

Teddy Newell and Pamela Barker v. Union Mutual Fire Insurance Company

Held: March 6, 2024
Decision Issued: April 5, 2024
Docket Number: INS-24-2012

The named insureds requested a hearing to contest the nonrenewal of their homeowners policy. The company asserted that nonrenewal was appropriate because a longstanding condition in the covered dwelling did not meet its underwriting guidelines.

Held: For the insureds. Under Section 3051 of the Maine Property Insurance Cancellation Control Act, 24-A M.R.S. §3051, nonrenewal of a homeowners policy is permissible if the underlying reason is a good faith reason and related to the insurability of the property. The company failed to meet its burden of proving that the concerns underlying the underwriting guidelines cited in support of the action were related to the insurability of the property. Accordingly, the nonrenewal action is not permitted.