

MARYLAND LOTTERY
CASH4LIFE
MARYLAND GAME RULES
Consumer Game Information/Consumer Brochure

EFFECTIVE: January 26, 2016

The following Maryland Lottery Cash4Life Maryland Game Rules (“Rules”) have been adopted by the Maryland State Lottery and Gaming Control Agency (“Maryland Lottery”) pursuant to the authorization contained in Md. Ann. Code, State Government Article, Sections 9-101 through 9-125 (“Maryland State Lottery Law”), and shall govern the operation of the Cash4Life lottery game in Maryland.

The Party Lotteries (defined below) have formally agreed to jointly operate a regional lottery game known as Cash4Life pursuant to a Cash4Life Regional Game Agreement (“Agreement”) and such other related rules and procedures agreed to by the Party Lotteries. Participating states may change from time to time. The rules of the Cash4Life game in Maryland are as follows:

1. ADDITIONAL DEFINITIONS

Annuity Option - means the option to have the Cash4Life Jackpot Prize or Second Level Prize paid in annual installments for the Annuitant’s Measuring Life.

Annuitant – means the person(s) or Entity(ies) who receives the benefits of an annuity resulting from a Winning Ticket for the Jackpot Prize or Second Level Prize paid under the Annuity Option.

Cash Option – means the manner in which the Jackpot Prize and the Second Level Prize may be paid in a lump sum payment. The Cash Option is paid in a one-time lump sum. Once the Cash Option is selected, the selection is irrevocable, and a Player may not change their selection.

Cash Ball – means the number selected from the established field of four (4) numbers 1 through 4 known as Matrix B.

Cash Value – means the amount of a one-time lump sum payment under the Cash Option.

Claimant - means any person or Entity submitting a claim form within the required time period to collect a Prize for a Ticket (defined below). A Claimant may be the Purchaser, the person or Entity named on a signed Ticket, the bearer of an unsigned Ticket, or any other person or Entity who may seek entitlement to a Prize payment in accordance with these Cash4Life Rules and the Maryland State Lottery Law, Regulations, rules and policy.

Claim Limitation Period or Prize Claiming Period - means the requirement that a Winning Ticket Prize must be claimed within one hundred eighty-two (182) days of the valid Drawing date for which it was purchased (or any other relevant period as established by the Maryland State Lottery Law or otherwise by the Maryland Lottery). Prizes that are not claimed within the Claim Limitation Period are known as Unclaimed Prizes.

Deferred Annuity Portion – means the portion of the Annuity Option paid once the Prizewinner exceeds the Guaranteed Portion of the annuity. The Deferred Annuity Portion installments will continue to be paid for the remainder of the Prizewinner’s Measuring Life. Also see definition of Guaranteed Annuity Portion and Section 8 of these Rules.

Director - means the Director of the Maryland Lottery, as established pursuant to the Maryland State Lottery Law.

Drawing or Draw - means the formal process and event of randomly selecting the Winning Numbers for an individual Cash4Life lottery game in accordance with these Rules and the Cash4Life Drawing Procedures.

Entity – Any Claimant other than a natural person.

Fixed Prizes - means a set amount awarded in the Cash4Life Game unless a Prize Liability Limit is reached; see Section 7 of these Rules.

Game – means the lottery game named Cash4Life®.

Guaranteed Annuity Portion – means the portion of the Annuity Option where the Prizewinner is guaranteed annuity payments for the first twenty (20) years of the Claimant’s Measuring Life. Also see definition of Deferred Annuity Portion and Section 8 of these Rules.

Jackpot or Jackpot Prize – means the top Prize amount awarded for matching in a single Play 5 out of 60 numbers in Matrix A, and 1 out of 4 numbers in Matrix B (Cash Ball); See Section 7 regarding if more than one Ticket from all participating Party Lottery states wins the Jackpot Prize.

Leap Day – February 29, occurs every fourth year. Leap Day shall not count for purposes of Prize calculation.

Lottery - means the Maryland Lottery.

Lottery Headquarters – means the building where Lottery operations are conducted, with an address of 1800 Washington Blvd, Suite 330, Baltimore, MD 21230.

Matrix A (Field 1) – means a pool of numbers from one (1) to sixty (60).

Matrix B (Field 2) – means a pool of numbers from one (1) to four (4), used to determine the “Cash Ball.”

