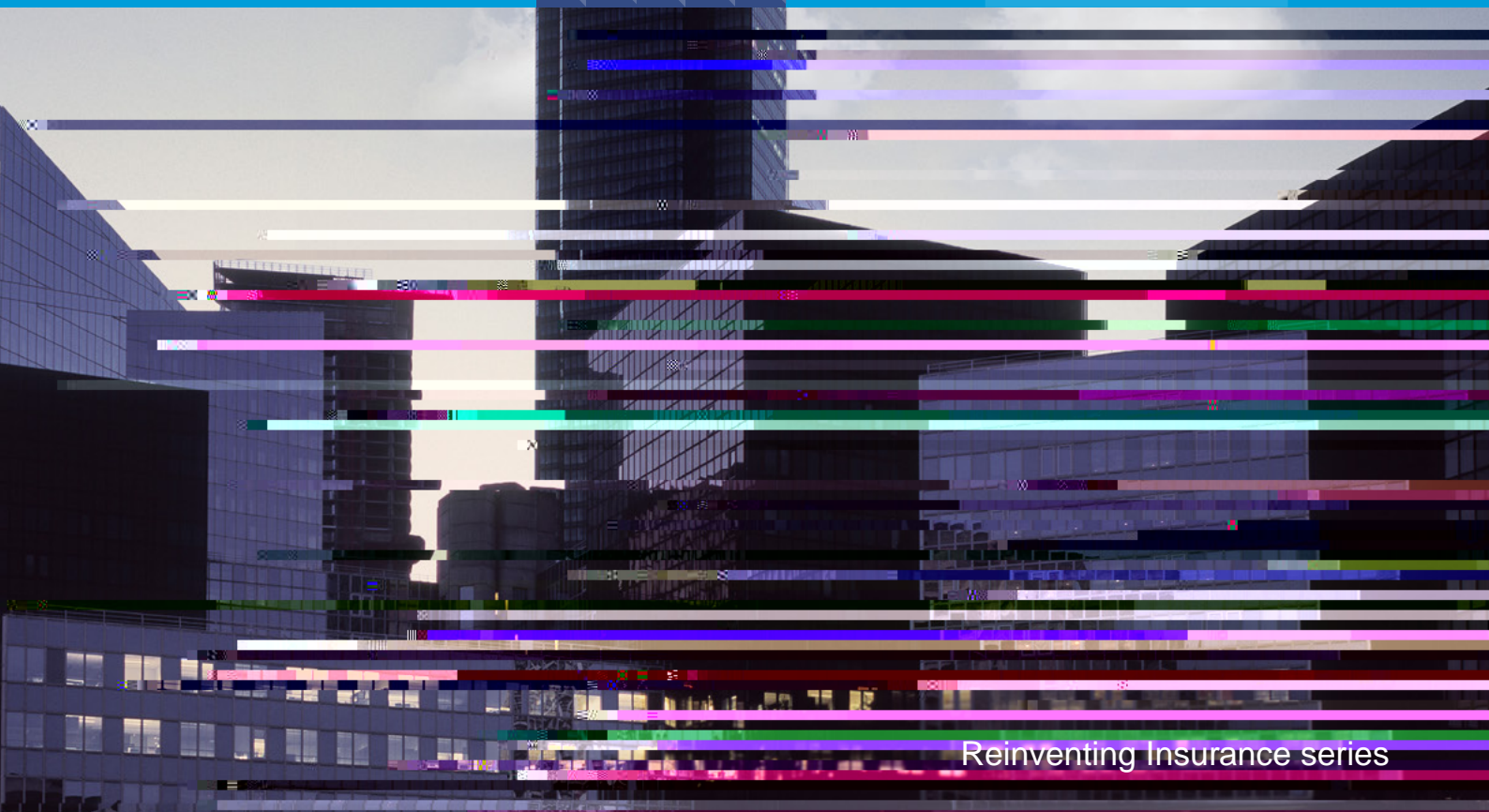




will web3 reinvent insurance?

Why it's time to pay attention



WEB3 introduction

What is the Web3 economy?



