



Hi Mutual Society

Hi Mutual Society
Global Mutual Support Community

1. Mission Statement

Blockchain, as an emerging technology, is dramatically overturning the way we think. Not only the technology innovations, blockchain brings real changes to existing business models and even affects our daily life

Insurance, as one of the fundamental needs of human being, could be traced back to ancient mutual organization. After years of development, there are three existing forms, commercial insurance, mutual insurance, and mutual community. The global premium revenue was 3.92 trillion last year, accounted for 5.7% of the global economy. Obviously, the insurance is a market with large capitalization and huge potential.

Among all the implementations of blockchain technology, mutual community is definitely one of the most appropriate ways to use it. By using “Consensus Mechanism” , blockchain makes the autonomy of system possible. With the decentralized system built up on blockchain, this brand new mutual community is expected to be autonomous and the operation of the community could be able to focus on the service itself.

HMS (Hi Mutual Society) intends to build up a mutual support ecosystem and to deliver relevant services. By gradually expanding the available scenarios, HMS will allow third parties to create their own mutual support contracts on the platform.

2. Mission Statement

a.High Operation Cost

Traditional system normally leads to higher operation and channel costs and the costs coming from centralized system are transferred to the users. Blockchain is supposed to lower the cost by implementing smart contracts and removing intermediate costs.

b.Long Payout Period and High Reject Rate

The health operation of a centralized system is guaranteed by the trusted third party who is functioning as the core of the system. That brings subjective factors to the system and makes it difficult to standardize the review process. The implementation of smart contracts will significantly improve system efficiency.

c.The Privacy of Users and the Reliability of Single Node

During the insurance period, a huge amount of sensitive information is collected and kept by the service provider. The current information management system stores private information into a centralized database which is apparently under the risk of external attack. The decentralized ledger offered by blockchain system can perfectly solve this problem.

3. The Advantages of Decentralized System

a. Anti-inflation

The history of insurance industry is associated with the inflation of fiat cur-

rency. Moreover, the existing centralized market is facing an even more pressing challenge coming from inflation. By introducing digital currencies to the system, the payout would be calculated and issued in digital assets and the operation of the secondary market will turn further payouts into investments. The use of token is expected to eliminate the inflation risk and creating a virtuous cycle.

b. Breaking the Barrier of Regions and Hedge the Risk

By using digital token, the platform will break the geographical restriction and allow its user to participate remotely. Compared with traditional financial system, the implementation of blockchain will streamline the clearing and settlement process. It would be easier to integrate global resources and expand the coverage of service.

c.High Level of Security for Private Information

Users' private information will be stored by the decentralized network, and nobody can access the information without authorization.

d. No Entry Barrier

Since HMS barely has operation cost, users will be able to join the community by simply depositing a small amount of HMC using DAPP. The smart contracts will guarantee the interests of users.

e. Remove Intermediate Cost

he majority of the token deposited will be used to cover the payout. Only a

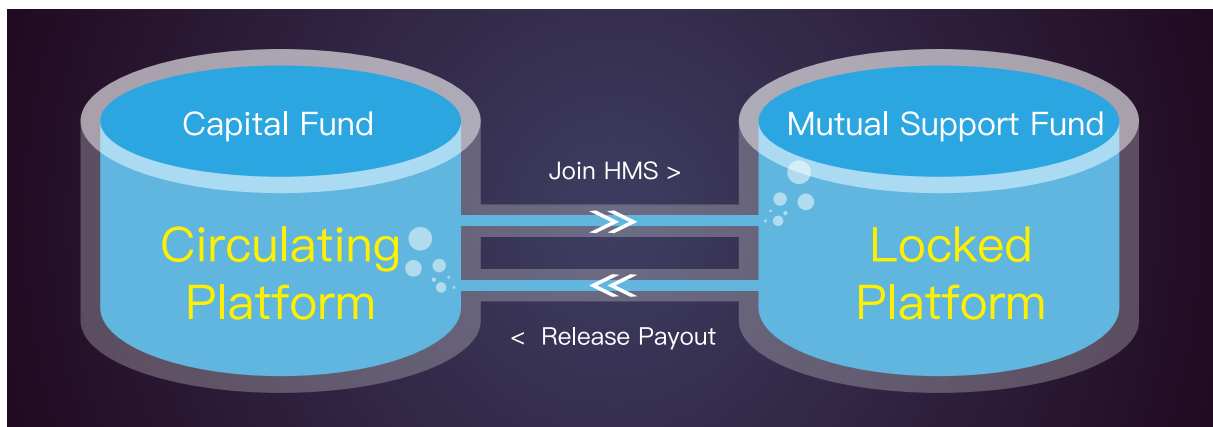
small percentage is used to maintain the operation of the community and to supply the incentive engine.

