

(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.

(d) An agent of an association or organization shall be liable for damages in any suit in which it is found that the agent acted with malice or gross negligence, to the extent that the judgment for damages exceeds the limits on liability under subsection (c) of this section.

(e) The provisions of this section do not apply to suits brought by the Attorney General upon referral by the Secretary of State in which willful violations of Article 41, §§ 3-201 through 3-214 are alleged and proven.

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.

SECTION 2- 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1994.

Approved May 26, 1994.