It's time to pay attention



:KLOH WKHUH LV VRPH K\SH VXUURXQGLQJ GLJLWDO DVVHWV GHF
and Web3, there is also substance that has the potential to fundamentally
WUDQVIRUP SDUWV RI RXU PRGHUQ `QDQFLDO V\VVHP

We believe it 'V WLPH IRU LQVXUHUV WR SD\ DWWHQWLRQ PLOOLRQ S
UHSRUWHG LQYHVWLQJ WUDGLQJ RU XVLQJ FU\SWRFXUUHQFLHV L
PLOOLRQ LQ { 9HQWXUH FDSLWDOLVWV DUH LQFUHDVLQJ WK
LQIUDVWUXFWXUH DQG :HE FRPSDQLHV 7KH 86 LV GHYHORSLQJ D

the underlying technology that allows data

WKDW LV DJUHHG WR DQG UHFRUGHG DQG GLJLWD

assets to be transferred without a central

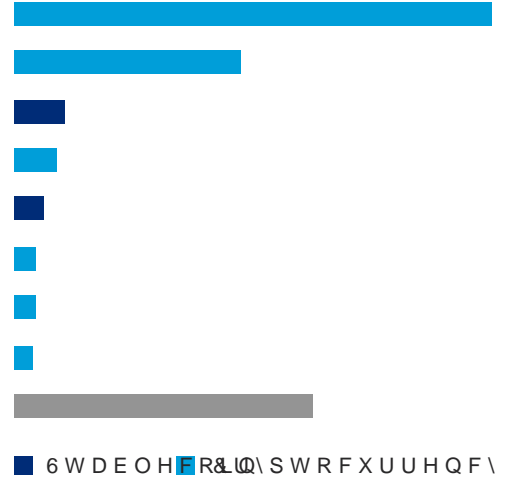
While there remain many scenarios for how the Web3 economy will evolve, in the last year there has been a step change in terms of FXVWRPHU GHPDQG YHQWXUH FDSLWDO 9& DQG LQVWLWXWLRQD DQG JRYHUQPHQW IRFXV ,QVXUHUV DUH DOVR LQFUHDVLQJ WKHLU with Web3, including exploring the development of innovative products and VHUYLFHV

Customer demand:



