

MARSH JLT SPECIALTY

FINPRO

Blue Vault: An Innovative Cold Storage Solution for Digital Assets

The Issue

As the awareness, acceptance, and popularity of digital assets has increased and their value has soared, a vibrant ecosystem has emerged to support and service these assets and their owners. The expansion of cryptocurrency exchanges, depositories, issuers, wallets, and miners has led to a significant increase in risks that require an innovative risk transfer solution.

Our Solution

Cold storage insurance provides coverage for loss of digital assets from internal and external theft, damage, or destruction of private keys, which are stored in depositories' secure vaults. For decades, the specie market has been insuring these vaults which have traditionally stored gold, diamonds, cash, and other valuable items.

The specie market can provide up to US\$3 billion in capacity for traditional specie risks that include their valuables. Capacity for cold storage risks is evolving and growing, and specie insurers are expanding their expertise in the cryptocurrency market to enable clients to transfer their risk in the most effective manner.

Through Marsh, digital asset holders can access Blue Vault, a first-of-its-kind consortium that can provide a limit of up to US\$150 million per insured through the Lloyds market.



Blue Vault Benefits

Benefit	Description
 Access to dedicated digital asset insurance knowledge	Marsh's Digital Assets Risk Transfer (DART) team is committed to helping protect companies working with blockchain technology and digital assets providing claims support in the event of a loss.
 Access to one of the world's largest insurance markets	Working with Lloyds of London, Marsh can deliver innovative, bespoke risk management solutions.

About Marsh JLT Specialty's Digital Asset Risk Transfer (DART) Group

Marsh JLT Specialty's DART team is a dedicated group of colleagues (including claims specialists and former attorneys) who provide trusted advice, thought leadership, and innovative solutions to protect companies working with blockchain technology and/or digital assets.

We have deep knowledge of all forms of financial and professional insurance coverage and a proven track record of placing such coverage for blockchain and digital asset clients, including cryptocurrency exchanges and trading platforms, merchant banks, financial services advisors, technology incubators, custodians, and more.

Our claims advocacy teams can zealously advocate on your behalf and excel at helping clients maximize insurance recoveries while protecting their relationships with insurers.

Working with Marsh colleagues around the world — including in the United States, London, Bermuda, Canada, Germany, and Asia — and others within Marsh & McLennan Companies, we can ensure global coordination and consistency and deliver innovative alternative risk transfer solutions. And, as a global leader in insurance broking, we can educate insurers on blockchain technologies and industry-specific risks, helping them stay informed about and confident in insuring your critical risks.

For more information about DART, please contact:

In the UK:

ANKUR KACKER
Vice President
Specie Practice
ankur.kacker@marsh.com

In the US:

SARAH DOWNEY
Managing Director
DART Co-Leader
sarah.d.downey@marsh.com

Or email us at DART@marsh.com.

Marsh JLT Specialty is a trade name of Marsh LLC.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wording or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. Although Marsh may provide advice and recommendations, all decisions regarding the amount, type or terms of coverage are the ultimate responsibility of the insurance purchaser, who must decide on the specific coverage that is appropriate to its particular circumstances and financial position.

Copyright © 2019 Marsh LLC. All rights reserved. MA19-15851 403458553