

State Farm Hit With New Suit in Wildfires

By Laura J.

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LOS ANGELES—Los Angeles County sued State Farm on Monday over its handling of insurance claims after the deadly and destructive 2025 wildfires, alleging that delays and denials of claims by California's largest private insurer violated unfair competition laws.

The lawsuit, filed in Los Angeles County Superior Court, alleges that State Farm denied claims and delayed payouts for policyholders whose homes were destroyed or damaged by the fires in Pacific Palisades and Altadena.

The lawsuit said that State Farm assigned multiple adjusters to people seeking payments, failed to issue payments to cover living expenses after the fires, made misrepresentations to discourage policyholders from pursuing claims, and didn't properly handle claims of smoke damage in homes left standing, the lawsuit said.

"Wildfire survivors have spent far too long fighting to receive the benefits they paid for and counted on," said Los Angeles County Supervisor Kathryn Barger, a Republican whose district includes Altadena, at a downtown news conference.

State Farm "strongly disagrees" with the county's characterization of its wildfire claims handling, and plans to respond through the appropriate legal process, a company representative said.

The insurer has said more than \$6.2 billion in claims has been paid out following the disaster, and expects that number to eventually top \$7 billion.

The Los Angeles County fires in January 2025 were the most expensive in world history, with total insured losses estimated at \$40 billion. The fires killed at least 31 people.

The "failure to pay benefits due under their policies" has "prolonged the catastrophe" for victims of the fires, the lawsuit said. The county's action follows legal action by the state of California earlier this year against State Farm.

The state is seeking millions of dollars in damages—the highest penalty sought this century following a wildfire disaster—and the power to suspend State Farm's license to operate in the state for up to a year.

The county lawsuit filed Monday seeks restitution for victims, something the state can't seek, said Assistant County Counsel Scott Kuhn.

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