

***Michael Dermody v. Providence Mutual Fire Insurance Company***

Held June 12, 2014– Docket No. INS-14-2052

Decision Issued: June 30, 2014

The named insured requested a hearing to contest the nonrenewal of his homeowners policy for grossly negligent acts or omissions, specifically his failure to report a loss promptly to either the insurer or his agent, or to protect the property from further loss. The company failed to demonstrate either assertion.

***Held:*** For the insured. 24-A M.R.S. § 3051 allows nonrenewal of a homeowners policy for a reason that is in good faith and related to the insurability of the property, or if based upon a ground for cancellation under section 3049. The company specifically relied upon § 3049(4)(A), Permitting cancellation for discovery of a negligent act or omission by the insured substantially increasing hazards insured against, in both the stated reason and its testimony. However, the record showed that the insured did report the loss to his agent on the date it occurred, even though it was nine days before the loss was conveyed to the insurer. The record also showed that he was actively addressing the damage and did protect the property from further damage.