

Kathleen Kelly v. Liberty Mutual Fire Insurance Company

Held: February 18, 2020
Decision Issued: March 17, 2020
Docket Number: INS-20-2002

The insured requested a hearing to contest the nonrenewal of a homeowners insurance policy. The company asserted that the presence of an underground fuel storage tank on the covered premises was not acceptable under its underwriting guidelines.

Held: For the insured. 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 presence of a fuel storage tank in the basement of the dwelling increased the likelihood of a loss event on the covered property or altered the nature and extent of the risk exposures contemplated by the policy. Accordingly, the nonrenewal action is not permitted.