THE PROOF OF TRUST

Digitising Dispute Resolution With Trust

IBM
Agenda

The Proof of Trust proposition

1. Introductions and context
2. Proof of Trust service - benefits to trust to DLT, & legacy trust, & dispute resolution
3. High Value Personal Injury Claims dispute resolution example
4. Shipping & Maritime Authority demonstration
5. Revenue Fraud Example
6. Discussion concerning benefits & applicability, & next steps
The Proof of Trust

The Proof of Trust is a blockchain based platform which allows marketplace participants to **Collaborate, Compete and Innovate** for advisory decision services in new ways.

Through a **globally patented algorithm for distributed consensus**, The Proof of Trust has created a unique way to **adjudicate data accuracy and manage contractual disputes**.

Driving **better, fairer, cheaper and faster decisions** for customers as an alternative for litigation and **enabling growth** in the market opportunity for advisors and for new types of service providers, bringing new innovators to the marketplace.

The Proof of Trust has delivered an enterprise grade solution with a focus on security, easy consumption and scalability, built by our technology delivery partners IBM.
The Proof of Trust offers three groundbreaking products, predicated upon the same fundamental technology. Each product is designed to provide the fairest possible outcome between disputing parties, while simultaneously ensuring that critical data is accurate and verified. The products have been designed with specific functionality in mind.

1. Nebula has been created to ensure that intra and inter governmental transactions are achieved quickly and efficiently in an environment free from fraud and corruption.

2. Cosmos ensures that businesses around the world can enter into agreements, secure in the knowledge that their transactions are assured against any party failing to honour their part in an agreement — restoring trust to cross-border trade.

3. Nimbus has been designed to recover the £billions that have been misappropriated, returning it to those that need it most. Social good related to Covid specific issues.
The Proof of Trust is a blockchain based platform which allows marketplace participants to Collaborate, Compete and Innovate for advisory decision services in new ways. Through a globally patented algorithm for distributed consensus, The Proof of Trust has created a unique way to adjudicate data accuracy and manage contractual disputes. Driving better, fairer, cheaper and faster decisions for customers as an alternative for litigation and enabling growth in the market opportunity for advisors and for new types of service providers, bringing new innovators to the marketplace.

The Proof of Trust has delivered an enterprise grade solution with a focus on security, easy consumption and scalability, built by our technology delivery partners IBM.

Ecosystem

Business network or enterprise triggering disputes

Client interface (seamless integration)

BUY SIDE

Proof of Trust’s internal Network of Legal and Business Specialists

Proof of Trust Protocol

SELL SIDE

Proof of Trust Protocol

Market Insights

ADDITIONAL BENEFITS
The Proof of Trust Process

1. Case Instigated
2. Recorded to blockchain
3. POT’s Delegate matchmaking algorithm
4. Multiple Delegate Review
   - Delegate 1
   - Delegate 2
   - Delegate 3
   - Delegate 4
   - Delegate 5
5. POT algorithm combining outputs of delegate reviews
6. Decision
7. Analytical Insights

Established marketplace of vetted and verified legal and business specialists

*If the voting outcome does not reach the required majority, a second round of voting occurs using only the most diligent and trustworthy Delegates — the outcome is binding.
At the beginning of 3Q2019 - IBM & Proof of Trust teamed up to deliver the Proof of Trust delegate review process. This is a very powerful team:
- with the Proof of Trust bringing legal delegate review innovation, patents and algorithms;
- with IBM bringing world leading blockchain business network build and delivery capability.

Together we have built:
- the underlying delegate review multi-cloud platform,
- a repeatable approach to create specific delegate review processes that can be delivered in multiple industries:

**Commercial**
- Employment disputes
- High value Insurance Disputes
- Supply chain- Goods in transit

**Governmental**
- Electronic Promissory note assurance
- Tax Fraud
- Covid specific fraud (furlough/business loans/eat out to help out)
- Smart Government (inter ministry process enhancement)
Example 1 – High Value Personal Injury Claims

Currently high value personal injury claims can take years to resolve.

This can disadvantage the claimant, who may have a pressing financial need. It also leads to long settlement liability for the insurer.

