

InsurAce Policy Terms and Conditions

A. General Conditions of InsurAce Smart Contract Cover

This **Policy** forms a legally enforceable contract between You and **InsurAce**. InsurAce will insure You and pay the benefits of this **Policy** in return for the premiums You pay.

InsurAce insure You based on the information that You have provided to **InsurAce** during the **Application Process** and through any other means.

You are to ensure that all information that You have provided are accurate and that You fully and faithfully disclose to **InsurAce** all important facts which You know or ought to know in respect of this insurance **Policy**. Failing this, this **Policy** may be void and You may not receive any benefits under this **Policy**.

InsurAce Smart Contract Cover's policy terms and conditions will be held off-chain and **InsurAce** has the final and ultimate interpretation. Terms and conditions are not included as part of the InsurAce smart contract code.

All Claims are assessed on a discretionary basis, **InsurAce** expert team, advisory board and Claim Assessors have the final conclusion on whether claims are paid or rejected.

This policy terms and conditions will also be used as a guidance document by InsurAce Claims Assessors/ Independent committee for verifying, approving or denying any Smart Contract Cover claim.

B. Policy Coverage

This section sets out what risk events are covered by this **Policy**, and what type of risk events are excluded.

Section 1: Coverage on Smart Contract(s)

InsurAce may cover You for Your **Actual Losses** maximum up to **Cover Amount** under the **Smart Contract Portfolio** if:

1. You suffer a **Material Loss** on your insured crypto assets due to a **Claimable Risk Event**, which includes but not limited to cyber hack or other pre-defined insured events from a smart contract address, or a directly related smart contract address of a **Smart Contract System** that has been specified during the **Application Process**; and
2. There is a material loss of your crypto assets from the smart contract, or the **Smart Contract System**, due to the **Claimable Risk Event**; and
3. The loss of **Insured Crypto Assets** is permanent irreversible with no means of repayment or recovery by any parties in the future. It can be in form of being moved to another address or addresses/ **Smart Contract System**, which you, as the owner, cannot access or control permanently; and
4. The loss is direct due to the smart contract or the **Smart Contract System** selected/specified as a standalone or as part of the **Portfolio Cover** at purchase or revised after purchase; and
5. The **Claimable Risk Event** happens during the **Cover Period** before the **Expire**; and
6. The claim has to be submitted during the **Cover Period** or within 30 days of the **Expire**.

InsurAce will not cover You for Your losses of crypto assets if:

1. There is a fraud or an evidence of any activities for the purpose of profiting from the claim; or
2. The losses of assets are due to phishing, private key security breaches, malware, exchange transaction hacks or any other activities where the insured smart contract continues to act as intended or any activities conducted by policyholder because of personal careless or misunderstanding; or
3. Any claims due to individual or group's intentional actions that utilizes a smart contract or **Smart Contract System** for the purpose of making claims from **us**; or
4. Any hacks or pre-defined insured events occurring outside of the cover period;
5. Any hacks or pre-defined insured events occurring during the cover period but the hack occurred or is known, or the hack is due to bug being disclosed to public, before the cover period
6. Any events where inputs, that are external to the smart contract or **Smart Contract System**, behave or are manipulated in an unintended way, while the smart contract or **Smart Contract System** continues to operate as intended, where inputs include but are not limited to; oracles, governance

- systems, incentive structures, miner behaviour and network congestion; or
7. You provide false information or try to hide, lie or mislead claim assessment;
or

Other Conditions on the **Cover**:

1. In covering **You** for Your losses, **We** have the option of reviewing, reinstating, replacing or offering alternative currency/cash settlement other than the specified currency at purchase for the loss of your assets, provided that the alternative settlement is equivalent to the pay-out of original specified currency in value at settlement.
2. In covering **You** for Your losses, **We** have the right to investigate the risk incidents submitted for claim purpose and only pay-out on valid claim after investigation.
3. All benefits payable under this **Policy** will be in either ETH or DAI, which is chosen through **Application Process**. When a claim is made by You for losses incurred in a crypto asset other than ETH or DAI, **We** will only pay You by the chosen currency.
4. **We** will cover **You** for the value of
 - a. Either the actual total losses directly due to the Claimable Risk Events;
or
 - b. The maximum cover amount specified at purchase or revised maximum cover amount after purchase

Whichever is lower.