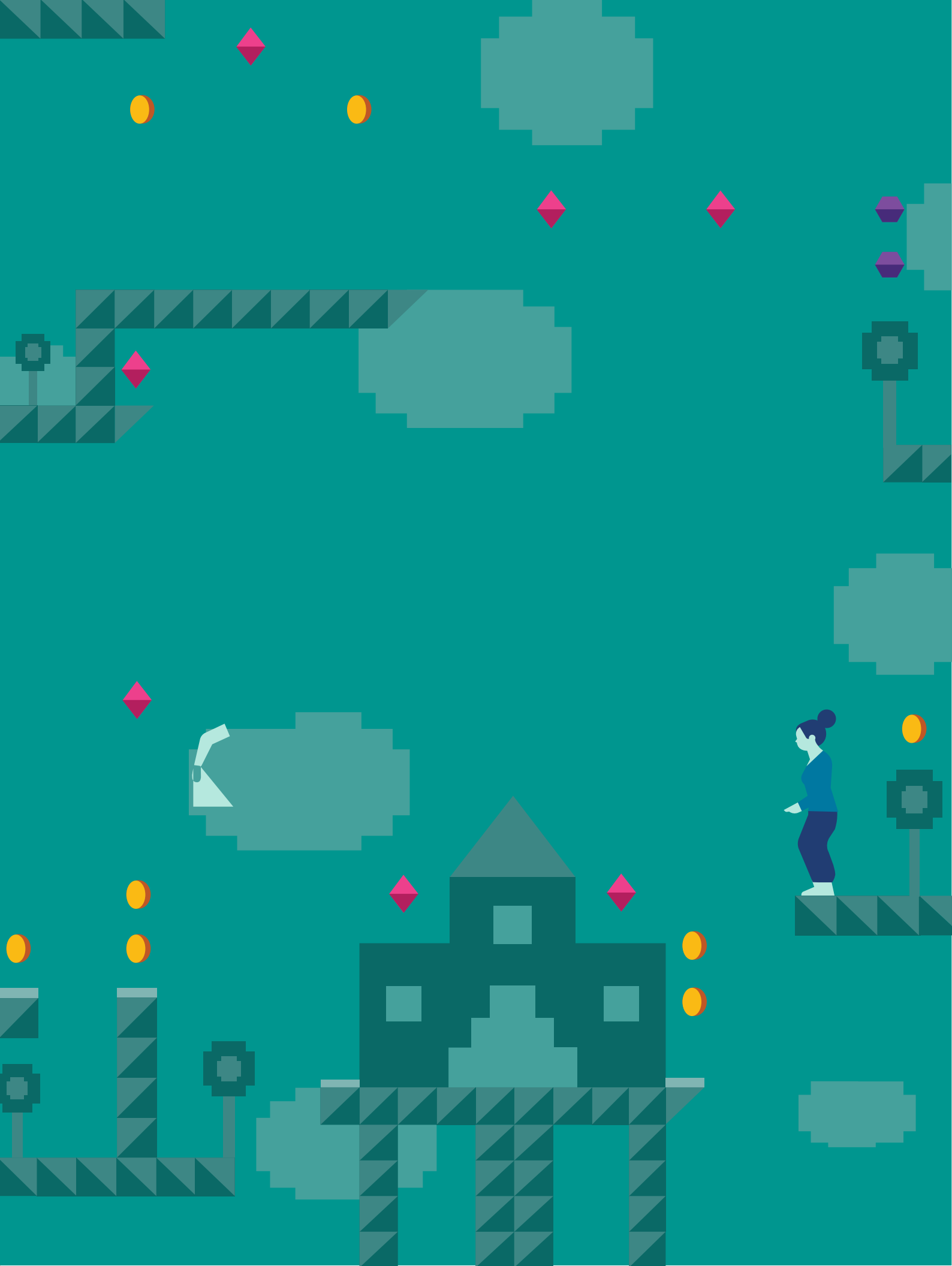


Rapid increase in Web assets



%o ® « 3 ¥ a £ ~ ... ¥ a 2 i - ° © i a ° ¥ a ° x i ™ i ž C economy





Is Web3 here to stay?

While there is some hype, Web3 technology is here to stay.

Critics of Web3 assert that it is more hype than reality, and that the wave of euphoria and attention Web3 has received will slowly recede if and when cryptocurrencies fall out of favor with investors.

Cryptocurrencies do play a critical role in the Web3 ecosystem as a store of value and a medium of exchange, and many of the most popular Web3 use cases have focused on cryptocurrency trading. However, the potential use cases of Web3 are

SRWHQWLDOO\ P X F K E U R D G H U D Q G F R X O G H Q F R P S D V V R W K H U
Ultimately, the technology of Web3 does not rely on the value of any one use case
R U F U \ S W R F X U U H Q F \ M X V W D V W K H ^ U V W L W H U D W L R Q R I W K H
success of any single website.

How big is Web3 anyway?

Web3 is currently relatively small, but has the potential to grow quickly if Web3 expands beyond early adopters.

The Web3 economy has a large and quickly expanding user base when taking into consideration the number of people engaging, using, trading, or investing in cryptocurrencies. There are

Web3 is going to be an increasingly large opportunity for insurers, and
we see two main dimensions painting the Web3 opportunity O D Q G V F D S H

Insuring the Web3 economy.



