

Fronsure · New Generation **Insurance infrastructure**

White Paper



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01

Industry Insight- Scale, Trends and Structural Pain Points



- **Industry Scale: Explosive Growth of Blue Ocean Market**
-

Explosive growth



2024:

\$1.65 billion (benchmark), with digital asset insurance accounting for 42%, P2P insurance for 28%, parameterized insurance for 15%, and the remaining 15% for other types

2035:

\$110.1 billion (projected), with digital asset insurance rising to 55% and parametric insurance accounting for 22%

Compound Annual Growth Rate (CAGR):

46.5% (2025-2035), with 2025-2028 being the high-growth period (CAGR 52%) and 2029-2035 being the stable growth period (CAGR 41%)

- Regional Market Analysis: **Dual Engine Driving Force + Policy Environment Comparison**

region	Market Size (2024)	2025-2030 CAGR	core policy environment
North America	\$780 million (47%)	43%	US: Digital Asset Regulatory Framework Gradually Clear (SEC Compliance Guidelines); Canada: Support DeFi Innovation Sandbox
Asia-Pacific	\$570 million (34%)	51%	Singapore: MAS Digital Asset Services Permit (VASP); Hong Kong: Virtual Asset Insurance Compliance Sandbox; India: No explicit ban, market growth driven by self-regulation
Europe	\$210 million (13%)	45%	EU: MiCA regulatory framework implemented, clarifying compliance requirements for digital asset insurance
Other regions	\$90 million (6%)	38%	Policy is vague, and the market is growing spontaneously

- **Industry Pain Points: Four Structural Difficulties of Traditional Insurance**

Pain Point 1: Complex Processes and Low Efficiency

Key features: The insurance application process takes an average of 3–7 days, with claims review taking 15–30 days on average. Manual review accounts for over 70% of the total.

Market impact: 23% of users have left the platform, and small and medium-sized clients show low willingness to purchase insurance.

Opportunity: Automate processes to increase efficiency by more than 10 times and reduce operational costs by 40%–60%

Pain Point 2: Information Asymmetry and Insufficient Transparency

Key issues: High costs for policy clause interpretation, opaque claims decision-making processes, and dispute rates of 8%–12%.

Market impact: Low user trust, with a repurchase rate below 50%

Opportunity: On-chain transparency can reduce dispute rates to below 1% and increase repurchase rates to over 80%.

Pain Point 3: Challenges in Cross-border and Emerging Asset Risk Coverage

Key findings: The insurance coverage for digital assets is below 10%, and the claim settlement success rate for cross-border logistics insurance is only 65%.

Market Impact: New Asset Risk Coverage Gap Reaches US\$800 Billion per Year

Opportunity: Targeted products can rapidly capture untapped markets, demonstrating significant first-mover advantages.

Pain Point 4: High Trust Cost

Key metrics: 100% institutional credit reliance, average dispute resolution time 90 days

Market impact: The customer acquisition cost (CAC) is 3–5 times higher than that of internet products.

Opportunity: Code trust can reduce CAC by over 50% and build a barrier for user retention

- **Industry Trend: Three Evolution Directions of Decentralized Insurance**



Technology integration:

Blockchain + AI + IoT enables precise risk pricing and real-time monitoring



Scene extension:

From digital assets to physical scenarios (logistics, energy, gold)



Ecological synergy:

Deeply integrated with DeFi, NFTs, and the metaverse ecosystem, forming a closed-loop system of "security + finance"

