

Cowenhoven Camp LLC v. Underwriters at Lloyd's, London

Held: October 22, 2024
Decision Issued: November 22, 2024
Docket Number: INS-24-2082

The named insured requested a hearing to contest the nonrenewal of its surplus lines homeowners policy. The company cited the insured's failure to timely comply with a loss control recommendation and an underwriting guideline pertaining to the dwelling's replacement cost as the reasons for its nonrenewal action.

Held: For the insured. Under section 3051 of the Maine Property Insurance Cancellation Control Act, 24-A M.R.S. §3051, an insurer may nonrenew a policy of property insurance for any reason that aligns with a permissible ground for cancellation set out in section 3049 of the Act or for any reason that is a good faith reason related to the insurability of the property. Section 3049(10) provides that an insurer may cancel a policy for an insured's "failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer." 24-A M.R.S. §3049(10). The insured established that it complied with the company's loss control recommendation and the company failed to meet its burden of proving that its replacement cost underwriting guideline was related to the insurability of the property. Accordingly, the company's nonrenewal action is not permissible.