9LUWXDO
for 1)7V



YDXCHFHQWUDOLJHG
contract insurance

&URVV GLPHQVLRQ

opportunities



7KHIW LQVXUDQFH IRU
crypto exchanges

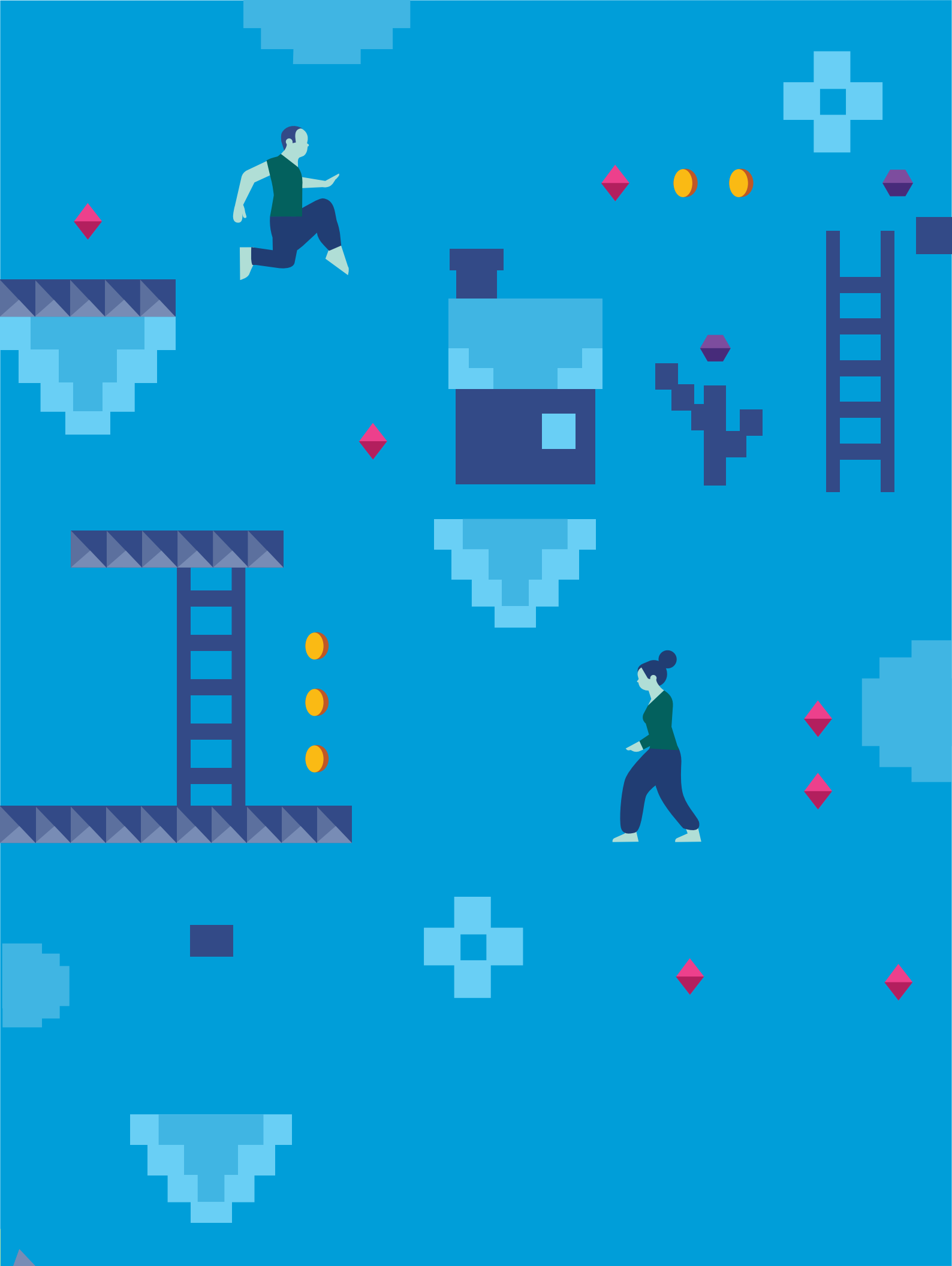


7UDYHO LQVXUDQFH
smart contracts



HFXIVLWUUDOLJHG
insurance platform





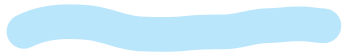
The Web3 economy is currently under-insured and has huge potential for future growth

