

*445 Elm Street, Inc. v. Seneca Insurance Company*

Held: July 30, 2025  
Decision Issued: August 27, 2025  
Docket Number: INS-25-2039

The named insured requested a hearing to contest the cancellation of a commercial property policy. The company cited a material misrepresentation made by the insured in obtaining coverage as the basis for its cancellation action.

**Held:** For the company. Section 3007(2)(B) of the Maine Insurance Code, 24-A M.R.S. §3007(2)(B), allows an insurer to cancel a policy for fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy or in presenting a claim under the policy. The company proved that the named insured knowingly made a false or misleading statement regarding the square footage of the building on the property in the application for insurance and that it relied on the statement to underwrite the policy and determine the appropriate coverage limit for the accepted risk. Accordingly, the company's cancellation action is permissible.