4. Token System

4.1 The Implementation of Token

In order to ensure the operation of the platform, a virtual share will be created as the certificate of the coverage and the native currency of the system. HMS intends to issues HMC (Hi Mutual Certificate) as a cryptocurrency for use and trade in the community. The transaction of HMC will be processed and supervised by smart contracts.

Generally, HMC would be tradable and exchangeable. The two forms of existence of HMC, circulating and locked, is the most innovative part of the token. The circulating HMC could be traded within the system, while the locked HMC will be stored in a locked pool representing the qualification of insurance coverage and cannot be traded on any secondary market. With new users joining in the community, HMC will be gradually transferred from the Circulating Pool to the Locked Pool and a dynamic balance is expected to be built.



HMC will be used for the following purposes:

a. The Certificate of Joining the Community

Users will be asked to deposit a certain amount of HMC to join the community. The HMC deposited will be locked by the smart contract.

b. Issued as Payout

When a loss is conformed, the smart contract will be triggered to issue the payout which is separated by the whole community.

c. Renewal of the Service

For those who have already joined the community, their deposit would be gradually deducted as the system issues payouts. Users will lose the coverage when their balances are lower than the minimum requirement for a single payout. To keep the membership, users should recharge HMC to their accounts. The HMC recharged would be locked by the system. Users are able to recharge for others.

4.2 Token Mechanism

HMC will be created on Ethereum following ERC20 standard which is the most widely-used standard to create smart contracts and digital assets. As a 'Turing-complete' programming language, Ethereum will ensure the system is autonomous and decentralized.

5. Platform Model

5.1 Business Description



5.2 Platform Settlement Layer

The 1st Layer - DAPP

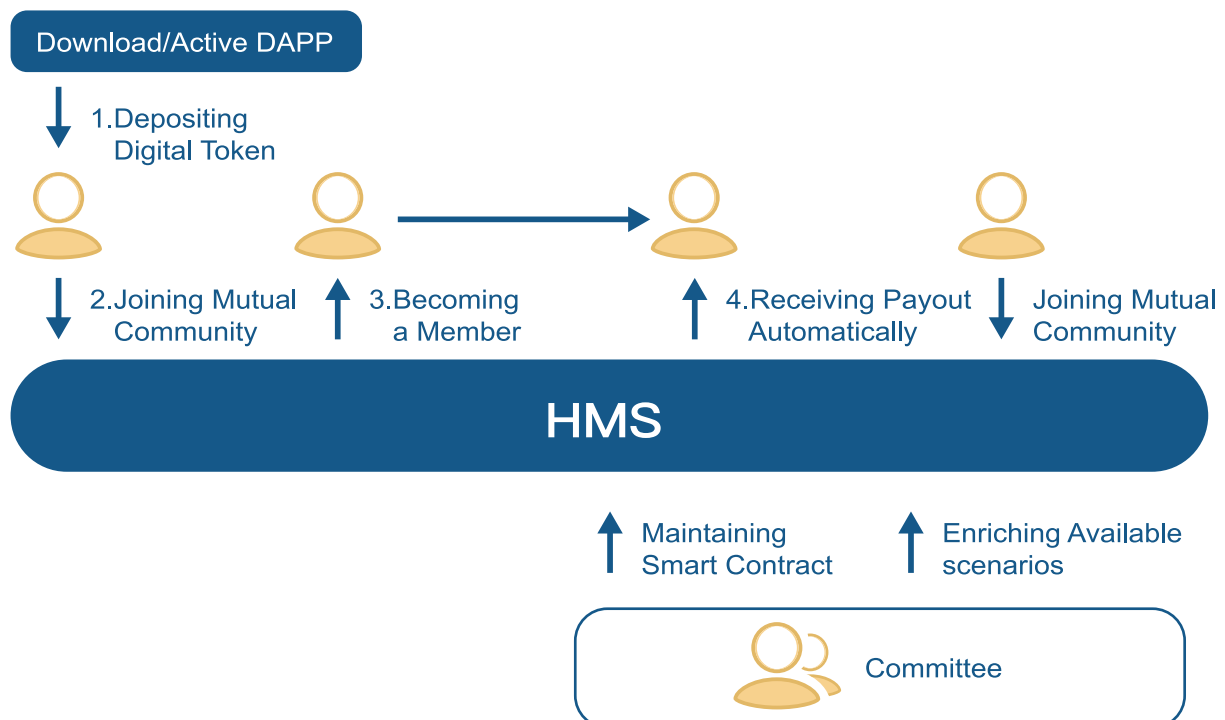
A user friendly DAPP will be used as the client to deliver services including, but not limited to, joining mutual plan, managing account, uploading required materials, and participating the operation of community. The platform will be built on a decentralized system which is run by the smart contracts. To ease the burden of the network, data, like the chat history and the transaction record, would be packed and stored in centralized nodes.