6LJQL`FDQW XQPHW GHPDQG IRU LQVXUDQFH IURP UHW
LQVWLWXWLRQDO LQYHVWRUV DQG businesses

ET L\

:H H[SHFW WKHUH ZLOO EH WZR PDLQ FXVWRPHU JURXSU LQYHVWRU
EXVLQHVVHV LQWHUHVWHG LQ REWDLQLQJ SURWHFWLp

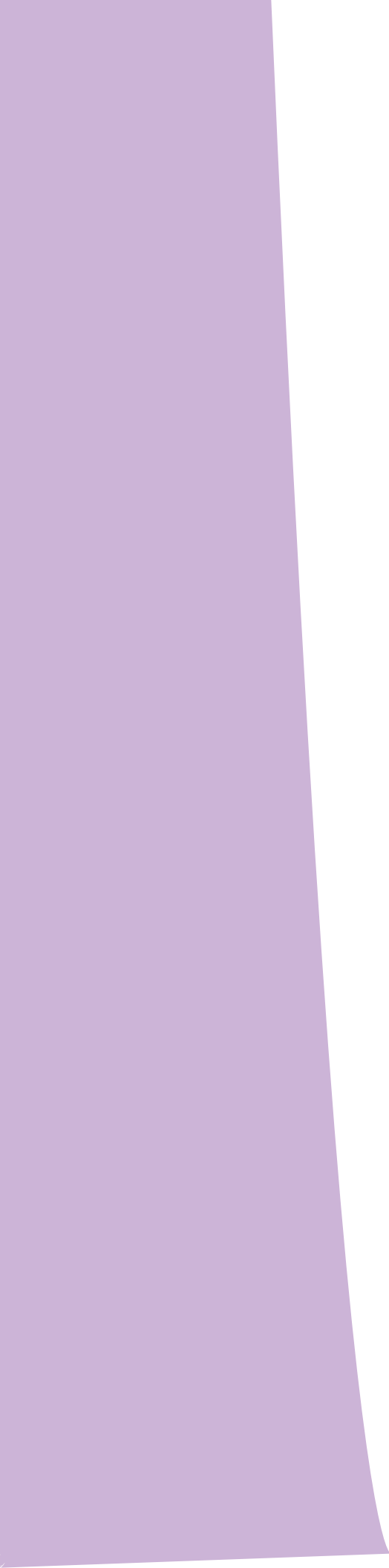
ELdÂVG...pYp0| L



6FRSH RI LQVXUDEOH :HE ULVNV DUH H[SHFWHG
WR LQFUHDVH RYHUtime

7KHUH DUH D EURDG UDQJH RI $\bar{QDQFLDO}$ DQG QRQ $\bar{QDQFLDO}$ ULVN
DVVHW KROGHUV DUH H[SRVHG WR





Opportunities in the UKRUW WHUP , QVXUHUV FDQ GHYHORS QHZ FXVWRPHU IRFXVHG YDOX propositions using Web3 capabilities

We expect that near-term opportunities to develop Web3-based customer value propositions will focus on policies that are easy to
WUDQVODWH LQWR VPDUW FRQWUDFWV SDUWLFXODUO\ SDUDPHW
FODLPV WKDW FDQ EH HYDOXDWHG XVLQJ GDWD IURP RUDFOHV)R
PD\ LQFOXGH ORZ GHQRPLQDWLRQ SROLFLHV H J FURS LQVXUDQ
HPHUUJLQJ PDUNHWV

\$V LQVXUHUV FRQVLGHU GHYHORSLQJ QHZ :HE EDVHG YDOXH SUR
LW ZLOO EH LPSRUWDQW WR IRFXV RQ WKH VSHFLF FXVWRPHU SU
EHLQJ DGGUHVHG DQG ZK\ :HE FDSDELOLWLHV DUH QHFHVVDU\
also need to consider their distribution strategy, including the tactical
details for how these policies can be purchased and how claims will be
SDLG)RU H[DPSOH ZH H[SHFW WKDW R@HULQJ HPEHGGHG LQVXU
SRZHUIXO H J OLQNLQJ VHHG SXUFKDVHV ZLWK LQVXUDQFH LQ V
case study illustrated EHZ

Case study: Lemonade Crypto Climate

[/HPRQDGHFHQWO](#)

Opportunities in the ORQJHU WHUP

7KH SRWHQWLDO WR UHLPDJLQH @bZs:HE EDVHG EXVLQ

:HE R@HUV WKH SRWHQWLDO WR UHLPDJLQH ZKDW LQVXUDQFH FR
ORRN OLNH 7RGD\ WKHUH LV D UDSLGO\ HYROYLQJ HFRV\ VWHP R
UDQJLQJ IURP QDVFHQW SODWIRUPV WR HPHUJLQJ SOD\HUV

