INSURACE

Smart Contract Cover

The purpose of this document is to illustrate the terms and conditions of the Smart Contract 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.

Coverage

InsurAce.io Smart Contract Cover shall pay a claim if

1. 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

2. 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

3. 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.

Exclusions

InsurAce.io Smart Contract Cover will not pay for

1. Assets lost are NFTs; or

2. Any losses due to phishing, private key security breaches, malware, exchange transaction hacks or any other activities where the **Designated smart contract** continues to act as intended or any activities conducted by insured because of personal careless or misunderstanding; or

3. Any claims due to individual or group's intentional actions that utilize the **Designated smart contract** for the purpose of making claims on this Cover; or

4. Any losses due to devaluation of insured's assets, regardless of such devaluation is related to the attack or not; or

5. Any losses due to the owners or controllers of the covered protocol confiscating or stealing funds from users in line with the permissions of the covered protocol; or

6. Any hacks or pre-defined insured events occurring outside of the **Cover Period**; or

7. 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

8. Any events where any other external interoperable or interactive smart contracts, are hacked or manipulated in an unintended way, while the **Designated smart contract** continues to operate as intended; or

9. Any events where inputs, that are external to the **Designated smart contract**, behave or are manipulated in an unintended way, while the **Designated 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; or

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

- ❖ description of the attack which results in the loss from the covered protocol team or security specialist; and/or

- ❖ references to any relevant on-chain transactions showing assets being moved; and/or

- ❖ evidence to prove the ownership of the impacted wallet address; and/or

- ❖ supporting materials to determine the price of lost assets; and/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**

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.

- ● **Cover Effective Time**

The Cover shall take effect when:

- ❖ If the **Designated smart contract** is in the same Blockchain where the Cover is purchased, the Cover will take effect in the next Blockchain block once the Cover is successfully confirmed.

❖ If the **Designated smart contract** is in a different Blockchain from where the Cover is purchased, the Cover will take effect in 10 minutes after the timestamp of the block where the Cover is confirmed in Blockchain, and the Cover's expire time will also be revised accordingly, this is to eliminate the time difference between different Blockchains.

- **Cover Termination**

The Cover shall terminate immediately when:

❖ 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 on or 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 smart contracts related to Bridge, and 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.

Amendments & Additions

This document takes effect from 5th November, 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.