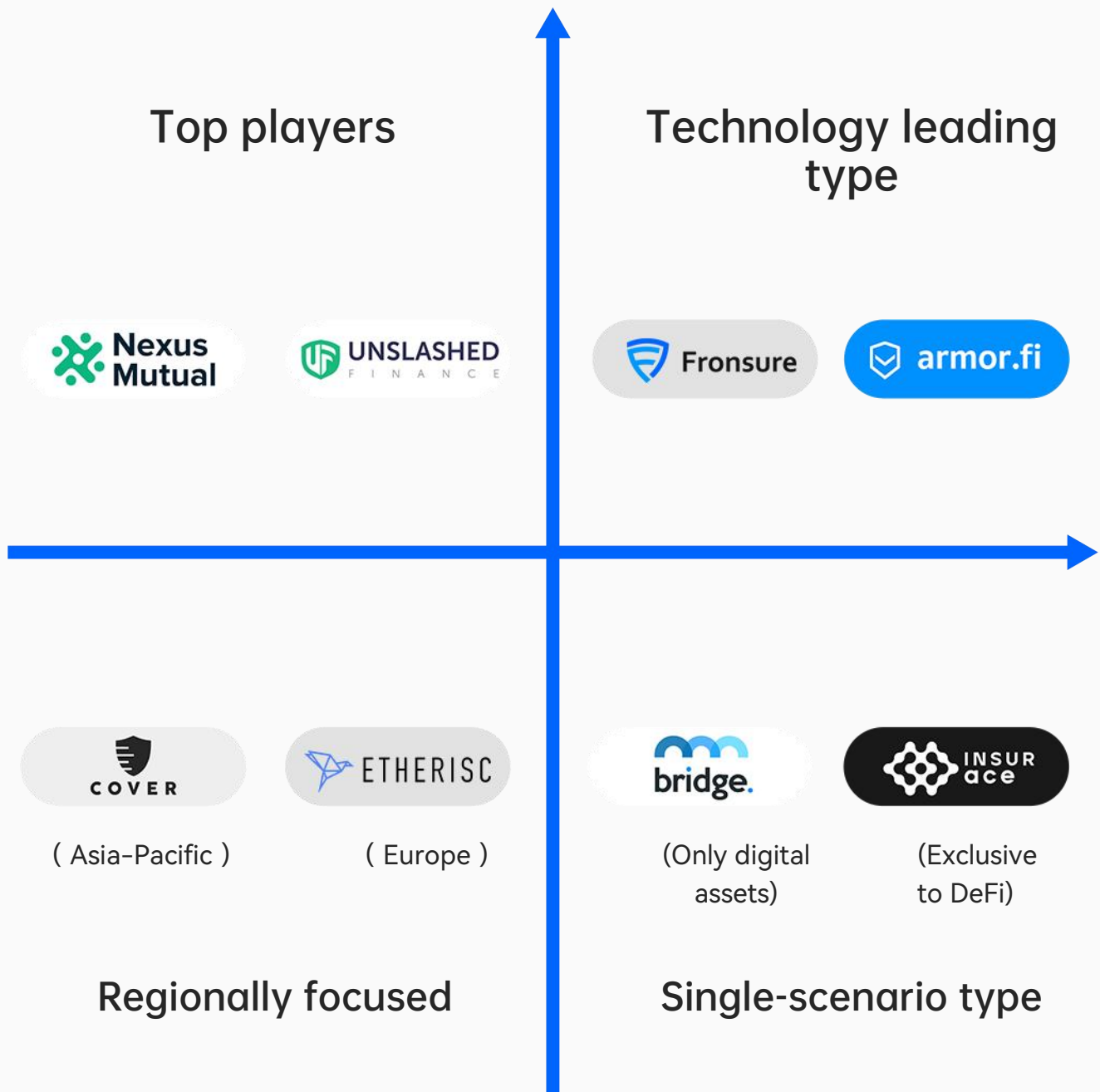


02

Analysis of competitive landscape- Market Players and Differentiated Positioning



- **Market Competition Map (Decentralized Insurance Track)**



• Core Competitor Comparison

Fronsure

Contrast dimension	Fronsure	Nexus Mutual	Unslashed Finance
founding time	2025	2018	2020
core product	Full-scenario coverage (6 major categories)	Digital Assets + Smart Contract Insurance	Digital Assets + DeFi Insurance
technology architecture	cross-chain compatibility	Ethereum single chain	Ethereum + Binance Smart Chain
governance model	Pure DAO governance	semi-DAO governance (core team decision-making)	semi-DAO governance
market coverage	the whole world	North America + Europe	North America is the main region.
Compliance progress	US MSB compliance filing	SEC filing	Compliance with EU MiCA
Core weaknesses	Brand awareness needs improvement	Single product + low claims efficiency	Weak cross-chain capability

- **Fronsure Differentiated Positioning: A Decentralized Insurance Infrastructure with Full-Scenario and Cross-Chain Compatibility**

Through cross-chain protocol architecture, modular insurance contracts, and DAO governance mechanisms, Fronsure is designed to provide a unified, scalable, and verifiable risk protection framework for both the digital economy and physical industries.



Technical barrier :

Cross-chain compatible architecture + AI security risk control system



Ecological barriers:

DAO governance + revenue sharing mechanism



Scene barriers:

6 major categories fully covered, pioneering the integration of physical and digital scenarios

03

Company introduction Company Profile and Core Business



• Development history

The core team comprises seasoned professionals from Coinbase, AIG, and Google AI, with an average of over 8 years of experience.

Develop cross-chain compatible core modules

The test network went live, successfully completing tens of thousands of simulated claims.

Fronsure Limited was officially established in California, USA.

2022

2023

2024

2025



Company profile

- As a global leader in decentralized insurance infrastructure, we leverage blockchain technology to redefine trust mechanisms and service efficiency in the insurance sector, building a comprehensive insurance ecosystem tailored for both digital and physical scenarios.



Mission :

Reinventing insurance trust through technology, enabling global users to enjoy fair, efficient and inclusive protection services



Vision :

Build a new generation of insurance infrastructure with decentralized, globally accessible, transparent rules, and code-based trust to truly adapt insurance to the development of the digital economy and future society.



Sense of worth :

Transparency (verifiable on-chain, no information black box), Innovation (technology-driven product iteration), Inclusiveness (reduced participation barriers, covering vulnerable groups), Responsibility (sustainable development + public welfare empowerment)

Global Compliance Strategy

Compliance strategy: "[Regional adaptation](#) + [Global collaboration](#)"
Adapt product formats and operational models to different markets,
with compliance as the top priority.



04

Project Introduction Platform Advantages and Highlights



Platform Overview

- Fronsure is a blockchain-based decentralized insurance protocol designed to address the structural pain points of the traditional insurance industry through rule codification, process transparency, and automated execution. It provides global users with comprehensive risk protection services covering both digital assets and physical scenarios.



Fronsure

Core value proposition

Core pain points	Fronsure Solution	User Core Value
complex process and low efficiency	No intermediary, automated process. Policies take effect immediately with automatic claims.	Increase insurance/claims efficiency by 10 times and reduce time cost by 80%
information asymmetry, lack of transparency	Full-process blockchain recording, transparent rules, and traceable, auditable data	Reduce the dispute rate to below 1% and zero trust cost
New Assets / Cross-border Risk Coverage Difficult	Full-scenario product matrix with no geographical restrictions and cross-asset compatibility	Covering over 80% of unaddressed scenarios in traditional insurance
High cost of trust-based agency	The code protection rule is enforced without relying on third-party credit	90% reduction in participation threshold and improvement in inclusiveness

Core business scope

01

Insurance product development:

Comprehensive insurance solutions for digital assets, health travel, supply chain logistics, gold, crude oil, and renewable energy

02

Blockchain-based insurance agreement operations:

Maintaining the capital pool, claim settlement mechanism, and ecosystem coordination of decentralized insurance platforms

03

Global Compliance and Market Expansion:

Promote multi-regional regulatory compliance and expand global users and corporate clients

04

Ecological cooperation and empowerment:

Provide customized insurance API services and risk solutions for Web3 projects and traditional enterprises

- # Platform Features



- ## 1.Full-scenario risk coverage

Breaking down the barriers between digital assets and physical scenarios, it covers six core insurance categories, addresses over 80% of unmet needs in traditional insurance, and accommodates more than 90% of emerging risk demands.

- ## 2.Global Inclusive and Borderless

No geographical restrictions, low participation threshold, and equal access for global users.

- ## 3.Transparent, efficient, and verifiable

All policy terms, transaction records, and claims processes are fully transparent on the blockchain, with results traceable. Users can verify rule execution without relying on institutions, ensuring 100% claim transparency.

