CRYPTOCOIN INSURANCE

The first option exchange with the possibility of insuring deposits against fall

Large and entirely free market that has no technical solution yet.
We provide your efficiency for the next centuries

ccin.io

Content

Idea

Trading on the cryptocurrency market has already passed several development stages: from the first centralized exchanges where there were almost no volumes up to several hundred exchanges where the leaders have a turnover that exceeds one billion dollars a day. Recently the US Securities and Exchange Commission (SEC) has authorized trading of Bitcoin futures at the largest US stock exchanges.

The market is getting more and more like ordinary stock and commodity markets. However, one of the segments many players and especially hedgers cannot avoid is completely inaccessible today. It goes about options.

An option is a contract according to which the option buyer acquires the right, rather than the obligation, to buy or sell an asset at a predetermined price during a certain period of time in the future. In this case, the option seller has an obligation to sell the asset accordingly or buy it from the option buyer in accordance with its terms and conditions.

In the habitual world options are traded at stock exchanges that have a huge turnover. Usually one party of the transaction is represented by speculators who want to make a profit, while the other party is companies that want to insure their risks (for example, from a sharp fall in prices).

Why hasn't such stock exchange been created on the cryptocurrency market yet? There are a number of reasons that will be considered below. Now we will point at one of them. Few people understand what options are. That is why it seems that the demand for this service is low.

In fact, it is huge. Merely the players that form this demand cannot find the appropriate instrument they need, first of all, for insuring risks.

> **CRYPTOCOIN INSURANCE offers such instrument to its clients – the deposit insurance (or a part of it) from growth or fall.**

For example, a client pays insurance in the amount of 0.1 Bitcoin for the deposit in the amount of 3 Bitcoins. If the price decreases by 15% within 3 days, he gets the right to get the insurance in the amount of the deposit fall – 0.45 Bitcoins.

In case of the insurance event, CRYPTOCOIN INSURANCE pays the client the insurance from the previously obtained insurances. If there has been no insurance event, the insurance paid by the client will be the company's income.

In fact, this is the option mentioned above. However, in order not to confuse a huge number of clients who do not understand and do not want to deal with options, CRYPTOCOIN INSURANCE has created a two-in-one solution:

CRYPTOCOIN INSURANCE launches the world's first option cryptocurrency exchange.

CRYPTOCOIN INSURANCE creates an insurance company, places options in the insurance that is understandable for everyone, and hedges its risks on the option exchange.

In most cases the company that is the first to enter the market is known to become a leader, and always takes its largest share. Today CRYPTOCOIN INSURANCE has no competitors and occupies the entire market.

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Problem Description

There is no solution to insure the deposit in Bitcoin or Ethereum from falling.

At the same time in this market there is increased volatility that makes people be afraid to store large funds in the cryptocurrency. On the other hand, large companies are slow to enter the market (for example, to accept payments in a cryptocurrency) for the same reason.

There is no special cryptocurrency exchange where you can buy/sell options.

The main fear of creating such stock exchange is the increased volatility, too. It seems to everyone who deals with options for stocks, oil or wheat that the risks are enormous.

There is still no short selling opportunity in the cryptocurrency market.

Nobody can sell a cryptocurrency that is physically absent on the account within a short period of time. This reduces the speculators' ability to smooth price fluctuations in other markets. In its turn it causes the volatility increase and consequences enumerated in cl. 1 and 2 above.

Our Solution

1

CRYPTOCOIN INSURANCE allows you to insure price falls or growth risks for major cryptocurrencies.

The exchange will start operating with 5 cryptocurrencies that have the maximum market. Furthermore, as the demand and turnover increase, we will add other cryptocurrencies.

CRYPTOCOIN INSURANCE sells both Bitcoin or Ethereum growth and fall insurance. Thus, it hedges its risk. No competition in the market allows maintaining a significant margin on the level of 20%. CRYPTOCOIN INSURANCE repackages and sells/buys its own risk as options on its own exchange.

2

CRYPTOCOIN INSURANCE creates the first option exchange.

The main fear of options in the cryptocurrency market is the increased volatility. But is it really so?

