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## Judge lets wildfire insurance collusion claims proceed against major carriers

**A Los Angeles judge largely preserved antitrust claims accusing major insurers of coordinating policy pullbacks in wildfire-prone areas, ruling homeowners plausibly alleged a group boycott that forced them into costly FAIR Plan coverage.**

By Devon Belcher  
Daily Journal Staff Writer

**A** Los Angeles judge largely upheld antitrust claims accusing major insurers of engaging in a “group boycott” to restrict homeowners’ coverage in California wildfire zones, finding the complaint adequately alleged carriers acted together to reduce competition and push consumers into costly FAIR Plan policies before the January 2025 wildfires.

The U.S. Department of Justice backed the lawsuit earlier this month by filing a statement of interest supporting the plaintiffs’ claims.

In a 32-page order issued Thursday evening, Superior Court Judge Samantha P. Jessner overruled demurrers filed by State Farm, Liberty Mutual and dozens of other insurers seeking dismissal of the antitrust and state Unfair Competition Law claims.

However, Jessner sustained, with leave to amend, demurrers filed by several nominal and de minimis defendants, including Interinsurance Exchange of the Automobile Club and Wawanesa, finding the complaint insufficiently tied them to the alleged conspiracy. She also allowed plaintiffs to amend separate negligence and fraudulent concealment claims.



**SUPERIOR COURT JUDGE SAMANTHA P. JESSNER**

Larson LLP partner Stephen G. Larson, who represents homeowners, said in a statement Friday: “We are pleased that the demurrers have been by and large overruled in the Court’s detailed and careful decision and order, and we now look forward to fully exposing the staggering damage caused to former long-standing policy holders forced onto grossly inadequate Cal FAIR policies by the insurers’ alleged collusion and group boycott.”

State Farm, through its counsel Wilson Sonsini Goodrich & Rosati,

responded in a statement: “The court’s ruling this week does not address the accuracy of the allegations. We look forward to presenting our case in court.”

Attorneys for the other insurers that joined the demurrer did not respond to requests for comment before press time.

The lawsuit, filed by homeowners who lost properties in the Jan. 7, 2025, Palisades and Eaton fires, alleges insurers coordinated policy nonrenewals and stopped competing for homeowners’ coverage in high-



**STEPHEN G. LARSON**

risk areas beginning in 2022. *Ferrier v. State Farm Fire and Casualty Company*, 25STCV12117 (L.A. Super. Ct., filed Apr. 23, 2025).

Plaintiffs, who are also represented by Shernoff Bidart Echeverria LLP, contend the alleged scheme forced them into the California FAIR Plan, the state’s insurer of last resort, which generally offers more limited coverage at higher cost.

The insurers argued the lawsuit improperly attempts to recast lawful underwriting decisions, FAIR Plan participation and communica-

tions with regulators as an unlawful antitrust conspiracy. They also contended the alleged conduct was protected under California insurance law and the Noerr-Pennington doctrine, which generally shields companies from antitrust liability for petitioning government officials.

Jessner rejected those arguments, ruling the alleged misconduct centered not on FAIR Plan participation itself, but on an alleged “group boycott by which they refused to issue or renew fire insurance policies to certain homeowners in areas of California.”

The judge also concluded plaintiffs sufficiently alleged insurers acted in concert rather than merely making parallel business decisions.

While allowing the core antitrust and unfair competition claims to proceed, Jessner found plaintiffs had not adequately pleaded legal

duty for negligence claims or reliance for fraudulent concealment. Still, she allowed those claims to be amended.

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[devon\\_belcher@dailyjournal.com](mailto:devon_belcher@dailyjournal.com)