- ## 4.Accurate risk matching

Dynamic pricing based on scenario risk levels supports customized protection plans.

• Core advantage

Yield and profit

Enable you to vote on claims and earn from claim assessments, and grant you access to all returns from on-chain investments in pooled funds.

Cross-chain compatibility

It supports multiple blockchain networks to ensure every user can access services that interest them. Compatible with mainstream blockchain platforms including Ethereum, Solana, Binance Smart Chain, and Polkadot.

DAO administer

A truly decentralized ecosystem with user governance.

05

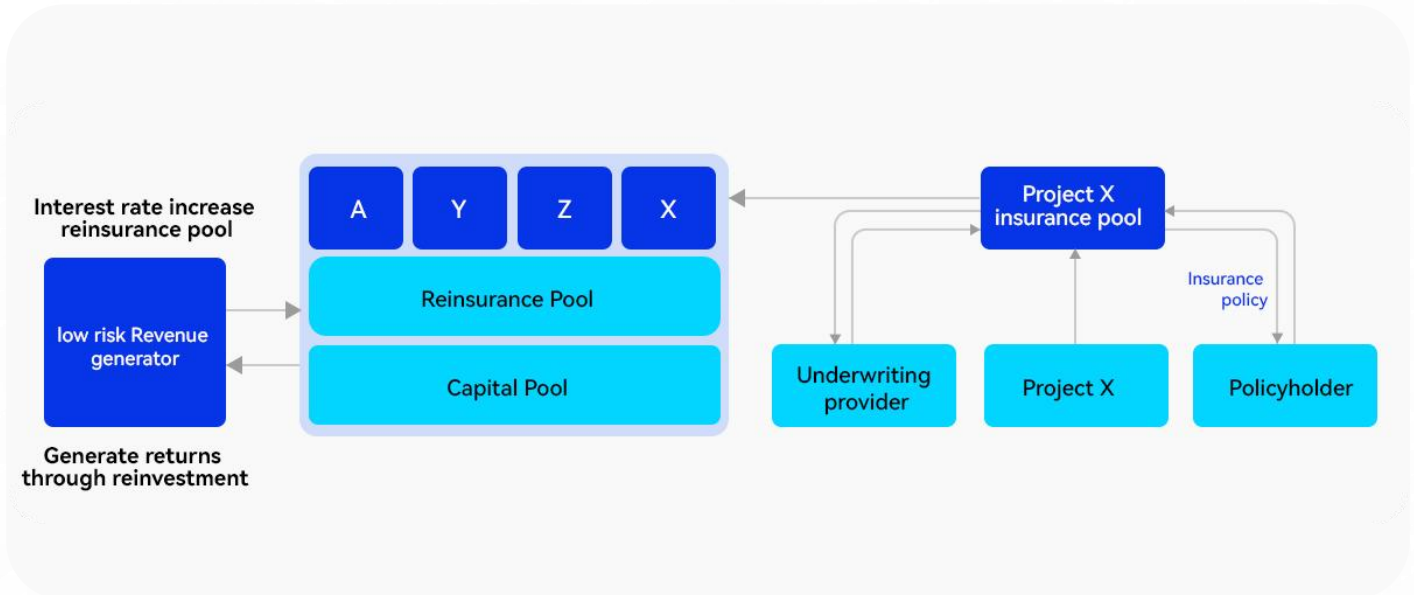
Business ecosystem modeling

Profit Model and Value Cycle



• Business model

Through the dual income sources of "insurance premium + investment returns", the positive cycle of ecological funds is achieved, where users serve as both consumers and profit-sharing participants.

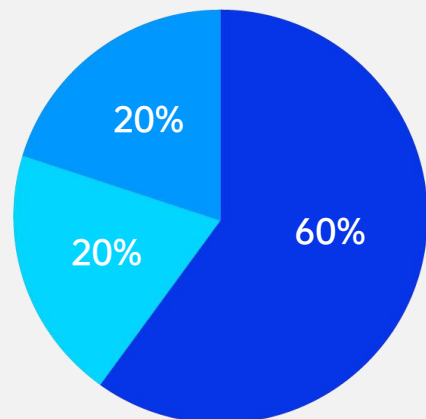


Funding flow and allocation ratio:

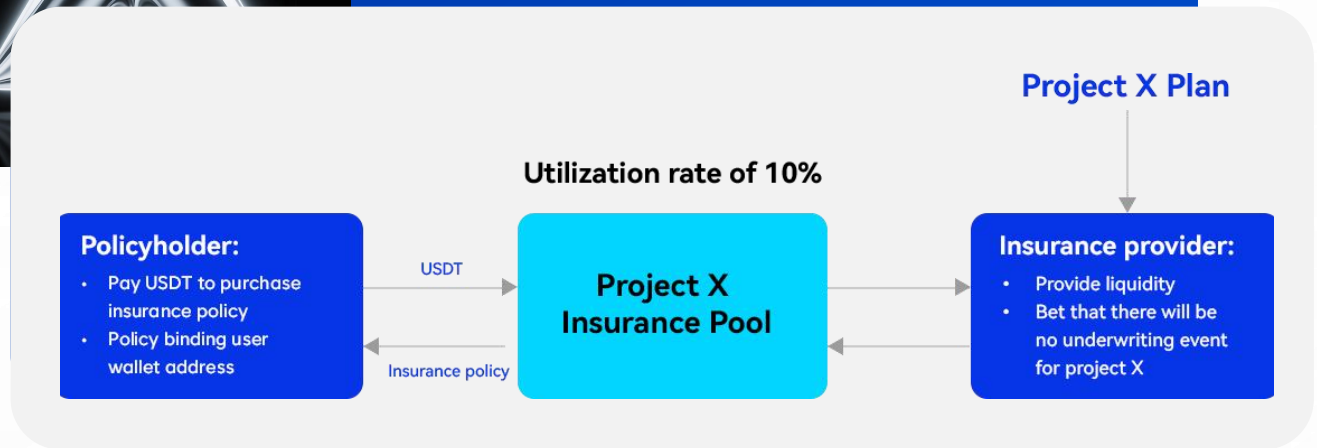
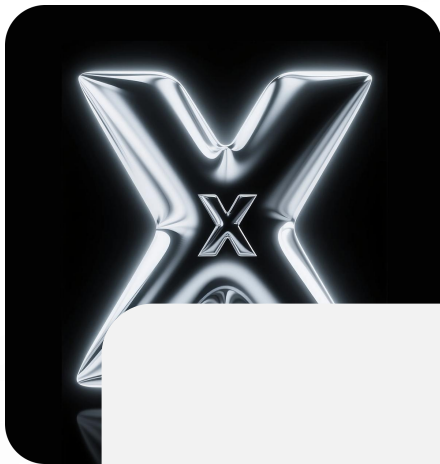
Policyholders pay USDT to purchase policies (100% into the insurance pool)

