

John and Zdenka Griswold v. Vault Reciprocal Exchange

Held: March 22, 2023
Decision Issued: April 20, 2023
Docket Number: INS-23-2012

The named insureds requested a hearing to contest the nonrenewal of their homeowners policy. The company asserted that nonrenewal was appropriate because it was unable to obtain and verify certain required underwriting information pertaining to the condition of the covered property from the insureds.

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 its inability to obtain underwriting information reflected credible concerns about the insurability of the covered property. Accordingly, the nonrenewal action is not permitted.