

Marjorie Robinson v. Providence Mutual Fire Insurance Company

Held March 6, 2014 – Docket No. INS-14-2016

Decision Issued: March 24, 2014

The named insured requested a hearing to contest the nonrenewal of homeowners policy due to two losses in a policy term. The company argued that the loss history is a good faith reason and permitted by its underwriting guidelines.

Held: For the insured. The Maine Property Insurance Cancellation Control Act permits nonrenewal of a policy for a reason that is “a good faith reason and related to the insurability of the property or a cancellation ground pursuant to section 3049.” 24-A M.R.S.A. § 3051 specifies that “loss record” is not an acceptable explanation of nonrenewal, and that the company’s reliance solely upon its underwriting guidelines is not a sufficient explanation of a nonrenewal. The company failed to identify any factor to support the action that is not expressly prohibited by statute. Accordingly, nonrenewal of the policy for the cited reason is not permitted.