Measuring Life or Life – means the period over which a Jackpot Prize or a Second Level Prize is paid out under the Annuity Option. For each Winning Ticket, the Measuring Life shall be the natural life of the individual who the Lottery determines to be the valid Prizewinner. However, for the following Claimants, the Measuring Life shall be fixed at twenty (20) years:

- A minor under the age of 18.
- A legal Entity other than an individual.
- More than one natural person claims a Prize on the same Ticket.

Multi-Draw - means a Game feature which allows a Player to select Plays for up to 15 consecutive Drawings (as determined by the Maryland Lottery) on one (1) Ticket, starting with the next scheduled Drawing. The cost of a Multi-Draw Ticket depends on how many Draws and how many Plays are selected.

Pari-Mutuel – means the Prize Pool is divided by the number of Winning Tickets for a Prize Level, as provided in these Rules.

Party Lotteries – means, collectively, the state lotteries established and operated pursuant to applicable state law who are signatories to the Agreement. State lotteries who are signatories to the Agreement may change from time to time. Currently, the Party Lotteries are: New Jersey Department of the Treasury, Division of Lottery; New York State Division of the Lottery; the Commonwealth of Pennsylvania, Department of Revenue, Pennsylvania Lottery; the Virginia State Lottery; the Tennessee Education Lottery Corporation; and the Maryland Lottery.

Party Lottery – means one of the Party Lotteries.

Play – means one (1) wager by a Player on five (5) different numbers from Matrix A and one (1) additional Cash Ball number from Matrix B.

Play Slip or **Playslip** - means an optically readable card on paper stock issued by the Lottery that a Player uses to select his playable numbers to make a Cash4Life Play or Plays.

Player or **Purchaser** - means a person at least eighteen (18) years of age, who validly purchases a Ticket from a Retailer.

Plays per Ticket - means the number of Plays printed on a single Ticket. A Ticket can have up to five (5) Plays per Ticket.

Prize or **Prizes** - means the individual Cash4Life® winnings, as defined in these Rules.

Prize Fund – means the number of dollars available to fund all Prizes, as determined by the Party Lotteries.

Prize Level – means the prize amount assigned in the Prize Chart (See Section 6.b. of these Rules) for the number of winning numbers drawn in a Drawing that match the numbers selected in a Play.

Prize Liability Limit – means a pre-established threshold, as determined and announced by the Party Lotteries before sales commence for a drawing to which the threshold applies. The Prize Liability Limit will be posted on the Lottery website (mdlottery.com) by stating the Prize Liability Limit within these Rules.

Prize Pool- means the respective number of dollars from the Prize Fund allocated to each of the Prize Levels.

Prizewinner - means a Player who is entitled, as a result of successful Claimant verification and successful Play/Ticket validation, to receive a Prize under the rules of the Game.

Purchaser or Player- See Player.

Quick Pick – means a Game feature that allows a Player to have the Cash4Life’s designated gaming system randomly select Cash4Life numbers for an individual Play.

Retailer - means a business or person who has been licensed by the Lottery to sell lottery tickets.

Sales Cut-Off - means the time after which requests to purchase Tickets will not be accepted for that Drawing.

Second Level Prize - means the Prize awarded for matching in a single Play 5 out of 60 numbers in Matrix A, and 0 out of 4 numbers in Matrix B; this Prize is subject to the Prize Liability Limit.

Subscription - means a method of playing a lottery game, if authorized by the Lottery, which provides the ability to play a specific number of games using the same numbers for a period of consecutive drawings as specified on the subscription membership card.

Terminal - means a device that is authorized by the Lottery to interact with the Lottery’s central computer system to issue Maryland Lottery Tickets and to enter, receive and process Lottery transactions that may include issuing Tickets, validating Tickets and transmitting reports. Terminal includes a Player Activated Terminal (PAT) and a PlayCentral® Terminal (PCT) for the purchase of Tickets. When using a PAT/PCT, the Player may make number selections by inserting a completed Playslip into the PAT/PCT’s optical mark reader, or by manually entering the selections on the PAT/PCT touch screen, or by selecting a Quick Pick option.

Ticket - means an official Cash4Life Game ticket, produced on official paper stock by a Retailer through a Terminal in a manner authorized by the Lottery, bearing information required by the Lottery.

