

(ii) "Community association" includes a nonprofit corporation that represents the common interest of more than one community association.

(6) "Homeowners' association" means a nonprofit organization comprised of property owners in a subdivision or group of subdivisions whose purpose is to represent the mutual interests of the property owners regarding the construction, protection, and maintenance of the commonly owned or used property and improvements.

(7) (i) "Agent of an association or organization" means a person who is or was a director, officer, employee of an association or organization or who, on a volunteer basis, is or was providing services or performing duties on behalf of an association or organization.

(ii) "Agent of an association or organization" does not include independent contractors that provide services on a contract basis.

(8) "Suit" means any civil action, except any health care malpractice action, brought against an agent of an association or organization or against the association or organization by virtue of the agent's acts or omissions in providing services or performing duties on behalf of the association or organization.

(b) Except as provided in subsection (d) of this section, an agent of an association or organization is not personally liable for damages in any suit if:

(1) The association or organization maintains insurance covering liability incurred by the association or organization or its agents, or both, as a result of the acts or omissions of its agents in providing services or performing duties on behalf of the association or organization;

(2) The terms of the insurance policy under which the insurance is maintained provide coverage for the act or omission which is the subject matter of the suit and no meritorious basis exists for the denial of the coverage by the insurance carrier; and

(3) The insurance has:

(i) A limit of coverage of not less than \$200,000 per individual claim, and \$500,000 per total claims that arise from the same occurrence; and

(ii) 1. If the insurance has a deductible, a deductible amount not greater than \$10,000 per occurrence; or

2. If there is coinsurance, a rate of coinsurance not greater than 20 percent.

(c) In suits to which the provisions of subsection (b) of this section apply, the plaintiff may recover damages from the association or organization only to the extent of the applicable limit of insurance coverage including any amount for which the association or organization is responsible as a result of any deductible or coinsurance provisions of such insurance coverage.