

ANC+MIR+UST De-Peg Bundled Cover

The purpose of this document is to illustrate the terms and conditions of the ANC+MIR+UST De-Peg Bundled Cover offered by InsurAce.io. All Cover is provided on a discretionary basis with InsurAce.io Claim Assessor following the claim process to decide which claims are paid.

Overview

ANC+MIR+UST De-Peg Bundled Cover consists:

- ❖ Smart Contract Cover for **Anchor Protocol on Terra**; and
- ❖ Smart Contract Cover for **Mirror Finance on Terra and Ethereum**; and
- ❖ **UST De-Peg Cover**

The insured is eligible to make the claim if one or more of the included covers are triggered.

Coverage

InsurAce.io ANC+MIR+UST De-Peg Bundled Cover shall pay a claim if

- ❖ During the **Cover Period**, there is a **Material Loss** of insured's crypto assets due to an unauthorized, malicious or criminal act aiming at exploiting the **Designated smart contracts'** code vulnerabilities; and
- ❖ The loss of insured crypto assets is permanently 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, which the insured cannot access or control permanently; and
- ❖ The loss is directly linked to the wallet address which the insured used to purchase the cover or the insured provides evidence to prove the ownership of the impacted wallet address.

Or:

- ❖ During the **Cover Period**, there is a loss in value of the **UST** as it moves off-peg, trading below \$0.88 based on a 10-day Time Weighted Average Price (TWAP) calculated using market data extracted from Coingecko; and
 - ❖ The insured is holding **UST** or any representation of **UST** supplied directly as liquidity in the wallet or in accounts with any custodians (e.g. centralized exchange, asset management providers, etc.) at the time of purchase of the Cover; and
 - ❖ The loss is directly linked to the wallet address, which the insured used to purchase the Cover or the insured is able to provide evidence to prove the ownership of the impacted wallet address and accounts with any custodians; and
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Exclusions

InsurAce.io ANC+MIR+UST De-Peg Bundled Cover will not pay for

- ❖ Assets lost are NFTs; or
- ❖ Any losses due to phishing, private key security breaches, malware, exchange transaction hacks or any other activities where the **Designated smart contract** or the **UST** smart contract and the Terra blockchain continues to act as intended or any activities conducted by insured because of personal carelessness or misunderstanding; or
- ❖ Any claims due to individual or group's intentional actions that utilize the **Designated smart contract** or the **UST** smart contract for the purpose of making claims on this Cover; or
- ❖ Any losses due to devaluation of insured's non-UST tokens, regardless of such devaluation is related to the attack or not; or
- ❖ Any hacks or pre-defined insured events occurring outside of the **Cover Period**; or
- ❖ 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 the bug being disclosed to the public, before the **Cover Period**; or

- ❖ Any events where any other external interoperable or interactive smart contracts, are hacked or manipulated in an unintended way, while the **Designated smart contract** or the **UST** smart contract and the Terra blockchain continues to operate as intended; or
 - ❖ Any events where inputs, that are external to the **Designated smart contract** or the **UST** smart contract, behave or are manipulated in an unintended way, while the **Designated smart contract** or the **UST** smart contract continues to operate as intended, where inputs include but are not limited to: oracles, governance systems, incentive structures, miner behaviour and network congestion.
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Conditions

- **Claim Request**

The claim request together with Proof of loss must be submitted during the **Cover Period** or within 15 days after the Cover expires.

Proof of loss could include, but is not limited to:

- ❖ the snapshot of the impacted wallet address's balance at blocks before and after any losses have been applied; and/or
- ❖ evidence to prove the holding amount of **UST** in the wallet or in accounts with any custodians; and/or
- ❖ evidence to prove the ownership of the impacted wallet address or accounts with any custodians; and/or
- ❖ description of the attack which resulted in a loss from the covered protocol team or security specialist; and/or
- ❖ references to any relevant on chain transactions; or
- ❖ other evidence as deemed necessary;

The insured are required to provide us with truthful pieces of information, otherwise the claim will be rejected.

Read more about our [Claim Assessment Process](#) and [How to Make a Claim](#)

- **Claim Payout Amount**

- **For Smart Contract Cover:**

InsurAce.io will only pay for losses actually incurred where such losses are no more than the **Cover Amount**.

The price of cryptocurrency on the time of transaction in which losses occur based on data extracted from CoinGecko or any other sources regarded reliable and fair shall be used in the calculation of actual loss.

Any recovery received by the insured as compensation for his/her losses from the covered protocol shall be excluded from the claim payments.

- **For UST De-Peg Cover:**

InsurAce.io will compensate the insured for the value (value = **UST** quantity x \$1 USD) of the quantity of the **UST** the insured is holding at the time the de-peg event is triggered where:

- ❖ the value is subjected to a maximum of the **Cover Amount**; and
- ❖ the quantity claimable should be no more than the quantity of the **UST** the insured held 10 days before the de-peg event is triggered.

Any recovery received by the insured as compensation for the losses from the **UST** token issuer and/or Terra ecosystem will be excluded from the claim payments.

Upon claim approval, the insured should send the amount of **UST**, where the value (value = **UST** quantity x \$1 USD) is no more than the approved claim amount to the smart contract address given by InsurAce.io within 15 days. (Note: The insured can apply for extension if he/she needs more time to withdraw the **UST**.)

The InsurAce.io will send the equivalent amount of **Payout Token** to the insured based on a payout ratio of 1 UST = 1 USD.

InsurAce.io is not responsible for differences in the market value of the **Payout Token** from the time of pay out to the time the insured receives the claim payout.

- **Cover Effective Time**

The Cover shall take effect 10 days after the Cover is successfully purchased and confirmed on the blockchain.

- **Cover Termination**

The Cover shall terminate immediately when:

- ❖ The insured no longer holding the UST token in the wallet or in accounts with any custodians; or
- ❖ The full **Cover Amount** has been paid in claims; or
- ❖ The **Cover Period** stated in the Cover ends

Definitions

Cover Amount means the amount of the Cover specified by the insured at purchase of the Cover.

Cover Period means the period stated in the Cover during which time the Cover is effective. It will start 10 days after the date of premium payment.

Designated smart contract means a single smart contract or group of smart contracts of the covered protocol as specified in the Cover, running on the public blockchain network excluding any outside inputs to that system such as oracles, miners, and individuals or groups of individuals interacting with the system.

Material Loss means the loss that far exceeds gas related costs involved in operating the insured smart contract.

Payout Token refers to the same token that the insured used to make the premium payment.

UST refers to the UST token issued by the official Terra.money team.

Amendments & Additions

This document takes effect from 24th Sep, 2021. InsurAce.io may change this insurance policy in order to make it match new market circumstances when necessary. Please always check the updated policy.