Wager – The amount a Player bets on one (1) Play.

Winning Numbers - means the five (5) different numbers from Matrix A, and the one number from Matrix B randomly selected during a Cash4Life Drawing that shall be used to determine a Winning Play.

Winning Play – means a Play that matches the Winning Numbers.

Winning Ticket - means a Ticket that has passed all Lottery validation and security requirements and that contains a Winning Play or Winning Plays. Each Winning Ticket must meet Maryland Lottery validation requirements.

2. GAME PLAY

- a. Cash4Life® is a multi-state lottery game in which Players select numbers that could potentially match those selected during a random Drawing for a chance to win Prizes.

- b. To play Cash4Life, a Player selects, or has the Terminal randomly assign (Quick Pick) five (5) numbers from Matrix A which includes a range of consecutive numbers from one (1) to sixty (60) and one (1) number from Matrix B (Cash Ball) which includes a range of consecutive numbers from one (1) to four (4). The Cash Ball number may be the same number as one of the five numbers a Player selects or has Quick Picked from Matrix A. Selections of fewer than or more than six (6) numbers will generate an error message and the sale will not be processed.
- c. In order to be valid, a Ticket must, in addition to other information required by Lottery statute and regulations, be clearly identified with: the Cash4Life name; the state where issued, which must be Maryland; and the date or dates of the applicable Drawing(s).
- d. As determined by the Lottery, a Player may select numbers by orally communicating the six (6) numbers to a lottery Retailer; by marking five (5) numbered spaces in Matrix A and one (1) numbered space in Matrix B on a Cash4Life Playslip and submitting it to a Retailer; or by requesting a Quick Pick from a Retailer orally or on a Playslip. Additionally, the Lottery may authorize other means to place a Wager.
- e. Each Play costs \$2.00, except that the Director may establish a discount for promotional purposes from time to time. After proper number selection and payment by a Player, the Retailer shall issue a Ticket containing the selected set or sets of numbers; each set of 6 numbers constitutes a Play.
- f. Cash4Life Tickets will be sold every day during the normal business hours of the Retailers authorized to sell Tickets, and/or by other means authorized by the Lottery. The sale period for any given Cash4Life Drawing will terminate on the date of a Drawing at approximately 8:45 PM Eastern Time. Currently, the Sales Cut-Off occurs on Mondays and Thursdays at approximately 8:45 PM Eastern Time.
- g. **Cash4Life Tickets may not be canceled.**
- h. It shall be the sole responsibility of the Purchaser to verify the accuracy and readability of the information printed on the Cash4Life Ticket at the time of purchase. After the Purchaser leaves a Retailer location, neither a Retailer nor the Lottery shall be liable for any errors in the accuracy and readability of a Ticket occurring for any reason.
- i. Playslips shall have no pecuniary or Prize value, and shall not constitute evidence of purchase or number selections.
- j. The Party Lotteries reserve the right to change Matrix A and/or Matrix B. Any change in either Matrix shall be publicly announced by the Lottery in advance of the effective date.
- k. A Cash4Life game feature may be added at the discretion of the Lottery. A Cash4Life game feature is an alternative or additional method for playing the Game. Any game feature that may be added shall be publicly announced by the Lottery in advance of the effective date.
- l. In addition to restrictions in Maryland law, including but not limited to Maryland statutes and regulations, a Cash4Life Ticket may not be purchased in Maryland or in any other Party Lottery state by any member of the Maryland State Lottery and Gaming Control Commission (“Commission”), or by any

Lottery officer or employee or by any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any Commission member, Lottery officer or Lottery employee.

- m. By purchasing a Ticket, a Player agrees that, as amended from time to time, all Cash4Life Official Game Rules, Finance and Operations Procedures, and other relevant Cash4Life documents, and all rules on the Playslip, these Rules, and all Cash4Life rules and information at mdlottery.com, and all Lottery laws, statutes, regulations, policies, procedures, decisions, and rules, and all other applicable laws govern all aspects of the Ticket, Game, Playslip, claiming, Prizes, Prizewinners, transactions, and payments.