Insurance pool fund allocation:

- 60% for claims reserves
- 20% to the reinsurance pool
- 20% to the revenue generator



• Project X Pool



Policy holder :

Pay USDT to purchase the policy, bind your wallet address (unique identifier), and enjoy coverage services + profit sharing

Insurance provider:

Place bets on uninsured events to earn liquidity gains and claim assessment vote benefits

Risk Management :

The single policyholders coverage limit is capped at 5% of the insurance pool size to prevent large claims from overwhelming the system.

- ## Reinsurance pool

a capital pool funded by self-held agreements, community donations, and ecological revenue



Core Features

diversification
of risk

The reinsurance pool automatically replenishes when the claim amount of a single insurance pool exceeds 50% of its reserves.

premium
optimization

Through the scale effect of the capital pool, reduce user premiums by 20%–30% (based on actuarial models)

liquidity
guarantee

Ensure solvency in extreme market conditions, with a solvency adequacy ratio target of $\geq 150\%$

06

Product matrix and application scenarios Full track coverage strategy



Product matrix strategy framework

With digital asset insurance as the core anchor, real-world scenario insurance as the growth engine, and high-potential sectors as future strategic focus, we are building a comprehensive insurance ecosystem that spans both the digital economy and physical industries. This strategy aims to achieve the strategic goals of seamless scenario coverage, full user reach, and end-to-end value chain integration.



• Core Product Analysis

product type	Target customer group	Market Size (2024)	2025-2030 CAGR	Core Assurance Scenario
digital asset insurance	Web3 users and digital asset institutions	693 million dollars	55%	Theft, technical failures, and hacker attacks
Health and Travel Insurance	Cross-border business travelers, digital nomads	248 million dollars	48%	medical expenses, travel delays, lost luggage
Supply Chain and Logistics Insurance	Cross-border e-commerce, logistics companies	165 million dollars	42%	loss of goods, delay in shipment, customs clearance risk
gold insurance	Gold investors, jewelry companies	116 million dollars	38%	Theft, price fluctuations, and storage risks
crude oil risk insurance	Energy companies, commodity traders	83 million dollars	35%	Transportation risk, price fluctuation, and geopolitical factors

- **Ecological coordinated layout**



- By sharing capital pools, reinsurance pools, and user ecosystems across products, we reduce risk volatility from individual products and enhance overall risk resilience.
- Provide security for DeFi protocols to attract users, while offering asset protection for NFT projects to enhance their value.
- It provides risk hedging tools for logistics enterprises and optimizes their customer service; it reduces project risks for energy enterprises and attracts investment.

07

Core Technology Section: Overall Technical Architecture



Smart contract

The modular architecture of "core contract + function module contract" ensures clear logic, maintainability, and upgradability.

1. Core Contract:

fund management contract, policy management contract, claim settlement contract, reinsurance contract

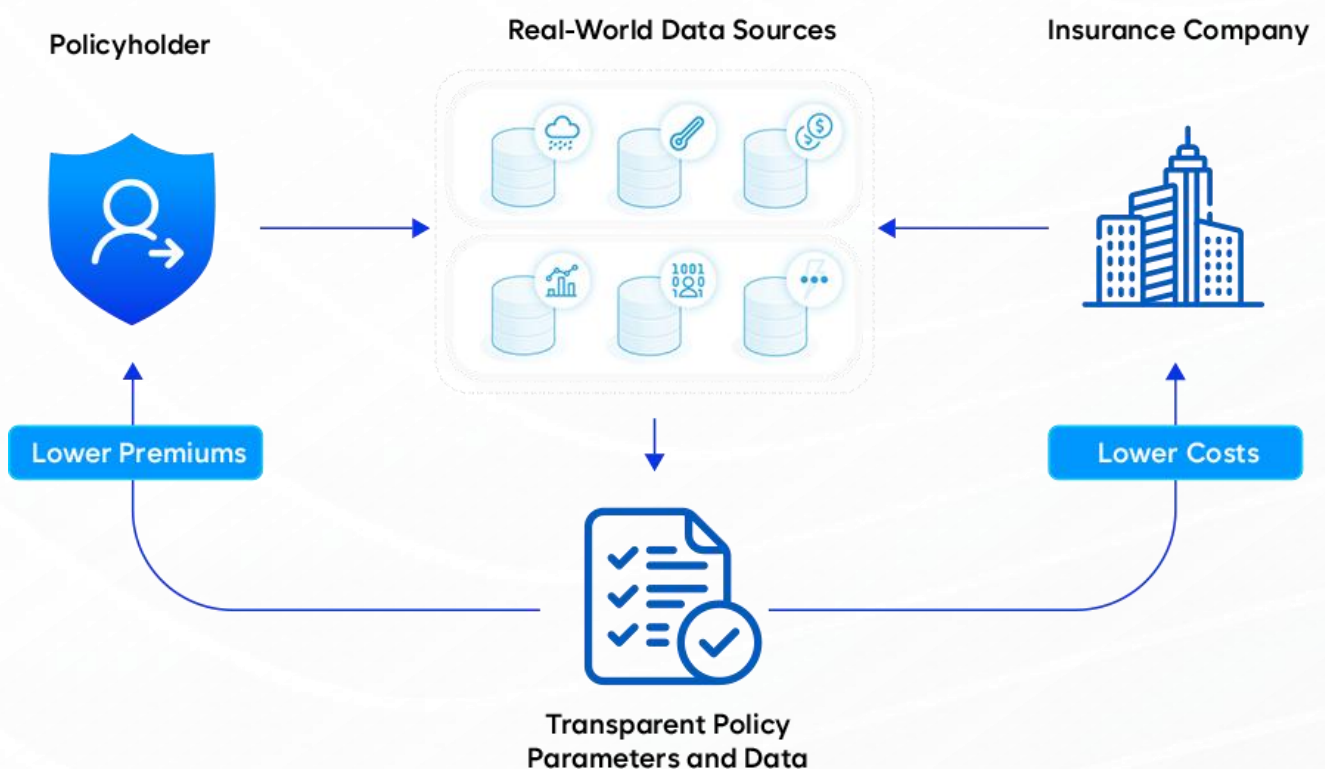
2. Function module contract:

