

~~liability in certain suits by requiring the association or organization to maintain a certain amount to include certain amounts of insurance coverage for each per policy year or for the total amount of claims that arise from the same occurrence and per total claims that arise from the same occurrence; and providing for the application of this Act.~~

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings

Section 5-312(b)

Annotated Code of Maryland

(1989 Replacement Volume and 1993 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Courts and Judicial Proceedings**

5-312.

(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:

1. \$200,000 per individual claim, and \$500,000 per total claims that arise from the same occurrence; OR

2. ~~\$500,000~~ \$750,000 PER EACH POLICY YEAR, 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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.