

as a statutory reserve against losses on loans and against other losses as may be specified in rules prescribed by the commissioner of banks, sums in accordance with the following schedule:

(a) A credit union in operation for more than four years and having assets of \$500,000 or more shall set aside (1) ten percent of gross income until the statutory reserve shall equal four percent of the total of outstanding loans and risk assets, then (2) five percent of gross income until the statutory reserve shall equal six percent of the total of outstanding loans and risk assets;

(b) A credit union in operation less than four years or having assets of less than \$500,000 shall set aside (1) ten percent of gross income until the statutory reserve shall equal seven percent of the total of outstanding loans and risk assets, then (2) five percent of gross income until the statutory reserve shall equal ten percent of the total outstanding loans and risk assets.

Whenever the statutory reserve falls below the percent of the total of outstanding loans and risk assets required by clause (a) or (b), it shall be replenished in the manner provided by clause (a) or (b) by regular contributions to maintain the stated reserve goals.

Loans to other credit unions shall not be included in computing outstanding loans and risk assets pursuant to clauses (a) and (b).

There shall also be established, and at all times maintained, a reserve of not less than ten percent of the amount of the deposits, which shall be in cash and balances due from solvent banks or which may be, in whole or in part, in short term obligations guaranteed as to principal and interest by the U.S. government or in certificates of deposit of a federally insured bank or in a passbook or other account in a federally insured savings and loan association or in balances due from Minnesota central credit union or ICU services corporation or U.S. central credit union.

Approved March 28, 1978.

CHAPTER 643-H.F.No.2000

[Coded]

An act relating to rates of interest on money; permitting higher interest rates for loans secured by savings and time deposit accounts; amending Minnesota Statutes 1976, Chapter 334, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Chapter 334; is amended by adding a section to read:

Changes or additions indicated by underline deletions by ~~strikeout~~

[334.012] RATES OF INTEREST; LOANS SECURED BY SAVINGS ACCOUNTS. Notwithstanding the provisions of section 334.01, a financial institution may, in the case of a loan or forbearance of money, goods, or things in action, secured by a savings or time deposit account owned by the borrower, charge interest at a rate of not more than the greater of two percent in excess of the rate of interest payable on the savings or time deposit account or the contracted rate authorized in section 334.01, subdivision 1. For purposes of this section, "financial institution" means a bank, savings bank, trust company, mutual savings bank, or savings and loan association organized under the laws of this state or the United States and having its main office in this state.

Sec. 2. This act is effective the day following final enactment.

Approved March 28, 1978.

CHAPTER 644-H.F.No.2003

[Not Coded]

An act relating to reporting requirements for products liability claims; making various clarifications and technical changes; providing penalties for failure to comply; extending the expiration date; amending Laws 1977, Chapter 316, Section 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 1977, Chapter 316, Section 2, is amended to read:

Sec. 2. Subdivision 1. On or before March 15 of each year each insurer licensed to write general liability insurance and each surplus line insurer providing product liability insurance or excess insurance above self-insured retention to one or more manufacturers, sellers or distributors in this state, shall file with the commissioner of insurance a report of the product liability claims made against its insureds, resident or located in Minnesota, which have been closed during the one year period ending December 31 of the previous year, provided, however, that this subdivision shall not require reporting of any information regarding claims closed prior to June 30, 1977. This report which shall contain, but need not be limited to, the following information for product liability policies written in Minnesota for the one year period ending December 31 of the previous year: the total number of product liability policies issued, the amount of product liability coverage issued, the total number of product liability claims, broken down by the type or category of claims, and the total amount paid in settlement or discharge of the claims for each type or category of claims, and the total amount paid for attorney's fees, court costs and any other litigation-related expenses for each type or category of claims.

Subd. 2. On or before March 15 of each year each insurer licensed to write general liability insurance and each surplus line insurer providing product liability insurance or excess insurance above self-insured retention to one or more manufacturers, sellers or distributors in this state shall file with the commissioner of insurance a report containing the following information for the one year period ending December 31 of the previous

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