rate calculation module, risk assessment module, revenue distribution module

3. Upgrade mechanism:

The design combines proxy contracts with time locks, requiring DAO voting for contract upgrades to ensure transparency and controllability.

Realigned Incentives



- # Cross-chain compatibility technology

The hybrid architecture of "Universal Cross-Chain Protocol + Heterogeneous Chain Adapter Layer" resolves protocol differences, data synchronization, and asset transfer challenges across diverse public chains.



Cross-chain communication:

The LayerZero-based Omnichain Fungible Tokens (OFT) protocol enables seamless cross-chain asset transfers, while the Polkadot XCMP protocol facilitates instruction exchanges between heterogeneous chains (EVM/non-EVM).

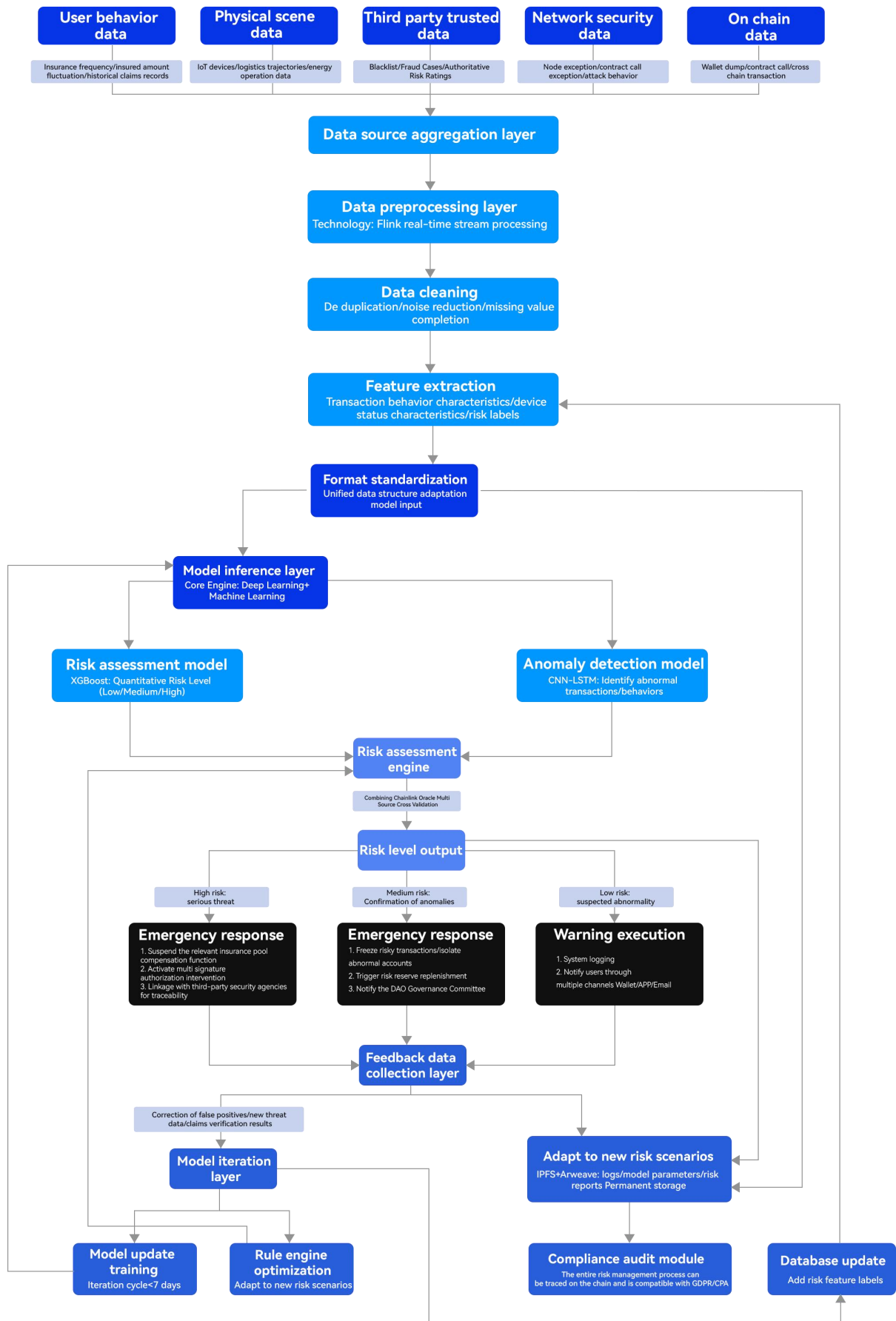
On-chain state synchronization:

The "Optimistic Verification + Multi-signature Confirmation" mechanism ensures cross-chain data consistency and keeps synchronization latency under 30 seconds.

Contract adaptation:

Develop a cross-chain contract abstraction layer to eliminate syntax differences across public chains, thereby reducing R&D costs for multi-chain products.

