

BUSINESS

Judge denies move to dismiss State Farm collusion lawsuit



Fire reconstruction on Galloway Street in the Alhambra neighborhood of Pacific Palisades on Oct. 1. (Myung J. Chun/Los Angeles Times)



By Laurence Darmiento
Staff Writer | [Follow](#)

May 16, 2026 3 AM PT



See more from the L.A. Times in Google Search. [Set us as preferred](#) >



A Los Angeles judge has denied a petition by State Farm and other insurers to dismiss two lawsuits accusing them of colluding to drive homeowners onto California's FAIR Plan.

The lawsuits, which accuse the insurers of violating the [state's antitrust and unfair competition laws](#), were largely upheld in a decision Thursday by Los Angeles County Superior Court Judge Samantha Jessner.

The judge struck two less significant claims from the lawsuits filed last year, but allowed the case to proceed against more than a dozen major California insurers, led by State Farm General, the state's largest.

"This is very good news for our people, our plaintiffs, because we're going to be able to go ahead now with our antitrust claims in both cases," said Bob Ruyak, an attorney representing the homeowners.



BUSINESS

Trump administration supports L.A. wildfire victims suing State Farm

May 6, 2026

Sevag Sarkissian, a State Farm spokesperson, said the ruling did not "address the accuracy of the allegations" and that the company looks "forward to presenting our case in court."

The lawsuits allege the companies financially benefited when policyholders were dropped and moved onto the FAIR Plan, since they financially back the insurer that sells more expensive policies which offer less coverage.

One lawsuit led by Todd and Kimberley Ferrier — whose Pacific Palisades home burned down — seeks to compensate 60 homeowners who experienced fire losses exacerbated by the FAIR Plan's limited coverage.

The other case is a proposed class action that would compensate policyholders for the higher premiums they paid to the plan.

The case has garnered the attention of the federal Department of Justice, which [filed a brief](#) this month disputing an argument made by the insurers to have the case thrown out.

The insurers had alleged that they were shielded from antitrust liability under both California and federal law due to a certain legal doctrine.

While the department took no position on the merits of the collusion allegations, it said it files such briefs “where doing so helps protect competition and consumers, including by encouraging the sound development of the antitrust laws.”



BUSINESS

President Trump bashed State Farm on social media: Why it didn't come out of the blue

April 3, 2026

The decision by the department to insert itself in the case followed a March post by President Trump [bashing State Farm on social media](#) after a visit to Pacific Palisades by administration officials.

The president called State Farm's treatment of January 2025 wildfire victims “absolutely horrible” and asked EPA Administrator Lee Zeldin for a list of insurers who “acted swiftly” and those that were “particularly bad.”

Also this month, the California Department of Insurance filed an [administrative action against State Farm](#) seeking possible suspension of the carrier's insurance license, alleging State Farm mishandled January 2025 wildfire claims.

The company acknowledges some claims were mishandled [but rejected claims](#) it engaged in a “general practice of mishandling or intentionally underpaying wildfire claims.”

The company says the California’s homeowners insurance market is the most “dysfunctional” in the country, with state regulators contributing to “delays and uncertainty that have contributed to fewer choices and higher costs for consumers.”

More to Read

Regulators may seek to suspend State Farm’s license, citing widespread mishandling of L.A. wildfire claims

May 4, 2026



State Farm reaches deal to keep 17% hike in home insurance rates

March 7, 2026



Court rejects bid to beef up policies issued by California’s home insurer of last resort

Dec. 24, 2025



Inside the business of entertainment



The Wide Shot brings you news, analysis and insights on everything from streaming wars to production — and what it all means for the future.

By continuing, you agree to our [Terms of Service](#), which include arbitration and a class action waiver. You agree that we and our third-party vendors may collect and use your information, including through cookies, pixels and similar technologies, for the purposes set forth in our [Privacy Policy](#) such as personalizing your experience and ads.

Login or register with email

Agree & Continue



Laurence Darmiento

Laurence Darmiento covers finance, insurance, aerospace and dealmakers in Southern California for the Los Angeles Times. He joined the paper in 2015 as an assistant Business editor and has overseen finance, real estate and Washington