



BITGO SECURES FIRST-EVER COMPREHENSIVE BITCOIN THEFT INSURANCE FROM XL GROUP INSURANCE COMPANIES

Developed in Conjunction with Innovation Insurance Group LLC, Risk of Theft and Loss of Bitcoins Secured with BitGo's Leading Multi-Sig Platform Will Now Receive Full Underwriting Protection

Palo Alto, CA (February 25, 2015) – BitGo®, the leader in bitcoin security, announced today that it has secured first-of-its-kind insurance coverage for bitcoin theft from the global, A-rated XL Group insurance companies. The policy issued to BitGo is the first comprehensive coverage issued by a major, global, A-rated underwriter to a bitcoin company. All of BitGo's paying customers are eligible for protection under the XL policy for up to \$250,000 in covered theft claims, just by signing up for BitGo services. BitGo customers can increase the amount of protection available to them for a 1 percent annual fee.

The customized insurance product, exclusive to BitGo, was structured in collaboration with XL Group and Innovation Insurance Group, LLC. It is a robust cyber and professional liability policy that goes well beyond narrow crime policies previously adopted by some bitcoin vault providers. BitGo customers who opt-in to the program are protected from acts, errors, or omissions of BitGo technology, processes, and employees, including external hacking incidents and employee theft. Both hot wallets and cold storage are eligible for coverage in the policy. In the event of a covered loss, the policy would reimburse BitGo's customer, as a direct loss payee, for the value of the lost or stolen bitcoins, subject to the terms and conditions of the insurance policy with XL Group. In addition, the policy provides BitGo unprecedented ability to work directly with its customers in the management and resolution of such incidents.

"In collaborating with BitGo and Innovation Insurance Group, we tailored a first-of-its-kind insurance product to help protect the rapidly growing bitcoin industry," said John Coletti, Chief Underwriting Officer, Cyber and Technology Insurance, XL Group. "BitGo's multi-signature architecture delivers a significant level of security, realizing how seriously they take cyber security; we confidently developed a comprehensive insurance solution that offers BitGo and their customers another layer of protection."

BitGo teamed up with 30-year insurance industry veteran Ty Sagalow, president of Innovation Insurance Group, LLC and CEO of Bitcoin Financial Group, LLC. Mr. Sagalow, a former chief underwriting officer and chief innovation officer at AIG, developed and negotiated this new insurance product with XL Group. Sagalow is responsible for numerous insurance innovations over

his career including cyber-insurance, Y2k insurance, entity coverage, reputation insurance and intellectual property collateral insurance.

“We have seen early attempts at insurance in the bitcoin market, such as those based on a captive model funded with cash reserves or ‘crime’ policies that solely cover employee theft of cold storage keys,” said Ty Sagalow. “While this was suitable for Bitcoin’s formative years, it does not scale to the requirements of today’s ecosystem. BitGo’s multi-signature technology alters the threat profile to the point that a properly balanced insurance product can for the first time be brought to market at a price in line with typical cyber risk.”

At the time of this announcement, BitGo offers two major services to its customers: BitGo Enterprise™, the leading institutional bitcoin web wallet, and BitGo Platform API™, a highly scalable set of tools and services that allow any developer to rapidly deploy state-of-the-art operational infrastructure for their bitcoin business. The bitcoin theft insurance provided by XL Group covers the risk of theft or loss of bitcoins secured with both services.

“We are proud to partner with XL Group and Innovation Insurance Group on this game-changing insurance product,” said Will O’Brien, CEO and co-founder of BitGo. “The entrance of an underwriter of XL Group’s size and reputation signals that the technologies and standards for bitcoin security, like multi-sig, have reached a threshold of viability to take the industry to the next level. For our large enterprise customers, an insurance-backed guarantee is the final missing ingredient for peace of mind in a robust security software offering.”

BitGo pioneered a technology known as multi-sig in 2013, and has continued to set the bar for bitcoin security in the industry with its leading products and published best practices. Just this month, BitGo launched the first draft of the [CryptoCurrency Security Standard](#) in collaboration with C4, a non-profit organization specializing in crypto security certifications.

To learn more about BitGo and sign up for a 30-day free trial, visit www.bitgo.com.

ABOUT BITGO, INC. // BitGo is the leading bitcoin security platform and a pioneer of multi-sig technology. The company offers BitGo Enterprise, an enterprise-grade, multi-sig, multi-user bitcoin wallet, and BitGo Platform API, a robust set of tools and services to access the underlying platform. BitGo was founded by Mike Belshe, Ben Davenport, and Will O’Brien, veterans in online security, digital currency, and financial technology. The company has raised more than \$14 million in financing from elite Silicon Valley venture capitalists and angels, and bitcoin industry insiders who have backed successful companies like PayPal, Netscape, Red Hat, Proofpoint, Verisign, Juniper Networks, Yammer, and Tesla.

ABOUT XL GROUP // XL Group plc (NYSE:XL), through its subsidiaries, is a global insurance and reinsurance company providing property, casualty and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises throughout the world. XL is the

company clients look to for answers to their most complex risks and to help move their world forward. To learn more, visit www.xlgroup.com.

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ABOUT INNOVATION INSURANCE GROUP, BITCOIN FINANCIAL GROUP// Innovation Insurance Group (innovationinsurancegroup.com) is an insurance consulting firm and insurance brokerage founded by 30-year insurance executive, Ty R. Sagalow, former Chief Underwriting Officer, General Counsel and Chief Innovation Officer at AIG, and former Chief Innovation Officer at Zurich, NA and Tower Group. IIG focuses on three core practice groups: product development, expert witness services (primarily in the Management and Professional Liability areas), and bitcoin industry brokerage services. Bitcoin Financial Group (bitcoinfinancialgroup.com) is a joint venture between Innovation Insurance Group's Bitcoin Insurance Agency and Nakamoto Insurance Group.

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Joe Volat
press@bitgo.com
408.645.0448

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