AI-driven security risk control system



08

insurance operating
mechanism

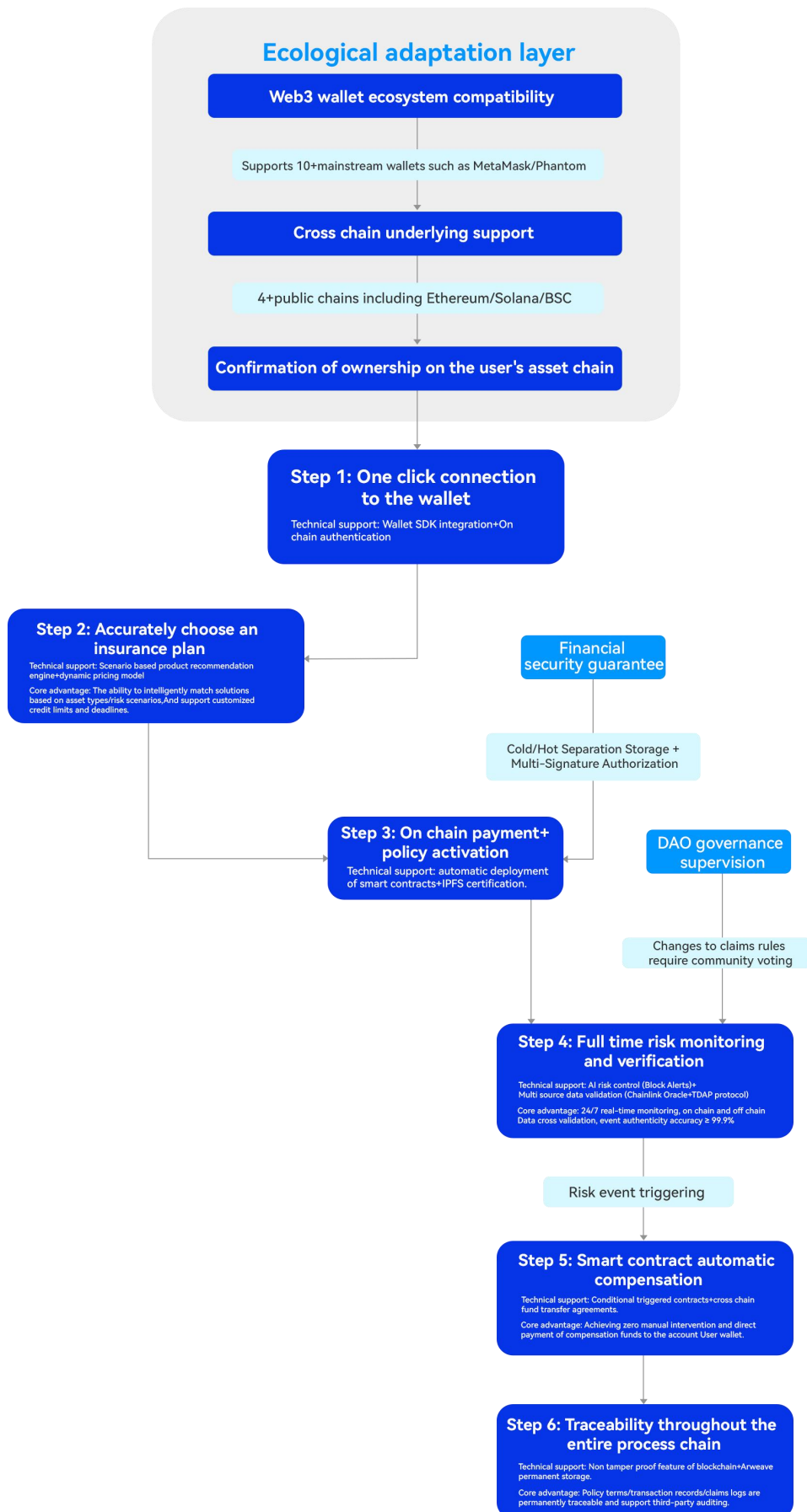
decentralized full-process
automated closed-loop



Core Mechanism Positioning

Fronsure Insurances operational mechanism centers on "on-chain, automated, and verifiable" principles. By deeply integrating blockchain, smart contracts, multi-source data verification, and AI-powered risk control, it restructures the traditional insurance workflow—from policy application to underwriting, monitoring, and claims settlement—creating a decentralized insurance service closed loop that achieves "zero manual intervention, full-chain transparency, and high security and trustworthiness." This innovation effectively addresses the pain points of traditional insurance processes, including complexity, inefficiency, and high trust costs.

Flow Description



- ## Core safeguard mechanism

Capital pool isolation: Different insurance products operate with independent capital pools to prevent risk transmission from a single product.

Smart contracts cannot be tampered with:

Once the policy terms are written into the contract, they can only be upgraded through DAO voting, preventing unilateral rule changes.



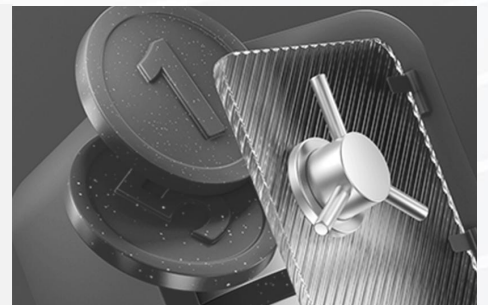
Dual risk control verification:

AI risk monitoring + multi-source data verification ensures the authenticity and validity of risk events, with a false claim approval rate $<0.01\%$



Reinsurance pool hedge:

When the claim amount of a single insurance pool exceeds 50% of the reserve, the reinsurance pool automatically replenishes funds to ensure the ability to pay claims.