Let us consider an example with the habitual stock market. For example, a client sold an option for a share of the ZZZ Company. Today is Saturday, and the market is closed. There is unexpected good news and the stock grows 2-10 times at the opening of the market on Monday. In its turn, the option seller suffers huge losses.

The advantage of the cryptocurrency market unlike the stock or commodity one is that it operates 24 hours a day. And for the whole period of its existence (about 10 years), there has never been any news that would quickly shift the price of Bitcoin or Ethereum by at least 30-50%. In fact, if it goes only about blue chips (coins), the cryptocurrency market is much safer for option sellers than other markets that we got accustomed to.

3

Options enable short sales.

Without having physical Bitcoin or Ethereum, it is possible to get an option for their falling, and actually carry out uncovered sale.

This opportunity brings to the market a lot of new traders, investors and speculators, as well as hedge funds who put money not only on the growth but also on the fall of markets.

How It Works

Hedging Risks

Any natural or legal person can hedge the risk of the growth or fall of the main cryptocurrencies: BTC, ETH, XRP, etc. The insurance is paid at a fixed cost. The client is guided by the following data:

- The current asset price,
- The hedged asset price,
- The number of the hedging days, and
- The cost of hedging

In fact, the process is identical to insuring a car or a house.

Option Exchange

Since the launch of the exchange, it will present call and put options for Bitcoins and Ethers. Any user of the exchange will be able to sell or buy each of these options.

- **Call option** — to purchase an asset. The option gives the right to buy the asset in the future at a certain price.
- **Put option** — to sell the asset. The option gives the right to sell the asset in the future at a certain price.

Buyers of call and put options are not required to buy or sell the asset. However, sellers of put and call options are required to buy or sell the asset, if it is required by option holders.

Each option presented on the exchange has its due date, for example 5, 10, 50, 100 days.

Options are quoted in the 24/7 mode (24 hours a day). It means that the option can be sold or purchased throughout the life of the contract.

The price of any option at a particular moment of time is under the influence of supply and demand and is constantly changing.

Buyers of options risk only the amount spent to buy the option, for example, $ 100. They cannot lose more under any other circumstances.

The option seller theoretically carries an unlimited risk associated with the change in the price of the basic asset (Bitcoin or Ethereum). That is why each sale of the option comes with a guarantee security (GS).

The guarantee security is the amount (margin) the exchange requires as a guarantee of the options seller to meet his obligations. GS is established by the exchange in a fixed amount as on a certain date and for one option contract. The GS value is indicated in the specification of this contract.

By selling an option, the seller immediately obtains the premium paid by the option buyer. The exchange freezes a part of the funds on the seller's deposit until the transaction is executed or the position by the option is closed. GS may change as soon as the volatility of the basic asset increases/decreases.

If the price of the basic asset moves against the seller, he must make additional collateral if he is going to continue to hold this option or sell it.

This process is regulated by the exchange in an automatic mode. If the options seller does not have enough money on his account, the exchange will automatically liquidate this option position.

The exchange sets a limit on the maximum number of options that can be taken on one side of the market. This protects the exchange from the situations when due to the strong market movement to one direction, it cannot quickly close options of the sellers whose deposits fall below the GS.

Market Volume

The capitalization of the cryptocurrency market amounts to hundreds of billions of dollars.

The size of the options market for commodities and shares differs from country to country, and is 1-5% of the amount of the basic asset market. Thus, we can calculate the potential volume of the options market for basic cryptocurrencies in the amount of $50-250 million per day.

However, the calculations do not take into account that options actually provide the opportunity for short sales that today cannot be carried out on cryptocurrency exchanges. This will contribute to the additional increase in the sellers' demand for the instrument.

$10-20 billion

the daily trading volume

Monetization

CRYPTOCOIN INSURANCE has two main sources of income

Insurance Company.

The income is generated by selling cryptocurrency growth/decline insurances.

Option Exchange.

The profit is generated as a trade commission from each operation on purchasing or selling options. It is 0.5% per transaction or 1% per circle for each of the transaction parties.

Taking into account the volatility of options and huge opportunities for profit, this commission is not significant for market participants. However, it allows the exchange to earn a high income as compared to usual cryptocurrency exchanges due to the total lack of competition.

In case of competitors in the future, the amount of the exchange commission can be proportionally reduced.

