

***Mary Bugg v. Union Mutual Fire Insurance Company***

Held: January 28, 2026  
Decision Issued: February 5, 2026  
Docket Number: INS-26-2002

The named insured requested a hearing to contest the pending cancellation of her homeowners policy. The company cited the insured's failure to comply with loss control recommendations as the basis for its cancellation action.

**Held:** For the insured. In a Bureau proceeding involving the proposed cancellation of a homeowners policy, the insurer must initially prove that the reason given in the notice of cancellation is both a permitted cancellation ground under section 3049 of the Maine Property Insurance Cancellation Control Act, 24-A M.R.S. §3049, and included as a basis for cancellation under the terms of the subject policy. The company demonstrated that its stated cancellation reason aligned with the ground set out in section 3049(10) of the Act, but failed to show that the reason was expressly recognized as a permissible basis for cancellation in the policy itself. Accordingly, the company's cancellation action is not permissible.