

exempt from taxation under § 501(c)(4) of the Internal Revenue Code-~~+~~; OR

2. A NONPROFIT ASSOCIATION, CORPORATION, OR OTHER ORGANIZATION THAT IS:

A. COMPRISED OF RESIDENTS OF A CONTIGUOUS COMMUNITY THAT IS DEFINED BY SPECIFIC GEOGRAPHIC BOUNDARIES; AND

B. OPERATED FOR THE PROMOTION OF THE WELFARE, IMPROVEMENT, AND ENHANCEMENT OF THAT COMMUNITY.

(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 interest of the property owners regarding the construction, protection, and maintenance of the commonly owned or used property and improvements.

(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