

491—14.10(99E) Segregation account requirements and financial reserves.

14.10(1) Segregation. Fantasy sports contest service providers shall segregate all fantasy sports contest player funds from operational funds.

14.10(2) Financial reserves. For the protection of the funds of contest participants held in paid fantasy sports accounts, the fantasy sports contest service provider shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof in the amount of the deposits in internet fantasy sports contest player accounts.

a. The method of reserve shall be submitted and approved by the commission prior to implementation.

b. The amount of the reserve shall be equal to, at a minimum, the sum of all registered players' funds held in player accounts originating in Iowa.

c. If, at any time, the licensee's total available cash and cash equivalent reserve is less than the amount required, the licensee shall notify the commission of this deficiency within 48 hours.

d. Each licensee shall continuously monitor and maintain a record of all player deposits and the licensee's cash reserves to ensure compliance with the cash reserves requirement.

e. The licensee shall provide the commission with documentation including the amount of deposits in players' accounts and the amount in cash reserves as of the last day of each month. The information is due by the fifteenth day of the month for the preceding month.

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