CCIN Token

CCIN tokens will be placed during the ICO. Their total number is strictly fixed. All tokens that are not redeemed during the placement will be destroyed. They will never be issued additionally. They will be placed by using the Ethereum smart contract. The fixed number of CCIN tokens guarantees their buyers the increase in their value as the exchange earnings grow. Tokens will be introduced to the cryptocurrency exchanges within 30 days after the end of the ICO.

CCIN Token Growth Potential

The CRYPTOCOIN INSURANCE Company has developed a simple and understandable model for the increase in the CCIN token value. 30% of each commission obtained by the option exchange will be directed to the liquidity fund. Within the next month CRYPTOCOIN INSURANCE sends these funds to purchase CCIN tokens from the market and burns them.

This business model is adopted solely in the interests of our investors. The promise to buy tokens **from the future profits** cannot be transparent. Moreover, the exchange or the platform may never have the profit physically. In case of CRYPTOCOIN INSURANCE tokens, investors know exactly that each option purchase/sell transaction generates the cash flow used to buy tokens.

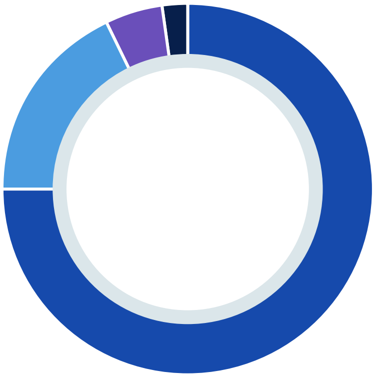
This allows constantly shifting the market balance and increase the demand for CCIN tokens.

If the turnover is $50 million per day, the commission for both sides of the transaction will be $500,000 or $15 million a month. 30% of this amount or $5 million are sent monthly to buy CCIN tokens from the market.

Roadmap

February 2018	Creating the concept of insuring movements of the cryptocurrency market and the CRYPTOCOIN INSURANCE option exchange
March-April 2018	Forming the project team
May 2018	Market research, defining competitive advantages
June 2018	Starting to prepare for ICO
August-October 2018	Advertising campaign
November-December 2018	ICO
January 2019	Listing CCIN tokens and listing on cryptocurrency exchanges
February 2019	Launch of the option exchange with 5 cryptocurrencies
March 2019	Beginning of selling insurance for the market growth/fall
April 2019	First redemption of tokens from the market and burning them
May 2019	Adding 3 new cryptocurrencies
July 2019	Daily turnover of 10 million dollars
September 2019	Adding 2 cryptocurrencies (10 in total) to the exchange
December 2019	Daily turnover in the amount of $50 million

In total, 100 million CCIN tokens will be issued



CCIN tokens are allocated as follows:

- **75%** Allocated at ICO
- **18%** Reserved for the project team
- **5%** Mentors
- **2%** Bounty program

ICO Structure

Price of tokens: 3,000 CCIN tokens = 1 ETH

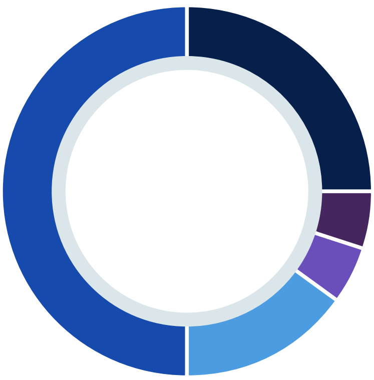
Date of ICO: November 1, 2018 - December 27, 2018

Minimum collection amount: $0.5 M

ICO main target: $5 M

Maximum collection amount: $10 M

** All tokens that are not purchased when placed are destroyed. CCIN token is purchased by using Bitcoins or Ethereum.*



Allocation of the collected funds:

- **50%** Development and launch of the option
- **15%** Marketing
- **5%** Legal services
- **5%** Operating expenses
- **25%** Reserve fund

Bounty program:

2% from the total amount of the issued tokens

Fund allocation:

30% Bitcointalk

30% Content creation

25% Social networks

15% Translation

Our Team

Denis Semin

CEO

Maksim Sizykh

CTO

Stanislav Brzhozovskiy

Head of Option Trading Department

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