3. DRAWINGS

- a. Drawings to select the Winning Numbers shall be conducted at the studios of New Jersey Lottery Headquarters (or elsewhere as determined by the Party Lotteries) on Monday and Thursday at approximately 9:00 PM Eastern Time; however, the day, time or location of Drawings may be modified as determined by the Directors and publicly announced by the Party Lotteries, and/or as stated in the Cash4Life Drawing Procedures. Substitute Drawings may be held at the discretion of the state holding the Drawing.
- b. All Winning Numbers, even though announced, are subject to validation by the Lottery, including, if necessary, review by the Director, whose decision shall be final. The Lottery shall not be liable for media misprints or incorrectly announced Winning Numbers.

4. CLAIMS AND VALIDATIONS

- a. A Ticket shall be the only proof of a Play and submission of a Winning Ticket to the Lottery or, if applicable, a Retailer, shall be the sole method of claiming a Prize or Prizes. All Lottery statutes, regulations and rules apply to claiming. See Section 2.m. of these Rules.
- b. Tickets are void if they fail to comply with Lottery regulations or other provisions as provided in Section 2.m. of these Rules or if:
 - i) The Ticket is stolen, unissued, unreadable, mutilated, altered, reconstituted, counterfeit in whole or in part, miscut, multiply-printed, defective, tampered with, printed or produced in error, or blank or partially blank;
 - ii) Printing is irregular;
 - iii) Apparent or asserted symbols are not confirmed by validation number; or
 - iv) The Ticket fails any of the Lottery's other validation tests.
- c. A Cash4Life Ticket matching all Game play including numbers drawn, serial number, and other validation data recorded in the Lottery's gaming system computer shall be the only valid proof of a Play placed and the only valid receipt for claiming or redeeming any Prize. In order to be validated, all other requirements of the Lottery must also be met.
- d. All claims arising out of Cash4Life must be pursued only against the State of ticket purchase, and

litigation, if any, shall only be maintained against the Party Lottery of the State of ticket purchase and within the State of ticket purchase as the sole and exclusive remedy of Claimant.

- e. The Claim Limitation Period for Cash4Life Prizes sold in Maryland is one hundred eighty two (182) days from the date of the Drawing. To receive a Prize, a person holding a Winning Ticket must within 182 days after the date of that Ticket's Drawing submit to a claiming location authorized to cash that Ticket both:
 - i) the Ticket and
 - ii) all necessary documentation for claiming.

All claims submitted beyond the Claim Limitation Period/Prize Claiming Period are not eligible for Prize awards.

- f. All determinations of Winning Tickets shall be made by the Director, whose judgment shall be final.

6. PRIZE STRUCTURE

- a. **Prize Fund.** The total Prize Fund for each Drawing is set in accordance with the Cash4Life Official Game Rules and is expected to be approximately fifty-five percent (55%) of the money wagered by all Players for that Drawing, but may be higher or lower. The Prize Levels are generated from the Prize Fund. Except as otherwise provided in these Rules, the Top Prize and the Second Level Prize will be the only Prizes determined on a pari-mutuel basis. The affected Prize Levels will be determined by dividing the allocated portion of the Prize Fund by the number of Winning Tickets produced as a result of the Drawing. Except as otherwise provided in these Rules, other Prize Levels will be fixed as set forth in the Prize Chart below.
- b. **Prize Payout and Structure.** The Prize payouts and Prize structure are as follows, unless other rules apply, in which case Prize amounts may be reduced as set forth in Section 7 of these Rules.

CASH4LIFE PRIZE CHART

PRIZE LEVEL	NUMBERS MATCHED FROM MATRIX A (1 -60)	NUMBERS MATCHED FROM MATRIX B (1 - 4)	APPROXIMATE PROBABILITY	PRIZE	% OF PRIZE FUND
Jackpot Prize (1)	5	1	1: 21,846,048	Annuity Option: \$1,000/Day for Life* (Paid Annually) (Cash Option available)	32.90%
Second (2)	5	0	1: 7,282,016	Annuity Option: \$1,000/Week for Life** (Paid Annually) (Cash Option available)	13.80%
Third (3)	4	1	1: 79,440	\$2,500***	2.90%
Fourth (4)	4	0	1: 26,480	\$500***	1.70%
Fifth (5)	3	1	1: 1,471	\$100***	6.20%
Sixth (6)	3	0	1: 490	\$25***	4.60%
Seventh (7)	2	1	1: 83	\$10***	10.90%
Eighth (8)	2	0	1: 28	\$4***	13.00%
Ninth (9)	1	1	1:13	\$2***	14.00%
OVERALL APPROXIMATE PROBABILITY OF WINNING ANY PRIZE IS 1 IN 8					100.00%

Prizes may be rounded down to whole dollars. Refer to the Cash4Life Official Game Rules for a detailed explanation of all prize levels. Leap Day does not count for purposes of Prize calculation. The Cash Value of the Cash Option is posted on the Lottery website (mdlottery.com) via these Rules, below.

