I. Dragonfly Executive Summary

I.I Business Concept

At Dragonfly, our customers have a positive experience with something that is often negative: personal insurance. We've achieved this paradigm shift by fundamentally lowering the cost of insurance, simplifying the process and product, and developing a service that actively protects our clients.

Our policy is more affordable for three reasons:

1. Our clients receive the profit dollars insurance companies keep for themselves.
    a. We take a flat, 25% fee for our service and the remaining 75% of the policy premium is 100% used for paying claims and lowering the cost of insurance for our clients.
2. We focus on protection and prevention, which lowers the amount of claims paid out.
3. We use the latest technology to make the process efficient, eliminating the need for excessive employees.

We have developed a customer experience that is simple and efficient. Our frontend, AI bot quickly and professionally pulls all relevant information from the web to prefill and recommend coverages for each individual client. Within three minutes, our clients receive a comprehensive personal protection policy (home, auto, and umbrella). If our client wishes to speak with a local insurance pro, he or she has the ability to call, video chat, or come into one of our strategically placed urban offices. Submitting claims, making changes on policies, and paying bills can be simply done on our mobile app or if desired, by contacting a local insurance pro.

We live in an ever-changing world, so we at Dragonfly have created an inclusive, agile protection policy. Our personal protection policy changes with our clients' lives and includes all the property and liability insurance they need (home, auto, and umbrella). If our clients move, they simply switch out their home. They don't need to cancel their old policy to purchase an entirely new one. If our clients receive an inheritance, there's no need to purchase an additional liability policy. They simply click a button that raises the liability coverage on their personal protection. It is our vision to expand this policy in the future to include all personal protection such as life, disability, and long term care insurance as well as home security/smart home systems, identity theft protection, etc. As we begin, we are offering third party services for home security, identity theft protection, and life insurance.

Just as Ford evolved from being an automotive manufacturer to a mobility company, we are evolving the idea of an *insurance company* (reimbursement), to a *protection company* (actively preventing first and reimbursing second). We help our clients prevent claims from happening by offering home security systems, identity theft protection, auto maintenance reminders and discounts, and helpful tips to actively prevent claims. To begin this active prevention, we are partnering with third party protection companies with the goal of bringing these services in house as we grow.

I.II Financial Overview

The personal lines property and casualty insurance market is $258 billion and our target millennial market is projected to spend $157 billion in premiums. We will capture 10% of that niche market ten years after launching our first product, bringing our income to $15.7 billion by 2028.

Our Company will launch our first product in January of 2018 and after launch, projects:

	Premium Sales	Flat Fee	Operating Profit	Number of States
Year 1	$100 Million	$25 Million	$0	1 (Michigan)
Year 3	$280.6 Million	$70.1 Million	$5.6 Million	2
Year 5	$2.35 Billion	$586.3 Million	$46.9 Million	9
Year 10	$15.7 Billion	$3.925 Billion	$1.256 Billion	50

Our Company makes a fair profit by taking a flat 25% fee for our service of administering the policy. We make money when we lower our expenses below 25% of the policy premium and invest those dollars in a surplus investment account.

On our flat fee, we will have a predictable 20% - 30% operating profit margin by keeping operating expenses within 17-20% of the policy premium. We are able to do this by eliminating agent commissions, automating the underwriting process, and creating urban branch offices that eliminate the redundancies between insurance agencies and insurance companies.

The remaining 75% of the policy premium is used to pay claims. If there are remaining premium dollars at the end of the year that are not used to pay claims, they are invested in a surplus account and then used for the client's benefit.

I.III Financial Requirements

Our Company is raising $750,000 of seed money at a $5 million evaluation to be used for licensing and product, brand and IT development for the first eight months. We are working to close this round on March 31st. In June of 2017, we will begin raising a Series A of $10,000,000 to be used for further IT development, marketing, talent acquisition, and remaining licensing fees. The necessity and size of a Series B round will be determined once the product has gone to market in 2018.