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Litigation Update

Antitrust Lawsuits Accuse Insurers of Conspiring to Deny Fire Insurance to California Homeowners

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On April 18, 2025, law firms representing California homeowners filed a pair of lawsuits accusing dozens of insurance companies of conspiring to deny property insurance to homeowners in fire-prone areas of California, including neighborhoods affected by the January fires in Los Angeles County. The complaints assert that the insurers' alleged conspiracy violates California's antitrust statute and the California Unfair Competition Law.

The plaintiff homeowners filed the two lawsuits in Los Angeles County Superior Court. The first case, *Ferrier v. State Farm Fire & Casualty Co.*, is asserted solely on behalf of individual plaintiffs. In the second case, *Canzoneri v. State Farm Fire & Casualty Co.*, the named plaintiff seeks to represent a putative class of California homeowners. The plaintiffs each seek treble damages, an injunction and other relief.

The two complaints broadly allege that the defendant insurers, which are licensed by the California Department of Insurance, implemented a "scheme" beginning in mid-2023 to terminate existing fire insurance policies and cease offering new policies in certain California geographies, including Pacific Palisades and Altadena. According to the plaintiffs, the defendants' purpose was to force homeowners in these areas to buy higher-priced and lower-quality policies from the California FAIR Plan.

Pursuant to statute, the FAIR Plan obligates personal property insurers, including the defendants, to apportion among themselves the responsibility for providing basic property insurance for "otherwise uninsurable" Californians. The complaints claim that policies offered by the FAIR Plan cover much less than standard insurance policies do, but carry higher premiums. And so, because insurers share the FAIR Plan's profits and losses, the alleged conspiracy supposedly allowed the insurers to increase their revenues from premiums while limiting their liability exposure.

The plaintiffs allege that the defendant insurers reached and maintained their unlawful agreement through regular communications and information exchanges with one another, including through the FAIR Plan and trade associations.



Paul Hastings' award-winning antitrust practice has a wealth of experience defending against antitrust conspiracy claims. Our team includes California antitrust litigators who are deeply familiar with California courts and California antitrust law. If you have questions concerning this litigation, please do not hesitate to contact any of the following Paul Hastings antitrust lawyers.

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