For all parties there is a need to:
• accelerate the process (to reduce the time to settlement)
• reduce costs as a proportion of the claim value
• enable access to justice
• be equivalently impartial as court proceedings
• add data to the market, predicting likely outcome or settlement value.

“The Proof of Trust solution will provide a dispute resolution service that expedites a prompt and fair settlement, as well as cost effective access to justice.”

We believe our solution will support the journey by providing
• A system that is helpful, secure, that expedites a prompt and fair settlement
• A platform that provides cost effective service for claimant, their representative/lawyer, and the insurer
• Transparency — the insurance community will be able to see and learn from the issues being raised and resolved, so that they can continuously improve.
We applied a user-led approach to design an example future High Value Personal Injury Claims process.

Understanding our users through personas

A persona is an archetype of a typical user or group with similar needs, ways of working and impacts.

Through desktop research, we create personas representing to:

- build empathy
- better understand their realities, needs and challenges

Reviewing the current process

Using Design Thinking to define the needs of both participating organisations and Delegates and capability of the platform allow us to:

- identify key design considerations for the future OIR process
- design a future process that a) is more likely to address their real problems and needs and b) offers a more consistent experience for both UNHCR employees as well as the affiliate workforce.

Tailored Solution using Proof of Trust insight & algorithms, together with IBM enterprise scale build & delivery.
High-level overview of the journey

1. **Insight**
   - Insurer underwrites policy based on insights

2. **Policyholder makes a claim against their policy**
   - Insurer assesses whether to approve or reject the claim

3. **Approve claim**
   - Claimant decides whether to accept decision
   - Accept decision

4. **Approve dispute**
   - Traditional legal proceedings
   - Independent delegates are assigned and assess the case

5. **Reject dispute**
   - Super-delegates agree
   - Case is returned to insurer and claimant with agreed outcome
   - Insight

6. **Dispute is raised**
   - Super-delegates disagree
   - Case is returned to insurer and claimant with no outcome
   - Insight

7. **Insurer assesses whether to approve or reject the dispute**
   - Delegates agree
   - Delegates disagree

8. **Reject claim**
   - Claimant decides whether to accept decision
   - Reject decision
High Value Claims Are Not The Only Product Lines That Would Benefit From Dispute Resolution

<table>
<thead>
<tr>
<th>Other Insurance Lines</th>
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<tbody>
<tr>
<td>• Property &amp; Casualty/General Insurance (home, motor,..) – high value personal injury / damages claims (&amp; insights to underwriting)</td>
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<tr>
<td>• London Market – reinsurance, coinsurance – bordereaux related disputes – high value assets</td>
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<tr>
<td>• Commercial Insurance – property, liability, director liability – high value claims disputes (&amp; insights to underwriting)</td>
</tr>
<tr>
<td>• Trade Credit Risk insurance - high value claims (&amp; insights to underwriting)</td>
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<tr>
<td>• Life &amp; Pensions – personal claim or portfolio dispute (including Asset Mgmt. &amp; Investments)</td>
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<td>• Speciality Insurance</td>
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<td>• The initial underwriting process will benefit from the data insights gathered – such that better underwriting can both lower risk and reduce the number of disputes.</td>
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<th>The Proof of Trust’s examples — dispute resolution targets in other industries</th>
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<td>• Banking trade finance and loan agreements – trade execution dossiers</td>
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<td>• Smart contract review</td>
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<tr>
<td>• Home buying commercial agreement review</td>
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<td>• Home rental deposit bonds; guarantor disputes</td>
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<tr>
<td>• Promissory notes dispute handling</td>
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<tr>
<td>• Tax fraud e.g. VAT carousel</td>
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<td>• Shipping registry verification &amp; dispute</td>
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Example 2.
Shipping Registration

BERMUDA SHIPPING AND MARITIME AUTHORITY

APPLICATION TO REGISTER A SHIP

1. SHIP DETAILS
2. UPLOAD DOCUMENTS
3. CAMPFIRE ARRANGEMENTS

CONTACT US

February 10, 2020
Bermuda first to have all maritime services online and on blockchain before the start of 2020.

