

## Insureum Protocol by ZIKTO | Fast Facts

### WHO IS ZIKTO?

*Zikto is a Korean startup company, ranked by Forbes as a top-10 Korean startup in 2017. Zikto started its first business as a wearable device brand in 2014. In 2017, Zikto extended their business unit to develop 'The Challenge', a multiple IoT device integration platform. Currently, Zikto is partnered with Korean insurance and financial conglomerates such as KB Financial Group, Kyobo Life Planet, and SK Planet and developing their own protocol to disrupt the insurance industry with blockchain technology. Insureum, a combination of Insurance + Ethereum, is the cryptocurrency that will be used in their Insureum Protocol*

### THE INSURANCE INDUSTRY NEEDS A REVOLUTION

How can traditional, slow-moving insurance companies create new cost-efficient processes and adapt to constantly changing market demand? Decentralization via the blockchain will give these companies a way to outsource costly manual processes like gathering and analyzing data, and stop falling behind.

The conservative insurance industry is at an impasse. Their growth has become stagnant due to shrinking and rapidly aging customer bases, costly manual processes and the changing lifestyles of new

generations who don't feel like they need insurance.

### (POOR) VALUE CHAIN INSURANCE

Meeting the needs and wants of younger groups of people presents a new challenge because of a lack of reliable data. However, the industry is not entirely at fault here. Insurers lack the fundamental statistics to create customized and relevant products for existing and potential policyholders.

After insurers create, market and sell insurance policies, there is a lengthy process known as underwriting, during which the provider decides whether to grant the insurance to the customer. Between underwriting and making a claim, insurance companies, inspectors and policy holders waste time and money making sure claims are valid and no fraud has been committed.

*"According to reports, these costs can be reduced by 30% by automating and digitizing the processes."*

It is extremely challenging (and expensive) for Insurance companies to be agile and create their own platforms to collect this necessary data and speed up underwriting. Furthermore, policyholders are reluctant to give away this personal information without any type of incentive.



## THE INSUREUM PROTOCOL

The Insureum Protocol uses blockchain technology to create a decentralized ecosystem that connects insurers, their policyholders, and third party developers. Blockchain-based tokens (Insureum) can be shared within this ecosystem to buy and sell anonymized data. Insurers get the data they need to create better policies. Developers are incentivized to connect apps to the Insureum Protocol. And policyholders are rewarded for sharing their anonymized data.

### INSUREUM

This is the cryptocurrency glue that connects it all together. Insureum is a cryptocurrency that is exchanged between insurance providers, developers and insurance users. It is most commonly transacted between data providers and data requestors. Users can sell it, and data providers can use it to buy more data.

Data is anonymized, but policyholders can use a personal key to grant access to insurance companies, allowing them to verify data provided before.

“Imagine an insurance policy that gives you cash back if you hit goals like walking 10,000 steps per day.”

### INSURANCE COMPANIES

Insurance companies will be able to create mini ecosystems that contain in-house and outsourced apps that accurately gather and analyze real data from (potential) policyholders. Being able to identify fraud by cross referencing transactions on the blockchain will also save time and money when it comes to underwriting and the claims process.

### DEVELOPERS

Insurance companies can now incentivize developers to connect their apps and devices to the Insureum Protocol. Insurance companies can finally tap into a broad network of health apps by working with developers and providing them with viable business models to monetize the data they get. Using Insureum and the Insureum Protocol, app and API developers will be able to create and fund a massive variety of new programs based on requests from insurers and policyholders.

### POLICYHOLDERS

The Insureum Protocol gives policyholders more power to choose plans that match their lives and an incentive to share their data. Insurance companies incentivise policyholders by rewarding them with tokens (Insureum) for their anonymized data. They can also save time and effort when making claims as most of the processes can be automated, using the smart contracts on the blockchain.

### THE CHALLENGE

In order to kick start and maintain the Insureum Protocol, Zikto will contribute its own data gathering and management resources, the widely-adopted ‘Zikto Walk’ and ‘The Challenge’.



In 2015, Zikto launched its 'Zikto Walk' wearable, which became incredibly popular among insurance companies looking to gather data about people's actual lifestyle habits.

Using what it learned, the team shifted its focus to providing data aggregated from multiple health apps to insurance and financial companies. This data feeds into Zikto developed node called 'The Challenge'. 'The Challenge' is a platform that tracks activities from a range of wearable devices via an API and gives insurance companies a never before seen

insight into how their customers and potential customers use insurance.

With The Challenge, insurance companies can efficiently setup and maintain their own data gathering platform. Insurance companies only need to pay 70¢ per customer, per year, rather than the estimated \$3 million cost to set up a similar platform without blockchain. The Challenge will also be an efficient option for insurers who want to gather and refer to specific PHRs (Personal Health Records) but don't have their own platform.

## INSUREUM PROTOCOL WILL REVOLUTIONIZE THE INSURANCE INDUSTRY.

So what does a modern insurance industry running on Insureum Protocol look like? These are four main features that future insurance products will have to focus on:

### MICRO INSURANCE

(Short-term, specific coverage)  
Policyholders can instantly take out and record new policies on the blockchain. This is especially useful for young people travelling or who about to engage in high risk activities like rock climbing or hangliding.

### USAGE BASED INSURANCE (UBI)

Third generation UBI telematics inside your car check how you drive (braking hard, swerving) and will reward you if you drive safely. Even 'risky' elderly drivers can get access to lower premiums if they can prove that they are still actually good drivers.

### RISK PREVENTION

The claims industry is incredibly risk prone and spends over \$2 billion a year to identify fraud. Automated transactions and data flow are secure, credible and totally decentralized and no one party is responsible for the surveillance of a majority of the data.

### P2P INSURANCE

Traditionally, insurance companies must go through a lengthy and expensive underwriting processes. Now, rather than waiting for pricing, underwriting and inspection, plans can be securely created, reviewed and delivered to policyholders.



## TRACTION AND THE FUTURE

The team has been hard at work on the Insureum Protocol token sale project since October 2017. They've already raised \$3.2M USD in seed and Series A funding and have secured a 5-year contract with KB Kookmin Card (국민카드), one of Korea's largest credit card companies.

### TOKEN SALE DETAILS

**Token name:** Insureum (ISR)

**Total Token amount:** 297,000,000

**Crowd sale amount:** 193,050,000 ISR

**Token price:** 11,000 ISR per 1 ETH

**Accepting currency:** Ethereum

**Sales start date:** May 30th

### TEAM

**Ted Kim** is the co-founder, CTO and co-CEO of Zikto. He focuses on the development and engineering behind the Insureum Protocol. Prior to founding

Zikto, Ted worked in the 'Future Device Lab' at LG Electronics specializing in machine and deep learning. Ted majored in both electrical engineering (BA) and computer engineering (MS) at Purdue University.

**David Suh** is the co-founder, CFO and co-CEO of Zikto. He is in charge of the financial management, fundraising, and business development at Zikto. Prior to founding Zikto with Ted, David worked as a proprietary trader at Shinhan Investment Corporation and as an Analyst at Sears Holdings. David holds a BA of business administration from Purdue University.

### Contact channels

Medium: [https://medium.com/@insureum\\_zikto](https://medium.com/@insureum_zikto)

Telegram: <https://t.me/insureum>

Facebook: <https://www.facebook.com/insureum>

Website: <http://insureum.co/>

Twitter: @insureum\_zikto



# INSUREUM