

Bette Barajas and David Howes v. Metropolitan Property & Casualty Insurance Company

Held July 1, 2015 – Docket No. INS-15-2071

Decision Issued: July 16, 2015

The named insured requested a hearing to contest the nonrenewal of a homeowners policy, citing a fire loss due to the improper disposal of the insured's cigarette. The company failed to demonstrate this as the cause of the loss, and raised an additional reason at hearing.

Held: For the insured. 24-A M.R.S. § 3051 allows nonrenewal for a good faith reason that is related to the insurability of the property, but requires that reason to be explicit, i.e. clearly identifying to the insured the reason for the action. As the official report ruled the fire undetermined, and also identified another possible human element other than the homeowners, the company's reason was not proven. As the additional reason was not given in the notice, the company is unable to rely upon it to support the nonrenewal action.