* a) In some instances, life shall be deemed to be twenty (20) years (See, for example, the definition of Measuring Life or Life and see below regarding any lump sum payouts). b) If more than one (1) Ticket from all participating Party Lottery states wins the Jackpot Prize for any given Drawing, the Jackpot Prize shall be divided equally among the winning Jackpot Tickets as provided in Section 7 of these Rules. In certain instances (see Section 7 of these Rules), the annuity option shall no longer apply and payouts will be in a lump sum/Cash Option only. Also see Section 7 regarding a drawing with more than seven (7) Jackpot winners and at least one (1) Second Level Prize winner. c) Except as provided in Section 7 of these Rules, when a prize is claimed, Jackpot Prizewinners will have the option to receive the Jackpot Prize in a single cash payment or in annuity payments. The cash payment will be lower than the announced annuity prize. The Jackpot Prize will be paid annually as an annuity paid in annual installments of \$365,000 unless the Prizewinner selects the cash payment method within sixty (60) days of the Ticket validation date or unless other rules apply.

** a) In some instances, life may be twenty (20) years (See, for example, the definition of Measuring Life or Life and see below regarding lump sum payouts). b) If the total liability for the Second Level Prize level is exceeded, the prize pool for the Second Level Prize will be divided equally among the winning Second Level Tickets as provided in Section 7 of these Rules. In certain instances (see Section 7 of these Rules), the annuity option shall no longer apply and payouts will be in a lump sum/Cash Option only. c) Except as provided in Section 7 of these Rules, when a prize is claimed, Second Level Prize Prizewinners will have the option to receive the Prize in a single cash payment or in annuity payments. The cash payment will be lower than the announced annuity prize. The Second Level Prize will be paid annually as an annuity in annual installments of \$52,000 unless the Prizewinner selects the cash payment method within sixty (60) days of

the Ticket validation date or unless other rules apply.

*** In some cases fixed prizes may be paid on a pari-mutuel basis and will be lower than the prize amounts shown above.

- c. **Cash Option; Cash Value Subject to Change.** Except as otherwise provided in these Rules or as otherwise stated on the Maryland Lottery's website (mdlottery.com), the Cash Value of the lump sum/Cash Option payment for the Jackpot Prize and for the Second Level Prize are as stated in Section 7 of these Rules; both amounts are subject to change. Once the Cash Option is selected, the selection is irrevocable, and a Player may not change that selection.
- d. **Highest Prize Won.** In a single drawing, a Claimant may win in only one (1) Prize Level per single Play and shall be entitled only to the highest Prize Level won by that Winning Play.

7. PRIZE LIABILITY LIMITATION

- a. In the event that a Prize Liability Limit would be exceeded for a particular Drawing, the Prize amounts for each Prize Level shall be adjusted in accordance with a formula established by the Party Lotteries so that the aggregate liability for prizes in such Drawing shall not exceed the Prize Liability Limit. **Prize Liability Limits are posted on the Lottery website (mdlottery.com) by stating them below.**
- b. **Jackpot Prize Level.** - Except as provided in these Rules, the Jackpot Prize shall be paid either as an annuity or as a lump sum. If in a single Drawing more than one winning Jackpot Prize Ticket is sold, payout of the Jackpot Prize shall be paid on a pari-mutuel basis as set forth below. Under certain circumstances, as detailed below, the Jackpot Prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available, even if the player selected the Annuity Option.
 - i. **One (1) Jackpot Winning Ticket among the Party Lotteries.** If in a single Drawing only one (1) Jackpot Winning Ticket is sold among all Party Lotteries, it will be paid either a) in an annuitized Prize with a value for that Ticket of \$1,000 per day for Life, paid in annual installments of Three Hundred Sixty Five Thousand Dollars (\$365,000) a year, or b) in a one-time lump sum/Cash Option Prize payment of Seven Million Dollars (\$7 million) (subject to change).
 - ii. **More than One Jackpot Winning Tickets among the Party Lotteries.** If in a single Drawing more than one (1) Jackpot Winning Ticket is sold among the Party Lotteries, the Jackpot Prize awards shall become pari-mutuel as follows: the Jackpot Prize (normally \$7 million) shall be:
 - a. Cash Option lump sum shall be determined as follows: the amount, rounded down to a whole dollar value, determined by dividing \$7 million by the number of Jackpot Winning Tickets for that Drawing. The resulting amount shall be called the "pari-mutuel cash value".
 - b. Annuity Option annual payment amounts shall be determined as follows: The pari-mutuel cash value divided by \$7 million, multiplied by \$365,000. (Note: Annuitized Prizes are paid annually.)
 - iii. **Fifteen (15) or more Jackpot Winning Tickets among the Party Lotteries.** If in a single Drawing fifteen (15) or more Jackpot Winning Tickets are sold among the Party Lotteries, no Annuity Option shall be available; all winners will receive their Prize in a lump sum, determined as stated in

