

Anders Olafson v. Vermont Mutual Insurance Company

Held August 6, 2015 – Docket No. INS-15-2090

Decision Issued: August 20, 2015

The named insured requested a hearing to contest the nonrenewal of a homeowners policy due to the use of grow lights on the property. The company failed to establish that properly installed lights create an increased risk of fire loss affecting the insurability of the property.

Held: For the insured. 24-A M.R.S. § 3051 permits nonrenewal of this type of policy if the reason is in good faith and related to the insurability of the property. The company established that improperly installed grow or heat lights used on inadequate electrical circuits or extension cords or too close to combustible materials increase the risk of fire, but failed to demonstrate that the insured exposure includes any of the those characteristics. Accordingly, the nonrenewal action is not permitted by the Maine Property Insurance Cancellation Control Act.