

Nathan and Laura Calderwood v. Concord General Mutual Insurance Company

Held: January 11, 2023
Decision Issued: February 9, 2023
Docket Number: INS-22-2044

The named insureds requested a hearing to contest the nonrenewal of their homeowners policy. The company asserted that a fire caused by the alleged negligence of one of the insureds, as well as other specified hazards and conditions, adversely affected the insurability of the property.

Held: For the insureds. Under Section 3051 of the Maine Property Insurance Cancellation Control Act, 24-A M.R.S. §3051, nonrenewal of a homeowners policy is permissible if the underlying reason is a good faith reason and related to the insurability of the property. The company failed to meet its burden of establishing that the circumstances surrounding the prior loss event predisposed the property to future losses or adversely affected the insurability of the property, or that the cited property hazards and conditions existed when the notice was sent. Accordingly, the nonrenewal action is not permitted.