5. **We** will only cover **You** for losses directly linked the wallet address, which is the same one used to purchase the cover.

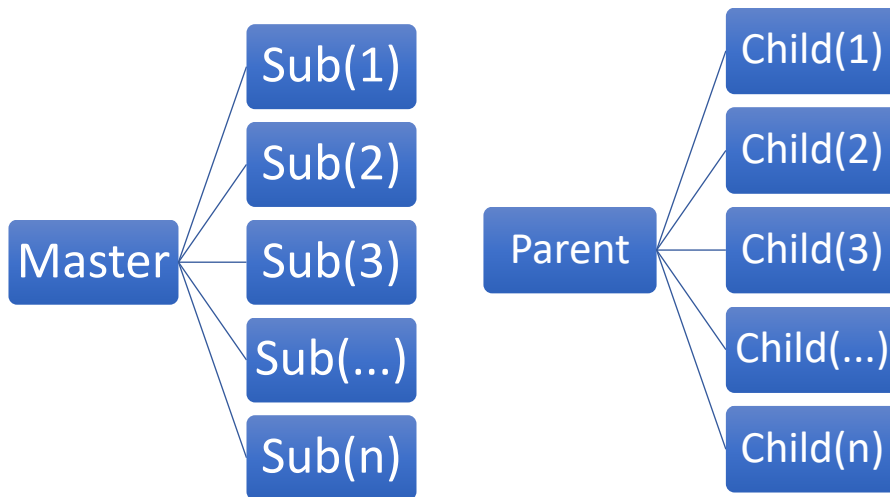
Supplementary explanation in case of **Smart Contract System**

Most mainstream Ethereum applications are complex and so consist of a number of smart contracts as a whole system that may or may not be interacting each other.

The InsurAce Smart Contract Cover is designed to allow policyholder to cover just one “main” smart contract/protocol from any particular **Smart Contract System**, which can be selected into the insured portfolio.

Here is illustration to show a structure of **Smart Contract System**:

Smart Contract/Protocol System Structure



Pricing / Quote	Master or Parent contract has to be selected as the covered contract/protocol;
Risk Assessment	Risk is to set to represent the risk of Master or Parent contract, but extra risk associated with Sub or Child contracts should be taken into account.
Claim	Claim will be paid for Claimable Risk Event on any Master or Sub; or Parent or Child contract
Version Update / Major System Change	Any version update or major system change will be treated as a new smart contract system for all purpose. 100 days exclusion for bugs introduced by update/upgrade to any Sub contracts without changing the "Master".

Section 2: Coverage Period

Portfolio Cover Start:

Portfolio Cover starts upon

- A specific protocol or a group of protocols (Portfolio) are selected through InsurAce UI interface by the policyholder, and
- Default **Start time** or a Start time specified by the policyholder, and
- The full amount of premium in corresponding to the selected protocol(s) and the specified cover period has been successfully paid and confirmed on chain.

Portfolio Cover Termination:

Portfolio Cover terminates when:

- The Portfolio cover period **End Time/Expiry** specified at purchase or revised after purchase has reached
- the **Policy** is lapsed by policyholder and confirmed on chain
- All individual protocol cover terminates if the Portfolio Cover is terminated.

Termination of Individual Protocol Cover as part of Portfolio:

An **Individual Protocol Cover** as part of a Portfolio can terminate while the Portfolio is still in-force.

