

Frank Walsh v. Union Mutual Fire Insurance Company

Held: June 18, 2024
Decision Issued: July 18, 2024
Docket Number: INS-24-2042

The named insured requested a hearing to contest the nonrenewal of his homeowners policy. The company asserted that nonrenewal was appropriate because two water damage loss events had occurred on the covered property during the preceding three-year period.

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 establishing that the reason stated in the notice it communicated to the insured was a good faith one. Accordingly, the nonrenewal action is not permitted.