Paragraph 7.b.ii.

- iv. **For example:** In a single Drawing three (3) winning Jackpot Tickets are sold. The pari-mutuel value of each Ticket is \$7,000,000 divided by 3, i.e., \$2,333,333. The annual payment option value for each Ticket is \$2,333,333 divided by \$7,000,000 and multiplied by \$365,000, i.e., \$121,666 per year for at least 20 years. For a Drawing with fifteen or more Jackpot Winning Tickets sold, no annuity option is available.
- c. **Second Level Prize Payouts.** – Except as provided in these Rules, the Second Level Prize shall be paid either as an annuity or as a lump sum.
- i. The Prize Liability Limit is Five Million Dollars (\$5 million) (amount may be changed by majority vote of the Party Lotteries’ Directors). The amount available in the Prize Pool for the Second Level Prize is defined as the accumulation of 7.59% of total sales since the previous Drawing where any Second Level Prize Prizewinners were produced.
 - ii. If in a single Drawing, the total liability for the Second Level Prizes does not exceed the Prize Liability Limit, then the Second Level Prize is paid as either a) an annuitized prize One Thousand Dollars (\$1,000) per week for Life, paid in annual installments of \$52,000 a year or b) in a one-time lump sum/Cash Option Prize payment of One Million Dollars (\$1 million) (subject to change).
 - iii. If in a single Drawing, the total liability for the Second Level Prizes exceeds the Prize Liability Limit, the Second Level Prizes from the Drawing shall become pari-mutuel as follows:
 - a. Cash Option lump sum shall be determined as follows: the amount, rounded down to a whole dollar value, determined by dividing \$5 million by the number of Second Level Winning Tickets. The resulting amount shall be called the “pari-mutuel cash value of a Second Level Winning Ticket”.
 - b. Annuity Option annual payment amounts shall be determined as follows: The pari-mutuel cash value of a Second Level Winning Ticket divided by the unreduced prize value and multiplied by \$52,000.
 - c. For example: In a single Drawing six winning Second Level Prize Tickets are sold. The pari-mutuel cash value of a Second Level Winning Ticket is \$5,000,000 divided by 6, i.e., \$833,333. The annual payment option value for each Ticket is \$833,333 divided by \$1,000,000 and multiplied by \$52,000, i.e., \$43,333 per year for at least 20 years.
 - d. If a Prize Liability Limit is exceeded and the annuity prize value of a Second Level Prize falls below less than \$26,000 (\$500 per week) a year, then all Prize winners will be paid in a single lump sum/Cash Option payment and no annuitized payment option will be available, even if the Annuity Option was selected.
- d. If in any single Drawing there are more than seven (7) Jackpot Prize winners and at least one (1) Second Level Prize winner, then both the Jackpot Prize and the Second Level Prize shall become pari-mutuel prizes. The total prize pool, to be allocated equally among the total number of Jackpot and Second Level winners in this scenario, will be Seven Million (\$7 million) plus the lesser of (Five Million (\$5 million); or One Million (\$1 million) multiplied by the number of Second Level winners). Each Winning Ticket will share in the defined Prize Pool equally for the cash value of the Cash Option, and the Annuity Option payment will be calculated as stated in 7.b. or 7.c. above, reduced in the same proportion as the lump sum Cash Option value.
- e. **Prize Level 3 through Prize Level 9.** - Prize Levels 3 through 9 will be paid as Fixed Prizes and paid in one single cash payment unless a Prize Liability Limit would be exceeded; see Section 7(c).