An **Individual Protocol Cover** terminates when:

- The individual protocol cover period **End time** specified at purchase or revised after purchase has reached
- the individual cover is lapsed by policyholder and confirmed on chain
- there has been a successful claim on that individual protocol either as standalone or as part of portfolio

Section 3: Your Liability to Third Parties

1. We will not cover You for any costs which You are liable to the third parties arising out of the incident covered.

C. Policy Exclusions

We will not cover any loss to your crypto assets if:

- a. The InsurAce Cover is purchased outside of designated Geographical Areas;
- b. The covered crypto assets are obtained through illegal channel or used for illegal purposes;
- c. The covered crypto assets are in connection with any transactions associated with following conditions:
 - Money laundering
 - Terrorism
 - Sanctions imposed by United Nation

We will not cover **You** for losses due to

- a. **Collateral damage** from a Claimable Risk Event; or
- b. Your own operation misconducted; or
- c. Any associated fees or costs.

We will not cover **You** for

- a. loss of indirect use of covered assets, such as financial derivatives on the covered assets; or
- b. any consequential loss after the known attack being performed again; or
- c. depreciation on the assets value; or
- d. Loss from personal financial security breach.

We will not cover the Excess loss above maximum cover amount specified for the protocol within the portfolio.

We will not cover any applicable Gas fees or any other associated costs for claim made against this Policy. If for any reason **We** have made any payment which includes Fees or Costs payable by **You**, **You** have to refund to **Us** such Fees or Costs paid.

We will not cover any loss to your crypto assets due to wallet attack because of Theft, Robbery, housebreaking, external explosion, fire, self- ignition or lightning, unless otherwise specified in this Policy.

D. Your Policy Conditions

This Policy Conditions is governed by the laws of Singapore.

If **We** allege that by reason of any of the exclusions under Part B and/or Part C above, any loss, damage, injury or liability is not covered by this **Policy**, the burden of proving the contrary shall be on You.

As explained in Part A of this Policy, all information You provide to **InsurAce** in the Application Process and through any other means form the basis of this contract of insurance between You and **InsurAce**. You must inform **InsurAce** immediately if any of the information that You have provided changes or is no longer accurate. You must also inform **InsurAce** of any other facts which You know or ought to know which may affect Our decision whether to continue to insure You and on what terms. These information/facts could result in additional premium being payable and different terms and conditions may apply on this **Policy**. If such information is not disclosed to **InsurAce**, You may not receive any benefits under this **Policy** and/or **InsurAce** may cancel or void this **Policy**.

You may cancel or reduce the **Cover Period** for an individual protocol or the whole portfolio of this **Policy** by modifying your existing cover details online.

We will refund the full premium less an **Administration Charge (25%)** before deducting the pro-rated amount to cover the period when You were covered under this **Policy**, and.

You will not receive any refund of premium if on or before cancellation of this **Policy**:

- A claim has arisen;
- The modification or cancellation of particular protocol has no price impact to the calculated portfolio premium

If **You** make a valid claim under this **Policy**, and **You** have other insurance covering the same loss or liability, **We** reserve the right to only pay **You** a proportion of the claim based on the total number of policies covering such a claim.

Any disputes arising out of this **Policy** shall first be referred to InsurAce Community Disputes Committee (ICDC), where it falls within ICDC's judgement with consultation to independent professional third-party advisory board. If the dispute cannot be resolved by ICDC, it shall be referred to and finally resolved by InsurAce Community Voting.

If **We** reject liability for any claim made under this **Policy** and it is not referred to arbitration within 3 months from the date of Our rejection, it shall be deemed that **You** have accepted **Our** rejection of **Your** claim and **You** have waived all **Your** rights with respect to such a claim.

