

Randy Caswell and Johnna Lagross v. Homesite Insurance Company of the Midwest

Held April 1, 2014 – Docket No. INS-14-2031

Decision Issued: April 3, 2014

The named insured requested a hearing to contest the nonrenewal of homeowners policy due to the risk not meeting company underwriting guidelines because the home's replacement cost per square foot ratio is below the minimum acceptable when combined with the claim history (a water damage loss of \$950). The company submitted its underwriting guidelines and evidence of the claim.

Held: For the insured. 24-A M.R.S.A. § 3051 allows nonrenewal for a reason that is in good faith and related to the insurability of the property. Section 3054 states that the insurer must establish the existence of its reason for cancellation or nonrenewal and provide proof that the reason is related to the insurability of the property. Section 3054 further states that a "statement from the insurer that the risk does not meet the insurer's underwriting guidelines alone is not considered sufficient proof or evidence." The company offered no explanation of how the insurability of the property would be affected by its cited reason.