%HORZ ZH IHDWXUH WZR FDVH VWXGLHV WKDW LOOXVWUDWH H[D
insurance business PRGHOV

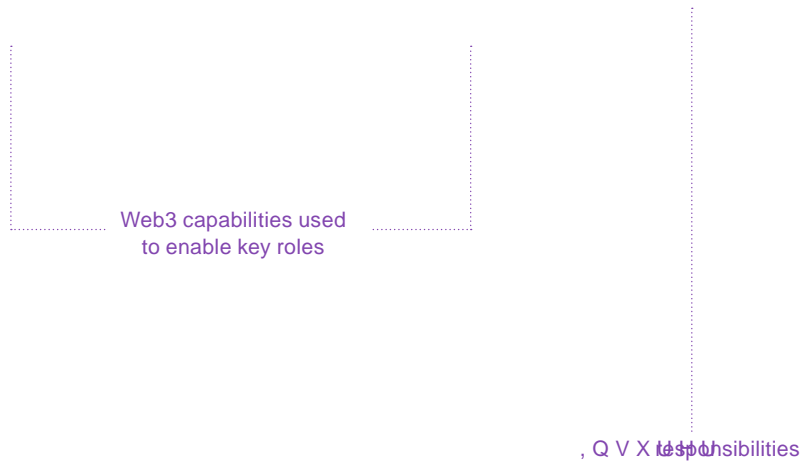
Etherisc LOOXVWUDWHV ZKDW LI DQ LQVXUHU DGRSWV WKH SODWIR
,Q WKLV VFHQDULR WKH LQVXUHU GH`QHV WKH IUDPHZRUN IRU LQ
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HFRV\ VWHP RI WKLUG SDUWLHV H J WKLUG SDUW\ GDWD SURYLQ
4 <004.1 <0022 <81 <61 <0048>60F00030 <00517.4<000.4 <00023.3 <005244>-13.70560057>-40

● Case study: Etherisc





[Nexus Mutual](#) LV D EORFNFKDLQ EDVHG PXWXDO WKDW R®HUV GHFHQ



Recap: Example Web3 insurer models

Description	9 DOXH FUHDWHG	([D P S O H
<p>3 ODWIRB BH provides a technical framework for own insurance products</p> <p>7 \ SLFDOO \ GH ^ QHV VSH H J SURGXFW GHVLJ license providers, distributors, LQYHVWRUV</p>	<p>' H P R F U D W L] D W L R Q R I</p> <p>Gift and/Who's Your own adventure" model</p> <p>Family/Fable Book into new ecosystem capabilities</p> <p>2 S S R U W X Q L W \ W R V S V S H F L ^ F Y D O X H F K D L Q H O H P H Q W V H J S U R Y L G H F O D L P V D G M X V W P H Q W D V D service"</p>	<p>R I Ethereum</p> <p>Most elements decentralized via blockchain-based technology</p> <p>* R Y H U Q D Q F H P D \ E H</p>
<p>0 X W X D D G H O \$ O O R Z V D F R P P X Q L W \ W \ S L F D O O \ : H E X V H U V risk for a given product type</p> <p>7 \ S L F D O O \ E R X Q G H G E of capital invested by the group</p>	<p>H P H Q W U D O L] D W L R Q H I</p> <p>WR pool of DQWO \ ORZHU</p> <p>Mutual model can create sense of community, potentially reducing fraud risk</p> <p>Marketplace-based pricing can enable coverage for hard-to-insure risks</p>	<p>H I R D E O X M X D O F R V W E D V H</p> <p>Products and governance fully or partially centralized</p> <p>Pricing, claims, investments are decentralized via blockchain-based technology</p>

Who is our target customer base? How will we communicate our value proposition to them?

: R X O G L W E H S R V V L E O H W R R @ H U W K L V S U R S R V L W L R Q Z L W K R technology? What is the unique (customer) value generated by using Web3?

How will customers purchase our product? How familiar will they need to be with Web3 capabilities?

What elements of the value chain do we plan to own/partner/ outsource (e.g., data, (f t)-10 (f t),7 (,)1

Conclusion: 4 KEY TAKEAWAYS

%DVHG RQ ZKDW ZH KDYH REVHUYHG WR GDWH DQG ZKDW ZH EHO

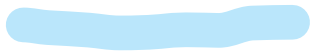


In short: it is time to pay attention.
The weeks, months and years ahead
are bound to present unprecedented
opportunities for insurers.



MEET OUR AUTHORS

Paul Ricard



2 O L Y H U : \ P D Q is a global leader in management consulting that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization W U D Q V I R U P D W L R Q