The 2nd Layer – Smart Contract

HMS team is obligated to develop the smart contracts used to maintain the operation of the community. The team will update the contracts in order to ensure the system could be able to develop in a health way.

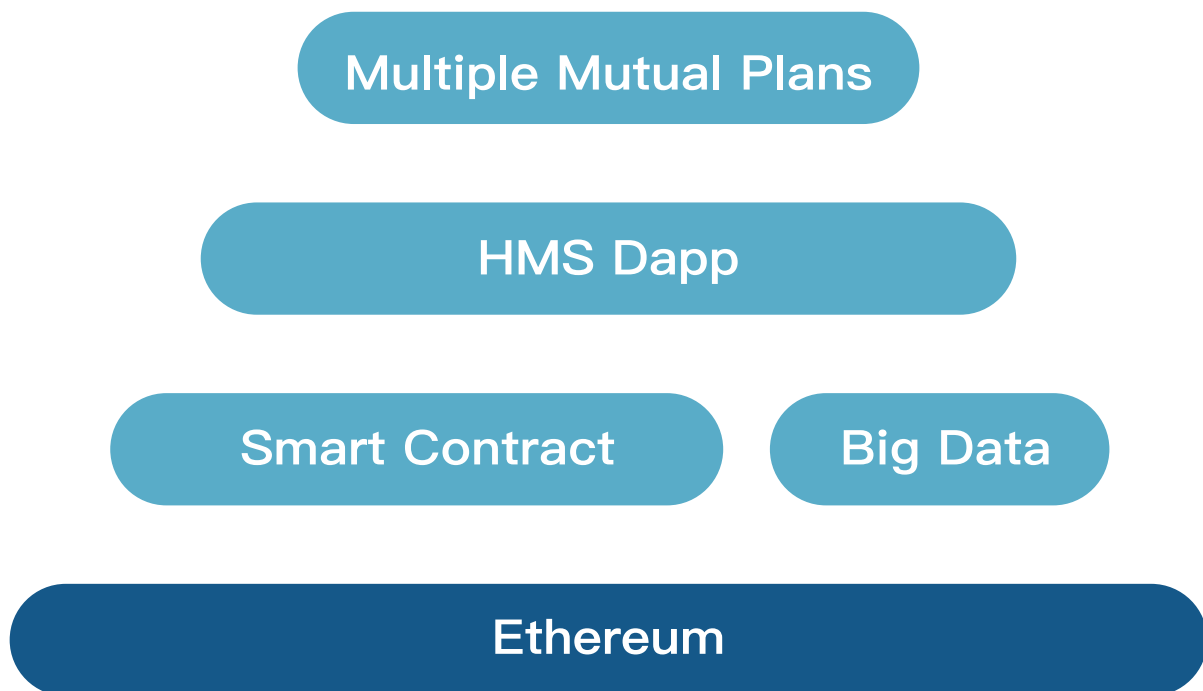
The 3rd Layer - Service

A full range of external supports including marketing, operation, promotion, and collaboration will guarantee the business model of HMS could be validated and improved quickly.



5.3 Technology Modules

The System Architecture



6. Roadmap

[1]. DAPP MVP – April 2018

a. Digital Wallet Running on Ethereum

Using digital wallet, users will be able to join the mutual community, withdraw token, and manage their digital assets.

b. Smart Contract of Mutual Plan

Using smart contract, mutual community of HMS will be built on a decentralized network

c. User Friendly Client

Using clients, HMS will deliver all kinds of services to the community

[2]. Private Beta of DAPP – September 2018

a. Instant Message

Adding social features to the community

b. Diversify Services

Adding more available plans to the portfolio. The platform will be open to third parties, which will allow external organizations or individuals to participate the development and the operation of HMS

c. Incentive Engine

Functioning to reward the contributions

[3]. Public Beta of DAPP – 2019 Q1

The Globalization of Existing Decentralized Mutual Community

7. Token Allocation of HMS

The total supply of HMC would be 1,000,000,000

The allocation of HMC:

- 30% - 300 million – Private Sale
- 10% - 100 million – Used to maintain the daily operation of the community
- 40% - 400 million – Gradually issued by the incentive engine to reward individuals or organizations who make contributions to the community
- 20% - 200 million – Issued to the founding and the development team to reward their work of product design, R&D, and further operation.

8. Team



The development of HMS will be supported by Qfund' s team (<https://www.qfund.me>). As one of the original member of the committee, Qfund will be obligated to the operation and the globalization works of HMS.

As the largest online crowdfunding platform in Asia, Qfund used to and will keep to help people realizing their dreams and resolving their issues. As one of the top Fintech companies, and the leading innovator, Qfund intends to promote its mutual community to all over the world using blockchain technology.



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