

Securities Regulation Daily Wrap Up, EXCHANGES AND MARKET

REGULATION—Senators introduce two bills to ban ‘death bets’ and tighten oversight of prediction markets, (Mar 12, 2026)

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New legislation in Congress would prohibit contracts tied to war or death and impose sweeping federal safeguards on the rapidly growing prediction-market industry.

Two Senate bills introduced this week would impose new restrictions on prediction markets, including an explicit ban on contracts tied to war, death, and other violent events, while establishing broader federal safeguards for the fast-growing industry. Sen. Adam Schiff [introduced](#) the [Discouraging Exploitative Assassination, Tragedy, and Harm Betting in Event Trading Systems Act](#), or DEATH BETS Act, which would bar any CFTC-registered platform from listing contracts tied to terrorism, assassination, war, or an individual's death. Separately, Sen. Richard Blumenthal [introduced](#) the [Prediction Markets Security and Integrity Act](#), which would create federal rules to prevent insider trading, manipulation, and underage gambling on prediction platforms. Together, the measures seek to curb controversial event contracts and impose new consumer protections and oversight.

Concerns over security and speculation. Supporters of the legislation say prediction markets have increasingly hosted controversial wagers involving geopolitical conflict and violence. Schiff's office cited examples such as a contract on whether Iran's Supreme Leader would be "out as Supreme Leader," which reportedly drew about \$54 million in trading volume before being paused. Rep. Mike Levin, who plans to introduce companion legislation in the House, said the current system leaves "nothing standing between a prediction market and a contract that lets someone make money off the outbreak of war or the deaths of American service members." Levin noted that more than half a billion dollars was wagered on the timing of U.S. military strikes on Iran, calling the situation "unacceptable."

Separate bill targets prediction market regulation. Meanwhile, Blumenthal's Prediction Markets Security and Integrity Act, co-sponsored by Sen. Andy Kim, would establish broader federal oversight of prediction markets. Blumenthal warned that the industry has grown into a "multi-billion-dollar unregulated" sector where "prediction markets have become a haven for insider trading, market manipulation, and underage gambling." His bill would ban wagers related to war, death, and military action, create federal rules against insider trading and manipulation, and require age verification and other consumer safeguards.

Consumer protections and state authority. The Blumenthal proposal would also restore significant regulatory authority to states and impose numerous protections on operators, including restrictions on advertising, safeguards against underage use, and limits on predatory features such as certain bonus incentives. It would require operators to share anonymized wagering data, maintain reserves to cover customer funds, and fund programs addressing gambling addiction. Lawmakers backing the measure say these rules are needed to prevent exploitation and national security risks as prediction markets expand rapidly online.

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