**Section 1900.1050 Reserve Requirements**

A master sports wagering licensee shall maintain certain cash reserves or other means sufficient to protect wagerers against defaults on gaming debts owed by the master sports wagering licensee.

a) For the purposes of this Subpart J, "cash equivalents" means all highly liquid investments with an original maturity of 3 months or less.

b) A master sports wagering licensee shall maintain a cash reserve equal to at least 20% of the total of all amounts in all sports wagering accounts, and cash equivalents equal or greater to the remaining amounts in all sports wagering accounts.

c) A master sports wagering licensee shall maintain a cash reserve equal to or greater than the amount of unredeemed or cancelled wagers that have been placed on all events whose outcome have already been determined and have not expired.

d) A master sports wagering licensee shall establish a method to determine the estimated theoretical maximum exposure at a frequency no less than monthly. A master sports wagering licensee shall maintain guarantees equal to its theoretical maximum exposure. These guarantees may be in the form of cash, cash equivalents, insurance, or other commercially reasonable means. Other means may include, but are not limited to, layoff bets between master sports wagering licensees or personal guarantees by key persons.

e) Any cash, cash equivalent, or other means used for any purpose in this Section may not be applied to other purposes, including other purposes within this Section.