You have agreed and consented that **We** may collect, use and process **Your**

personal information (whether obtained in the **Application Process** or otherwise) and disclose such information to the following:

- a. **Our** platform internally;
- b. **Our** service providers, reinsurers, agents, distributors, business partners;
- c. Governmental / Regulatory authorities, Industry associations, Courts, or Other alternative dispute resolution forums, for the purposes include:
 - Processing, underwriting, administering and managing **Your** relationship with **Us**;
 - Audit, compliance, investigation and inspection purposes and handling regulatory governmental enquiries
 - Compliance with legal or regulatory obligations, risk management procedures and **Our** internal policies;
- d. Managing **Our** infrastructure and business operations.

E. Policy Definitions

Any word or expression which has a specific meaning has the same meaning whenever that word or expression is used in this **Policy**, policy schedule and where applicable certificate of insurance, hold cover letter/ cover note and Endorsement.

InsurAce means the entity named “InsurAce” who provides the “InsurAce” platform and underlying maintenance to enable the insurance service to be facilitated among Insurers, Insured, claim Assessors and any other community participants.

You/Your means the named policyholder in this **Policy** who is the registered owner of the Vehicle.

We/Us/Our means **InsurAce**.

Policy means the insurance contract between You and **InsurAce** that sets the obligations and responsibilities of each party, terms and conditions of the policy.

Application Process refers to the online application process through InsurAce insurance portal, during which you provide necessary information to obtain a quotation and pay the premium to cover your crypto assets. It can be prior or subsequent to inception of this **Policy** or for and upon renewal of this **Policy**.

Smart Contract Portfolio refers to a single or a group smart contracts/protocols selected to form a package for the purpose of purchasing an insurance cover.

Claimable Risk Event refers to cyber hack or other pre-defined events from the designated smart contract address, or a directly related smart contract address of a smart contract platform

Portfolio Cover refers to the insurance cover contains more than one protocol or smart contract and is purchased in one go at the same time. The individual protocols or smart contract can be added in or removed from the Portfolio after initial purchase.

Individual Protocol Cover refers to the insurance cover for one particular protocol or smart contract system and is purchased standalone or as part of Portfolio Cover. The individual protocols cover can be added in or removed from the Portfolio after initial purchase.

Cover is used as a simple abbreviation in this document to describe either Portfolio Cover or Individual Protocol Cover.

Insured Crypto Assets means the assets stored or deposited on the protocol(s) or smart contract and these are selected in the Portfolio Cover.

Cover Period refers to a period of time (in form of number of days specified by policyholder) during which the policyholder is protected against the Claimable Risk Event.

Start Time refers to the time of cover period starts; it is the effective Ethereum

Block Number after successful confirmation of purchase transaction.

End Time/Expire refers to the time of cover period ending, it is the effective Ethereum Block Number after exact converted number of Ethereum Blocks from the specified cover period (days).

Cover Amount means the amount of Cover specified by the policyholder for each Individual Protocol Cover at purchase of the Cover. This is the maximum amount that will be paid as a claim.

Actual Losses (of Crypto Assets) means the total value of Crypto Assets lost caused by the hack not the loss of the individual policyholder.

Material Loss means the loss is far exceeds gas related costs involved in operating the contract and the total asset lost are at least 20% of the Cover Amount.

Administration Charge refers to the costs and expenses associated with issuing, maintaining and cancelling a policy.

Geographical Areas refers to the areas where InsurAce Smart Contract Cover can be purchased. It excludes following areas:

- Territory of United State of America
- People's Republic of China (Mainland)

Smart Contract Systems refers to a single smart contract or group of directly related smart contracts constructed/managed on a single smart contract platform running on the public Ethereum network excluding any outside inputs to that system such as oracles, miners, the underlying Ethereum network and individuals or groups of individuals interacting with the system.

Collateral damage means the loss or damage of crypto assets is not the direct result of hack or bug of the smart contract/protocol, but is caused subsequently.

Act of Terrorism means an act which may or may not involve the use or threat of use of force or violence by any person or group of persons. This is regardless of whether any person or group is acting alone or on behalf or in connection with any organisation or government committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.