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DAO Governance and Ecological Mechanism: The Core of Co-construction of Decentralized Insurance

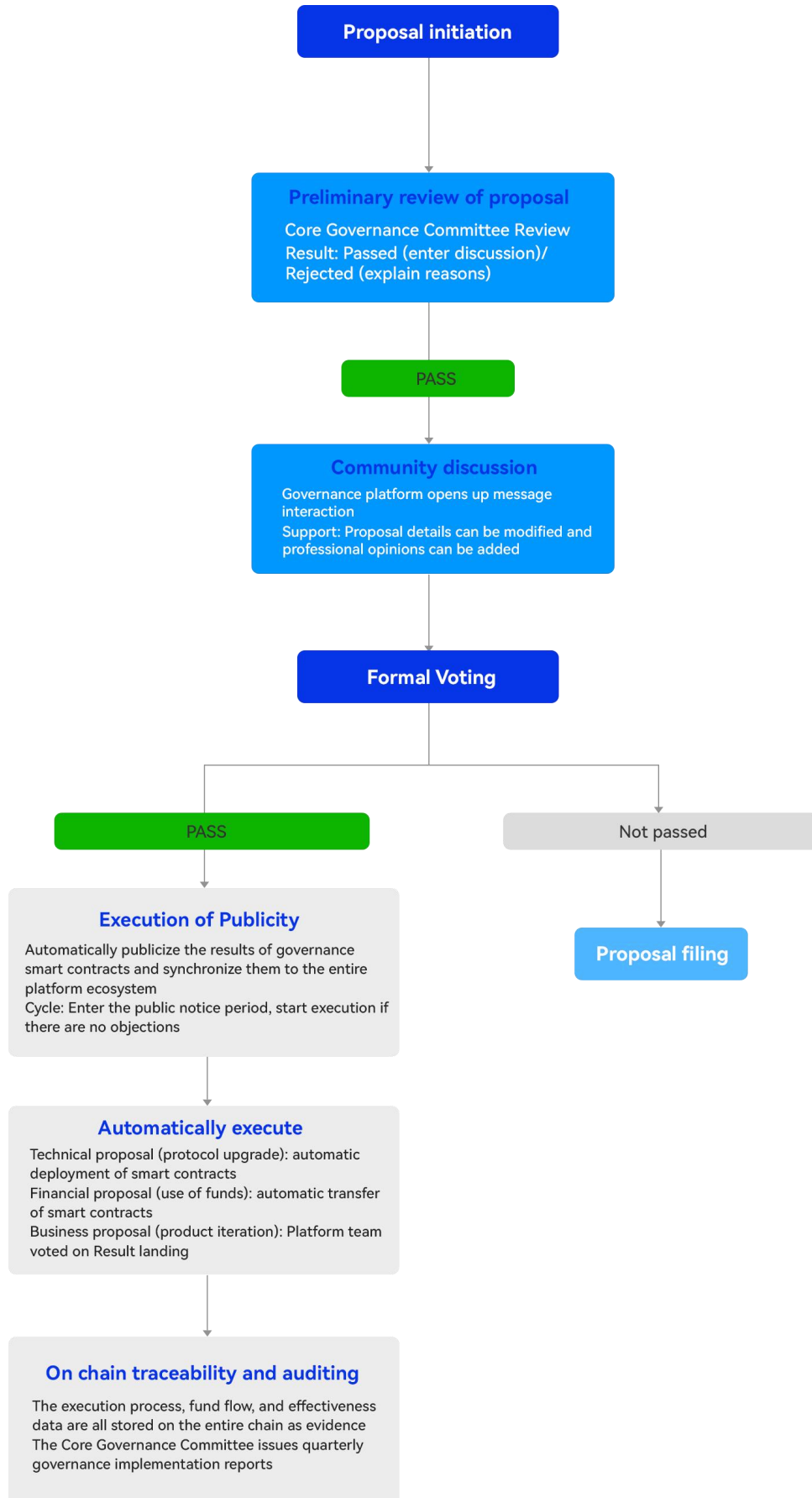




- **DAO-driven autonomous ecosystem engine**

Fronsure DAO operates on the principles of "community-led governance, transparent co-governance, and value-sharing," fully empowering users with platform governance rights. It establishes an ecosystem of self-governance featuring decentralized decision-making, traceable execution, and rewarding contributions. More than just a rule-making body, it serves as a vital nexus connecting users, developers, and partners. This ensures Fronsure consistently addresses community needs, embodying its decentralized ethos of "co-creating with the ecosystem and serving the ecosystem" —a philosophy deeply aligned with the platform's core values of transparency, efficiency, and verifiability.

Governance process: fully automated closed-loop on-chain



- Partnership Program for Ecological Co-creation

FRONSURE

1. Developer ecosystem:

Open-source core technology modules (cross-chain adapter layer, data validation protocol), providing development documentation and testing resources, with high-quality projects selected for incubation support through DAO voting

2. Web3 Ecosystem Synergy:

Collaborate with DeFi protocols, NFT projects, and metaverse platforms, where DAO voting determines partnership priorities and incentive schemes to achieve an ecosystem synergy of security + finance.

3. Traditional Industry Ecosystem:

Collaborate with logistics companies, energy project partners, and gold trading platforms to develop industry solutions, select top-tier partners through community voting, and share ecosystem benefits.

4. Regional node layout:

Establish community nodes in key global regions (North America, Asia-Pacific, Europe), elected by local communities, to manage regional market operations, user services, and compliance coordination.