Obtain Name Approval
- Name approval requested

Obtain Certificate of survey
- Certificate of survey requested

Telephone number
- +1 441 295 7251

Fax number
- +1 441 295 3718

Email address
- j.smith@myemail.com

APPLICATION SUMMARY
A request for registration has been submitted for a multi-hulled motor-powered superyacht named The Cosmos located in Bermuda port bay A47. The application has been submitted by owner Mr. Jason Smith. Please review all documents provided and submit your approval or decline registration decision.

Example Delegate Screen

Case attributes (3)

DESCRIPTION
Flag
Name of ship
The Cosmos

Port of registry
Bermuda

IMO number
IMO 123456

Full name of owner
Mr. Jason Smith

Address of owner
1 Church St, Hamilton, Bermuda

Request additional information

Document references (4/6)

NAME
FLAG
Go to file
 Builders Certificate

Bill of Sale

Declaration of Eligibility

Cheque copy 01

Cheque copy 02

Ship_image_3.jpg

Mandatory Submission Criteria
You are ready to submit

Submit answer

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Example 3 – Revenue Related Fraud

To provide revenue & customs organisations with an assessment and recommended resolution capability for cases of possible error and fraud in the schemes like the Coronavirus Job Retention Scheme.

Benefits of using traditional audit SMEs

The Proof of Trust Delegate Review Business Network Solution provides:

- A Coronavirus Job Retention Scheme error & fraud review process with full scalability across big-name & smaller audit firms & SME delegates
- Ability to mix and match smaller organisations – both saving cost and enabling protection from collusion
- Expedited resolution with associated savings:
  - recipient time to payback benefit
  - reduced SME legal costs
  - better judgements & outcomes.

Proof of Trust Solution benefits

- Scalable delegate review capability from a marketplace of SMEs
- Impartial review by multiple subject matter experts and scalable capability to handle volumes or peaks in demand
- Anti-collusion mechanisms
- Ability to bring case loads back in-house if needed
- A repeatable, secure, scalable robust framework and platform that can be applied across other Coronavirus scheme issue scenarios e.g. ‘Eat to help out’ or ‘Bounce back loan’ fraud
- This approach could be valid for many other revenue fraud scenarios
- Improved metrics and insights around error, fraud, and process issues
  - Enabling insight & visibility of fraud to permit targeted interventions
  - Dashboard metrics to track trends & performance.
Empower Continuous Improvement Through Analytics

1. Dispute information is received and standardized in a regulatory compliant manner
2. Detailed metadata is captured
3. Decision making process is tracked
4. Analytics generated
5. Improve insurance policies based on new insights to reduce risk
Summary

‘Proof of Trust’ & IBM have jointly developed the solution to provide a mechanism to verify data, before it is committed to a contract, or to resolve later disputes.

The data is reviewed by a number of reputationally rated subject matter experts (Delegates).

Workflow allows for additional escalation, as well as arbitration to arrive at consensus.

The benefits in terms of cost saving, access to justice, and avoiding provision for dispute claims, are significant.

There a variety of complementary services
  • Trusted smart contract templates
  • Trusted oracle services

The solution is built – ready for end client, delegate review.

Example good use cases for the Proof of Trust:

Cross business network process disputes
  • Trade Credit Risk Insurance – B2B Insurer & Trade Finance Disputes
  • Insurance legal process disputes – e.g. subrogation, high value claims ..
  • Invoicing & Invoice Finance
  • Capital markets product B2B & Smart Contract disputes
  • High value asset/portfolio reinsurance or refinancing – B2B disputes.
  • Disputes over Credentials – e.g. director liability disputes.
  • Contract employee disputes.

Regulatory reporting & compliance disputes

Fraud prevention related disputes – e.g. TAX, VAT, COVID benefits/loans...

New marketplace & channel for dispute resolution
  • Providing new marketplaces for delegate SMEs & dispute resolution
  • Creating new industry legal / dispute resolution marketplaces
  • Adding extra provenance for dispute resolution.
For further information, please contact info@theproofoftrust.com