Sherlock Quota Share Cover

Cover Wording

1. The Mutual *may* pay a claim under this Sherlock Quota Share Cover if:

    1.1. During the **cover period** the Sherlock Protocol makes an **underlying claim payment,** and

    1.2. The Covered Member submits a claim during the **cover period** or within 35 days of the **cover period** ending.

2. Claim payments will reimburse the **quota share percentage** of **underlying claim payments** subject to a maximum claim payment of the **cover amount**.

3. This cover is only valid if it is purchased by the Sherlock Protocol and becomes entirely void if it is transferred to another address that is not owned by the Sherlock Protocol.

4. This cover wording and any associated addendums constitute the entire cover terms and no member, or the mutual as a whole, shall be liable or bound to any other member in any manner by any warranties, representations or covenants outside this cover wording.

Definitions

Underlying risk means the specified protocol in the cover listing which is covered by the Sherlock Protocol.

Underlying claim payments means claim payments made by the Sherlock Protocol in line with the Sherlock protocols' terms and conditions on the **underlying risk**.

Cover Amount means the maximum claim amount payable under the cover and must be equal to the **quota share percentage** of the **total cover amount** of the **underlying risk**. *See note on underlying risks.*

Cover Period means the period of time that a Covered Member is protected under this Cover, chosen by the Covered Member when purchasing Cover and stated in the Member Smart Contract Data.

Quota Share Percentage means the value specified in the on-chain data provided by the covered member when the cover was purchased or 90%, whichever is less.

Total Cover Amount means the underlying cover amount purchased by the client and includes both the Nexus Mutual portion and the Sherlock Protocol portion of cover.

Notes:

Note 1 - Underlying Risk and Cover Amount Inconsistency

If there is an inconsistency between the **cover amount** purchased and the **quota share percentage** of the **total cover amount**, then:

a) Claim amounts can not exceed the **quota share percentage** of the underlying claim payments; and
b) The **quota share percentage** will be proportionally reduced if the **cover amount** is less than the **quota share percentage** multiplied by the total coverage of the underlying risk.