

2. EACH OF THOSE ORGANIZATIONS MEETS THE REQUIREMENTS OF ITEM (I) OF THIS PARAGRAPH.

[(7)](8) "Compensation" does not include actual and necessary expenses that are incurred by a volunteer in connection with the services provided or duties performed by the volunteer on behalf of an association or organization, and that are reimbursed to the volunteer or otherwise paid.

[(8)](9) "Homeowners' association" means a nonprofit association, corporation, or other 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.

[(9)](10) "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 act or omission in providing services or performing duties on behalf of the association or organization.

[(10)](11) "Volunteer" means an officer, director, trustee, or other person who provides services or performs duties on behalf of an association or organization without receiving compensation.

(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. \$750,000 per 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.