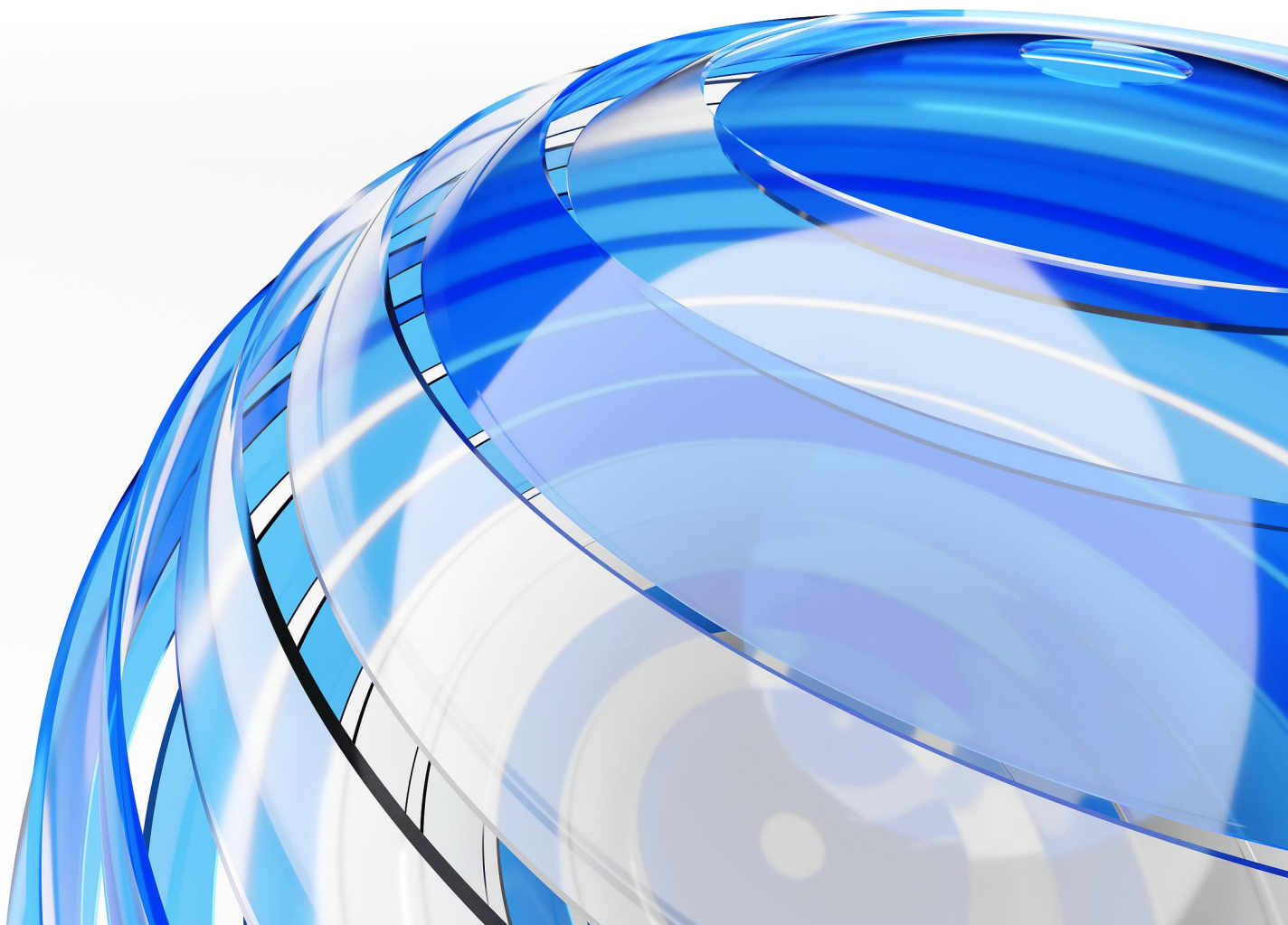
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Social Responsibility and Sustainable Development: Decentralized Insurance Ecosystem with Technology for Good



Based on technology, we practice the responsibility and mission of "**Inclusive + Green + Transparent**"

Fronsure embeds social responsibility at the protocol layer of its platform, guided by the principles of "technology for good, inclusive coexistence, and sustainable development." It transforms the technological advantages of decentralized insurance into social value, creating an ecosystem where commercial and social values coexist synergistically. This not only forms a key component of the platforms competitive differentiation but also embodies the vision of "adapting to the digital economy and future society," ensuring that insurance technology genuinely serves the well-being of humanity and the planets sustainable development.



Core logic of responsibility system

The underlying logic: By leveraging blockchains transparency and traceability, smart contracts automated execution, and DAOs decentralized governance, it addresses the pain points of traditional public welfare initiatives—such as fund misappropriation, inefficiency, and lack of transparency.

The value loop: Commercial ecosystem profits support public welfare and green initiatives, while these initiatives amplify the ecosystems influence and attract diverse users, creating a virtuous cycle where business empowers responsibility, and responsibility nourishes business.

The core mission is to transform insurance into a universal welfare tool, a catalyst for green transition, and a transparent public welfare vehicle, realizing the vision of technology with warmth, protection without boundaries.

• Sustainable Development Fund

Blockchain Insurance Driven "Green Financial Engine"

With a focus on the global dual carbon goals, we support environmentally friendly projects and the new energy industry by leveraging insurance innovations to mitigate risks of green initiatives, thereby mobilizing more social capital for sustainable development.



Initial funding: \$1 million in seed capital (from the ecosystem reserve)

Continue to supplement: 10% of the premium income from renewable energy insurance products and 3% of the ecological benefits are directed into

External Linkage: Special Cooperation Funds of Global Green Finance Funds and Sovereign Wealth Funds

Ecological Synergy: Building a Multi-party Participating Responsibility Community

Fronsure transcends the limitations of single-platform accountability by leveraging ecosystem synergy to integrate global resources, creating a collaborative network of accountability that unites platforms, non-profits, green enterprises, regulators, and community users.

11

Development planning 2026-2030



Five-Year Development Plan

2026

Refine the cross-chain compatibility framework and smart contract ecosystem, and complete large-scale testing of core technologies.

Acquire a core user base and ecosystem partners to establish the foundational framework for DAO governance. Advance the application for compliance certification in core regions and establish a foundational risk control framework.

2027

Expand into key European regional markets and establish localized service networks.

Strengthen collaboration with Web3 ecosystem and logistics companies to expand the B2B customer base.

Achieve full-process autonomy in DAO governance, with ecosystem decisions and resource allocation entirely driven by the community.

Enhance the execution efficiency of smart contracts to improve claims processing and fund flow efficiency.

2028

Advance cross-ecosystem collaboration by integrating DeFi, NFT, and metaverse platforms to build a collaborative network.

The iterative AI-based risk control system and multi-source data validation protocol enhance the accuracy of risk identification.

Expand the scale of the public welfare insurance pool and the sustainable development fund, and launch the first batch of social responsibility projects.

2029

Integrate traditional insurance institutions with financial platforms to explore the integration of decentralized and centralized models.

Expand enterprise-level customized services to cover more industry risk scenarios.

Refine the global compliance framework to meet diverse regional regulatory requirements.

2030

Building a global integrated service network;

Establish a balance mechanism between commercial benefits and social value to promote the scaling up of sustainable development projects.

Continuously refine the technical architecture to address the risk mitigation needs of future digital economy scenarios.

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Write trust into the code and make
security within reach.

