much more.

## TOKEN CHARACTERISTICS OF ERC-20 TOKENS:

- ERC 20 tokens are another name for "fungible tokens".

- Fungibility defines the ability of an asset or token to be exchanged for assets of the same value, say two $1 dollar notes.

- Each ERC-20 token is strictly equivalent to the same value regardless of its features and structure.

- ERC tokens' most popular application areas are stablecoins, governance tokens, and ICOs.

# 17. TEAM

**Tomas Krupa**

Founder @ SeguroCoin - Insurance Platform,
Seguro System SRL, The Blockchain Lab,
Angola Invest

**Maksim Worobiew, MBA**

Co-founder @ SeguroCoin

**Filip
Gwaj**

Mobile App
Development

**Piotr
Żylicz**

Art Design
& Motion Graphics

**Patryk
Kubicki**

Blockchain
Development

**Dawid
Kustra**

Advisor

**Monika
Matusiak**

AML officer

# 18. SOCIAL MEDIA

Website: https://segurocoin.com/

Twitter:

Telegram:

Instagram:

Etc

# 19. REFERENCES

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