- f. **Prizes Rounded Down to Nearest Whole Dollar.** - All Prize Levels will be rounded down to the nearest whole dollar.

8. LIFE ANNUITY REQUIREMENTS AND RESTRICTIONS

- a. **Minimum Annuity Period.** An Annuitant shall be paid their appropriate Jackpot Prize share or Second Level Prize share on an annual basis for their Measuring Life, or for the twenty (20) year term of the Guaranteed Annuity Portion, whichever is longer. In the event that an Annuitant dies within the twenty (20) year Guaranteed Annuity Portion, any remaining Prize payments in the Guaranteed Annuity Portion shall be paid to the Annuitant's estate or to the Annuitant's beneficiary pursuant to the Lottery's rules and regulations and Maryland law. The initial payment under the Annuity Option shall be paid as soon as possible upon completion of internal validation procedures and in accordance with these Rules.
- b. **Minors.** Where a Claimant of a Jackpot or Second Level Prize is a minor who has not yet attained eighteen (18) years of age, such Prize will be payable to any bank to the credit of an adult member of the minor's family or a guardian of the minor, as custodian for such minor, under the Maryland Uniform Transfers to Minors Act in accordance with Md. Ann. Code, State Gov't. Art., §9-122(d) and Md. Ann. Code, Estates and Trusts Art., Title 13. This provision does not permit the purchase of tickets by minors prohibited by Md. Ann. Code, State Gov't. Art., §9-124(b)(4).
- c. **Assignment.** A Prizewinner of a Cash4Life annuity Prize shall not be permitted to assign any annual payments following the 18th annual payment. In addition, an Annuitant shall not be permitted to assign any annual Prize installments within the Deferred Annuity Portion. If an Annuitant assigns a Prize (only possible prior to the 18th annual payment), the Prize shall be valued as having been a prize for 20 years.
- d. **Proof of Life.** Prior to the beginning of payment of the Deferred Annuity Portion, Lottery will send an affidavit letter to the Annuitant requesting proof of life "Affidavit Letter"). The purpose of the Affidavit Letter is to verify that the Annuitant is still alive. If alive, the Annuitant shall sign the Affidavit Letter and have the Annuitant's signature on the Affidavit Letter verified by signing and sealing by a notary public. An Affidavit Letter will be sent to the Annuitant each subsequent year prior to the next scheduled installment payment. If Annuitant fails to provide a signed and notarized Affidavit Letter, the Lottery shall not make any further Deferred Annuity Portion payments. However, when, in the Director's sole discretion, the facts underlying an Annuitant's failure to provide a completed annual Affidavit Letter are reasonable, the Deferred Annuity Portion payments may resume. No interest shall be paid by the Lottery on the value of the Prize or any payment thereof during any period that a Prize payment was not made due to failure of the Annuitant to provide an Affidavit Letter. No installment payments may be paid in the Deferred Annuity Portion of the Annuity Option after the Annuitant's death.
- e. **Prizewinner's Address.** Even if a full annual payment or multiple payments have been assigned to a third party, it shall be the Prizewinner's responsibility to provide the Lottery any updated Prizewinner address information to which Prize installments may be mailed. It shall be the Prizewinner's responsibility to provide the Lottery any updated address information to which an Affidavit Letter may be mailed.
- f. **When a Jackpot Prize and a Second Level Prize are not paid for life:** Other situations may arise where a Jackpot Prize and/or a Second Level Prize is not paid for life, but those prizes will never be paid for life in

the following situations: a) If the Prize's Claimant is any one of the three types of claimants that limits the Measuring Life to twenty years; b) If the Prize's Claimant chooses a lump sum payment; c) If there are fifteen (15) or more Jackpot Winning Tickets; d) If the Second Level Prize annuity payout annual installment amount would be less than \$26,000 (\$500/week); and e) if a Prize is assigned. A Jackpot Prize and/or a Second Level Prize might not be paid for life if there are more than 7 Jackpot winners and at least 1 Second Level Prize winner.

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