

Norman and Terri Mitchell v. Phenix Mutual Fire Insurance Company

Held March 8, 2016– Docket No. INS-INS-15-2151

Decision Issued: March 16, 2016

The named insured requested a hearing to contest the nonrenewal of homeowners policy relating to condition of a detached garage on the premises. The company failed to establish the existence of the cited conditions or their effect on the insurability of the property.

Held: For the insured. 24-A M.R.S.A. § 3051 permits an insurer to nonrenew a policy for a good faith reason that is related to the insurability of the property. The record shows the company had issued loss control recommendations; unfortunately, the communications were vague and the agent delayed conveying them to the insured for over six months. In addition, the agent failed to respond to the insured's requests for clarification, did not inform them of a time frame or that failure to comply could result in nonrenewal. The company also failed to demonstrate where the missing siding or dry rot were located, or what required painting. Therefore the company has not established that its stated reason is in good faith and related to the insurability of the property. Accordingly, the nonrenewal was denied.