



County of Los Angeles

November 13, 2025

Dawyn R. Harrison
County Counsel



Keesha-Lu Mitra
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State Farm General Insurance Company
CSC – Lawyers Incorporating Service
2710 Gateway Oaks Drive
Sacramento, CA 95833

**Re: Los Angeles County Counsel Investigation of State Farm's
Response to Claims Arising Out of the January 2025 Los
Angeles County Wildfires**

Dear State Farm and Ms. Mitra:

The Affirmative Litigation and Consumer Protection Division of Los Angeles County's Office of the County Counsel (hereafter, County Counsel) is hereby notifying you that it has commenced a civil investigation of potential violations of California's Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*) by State Farm General Insurance Company (State Farm) related to State Farm's failure to comply with various state insurance laws and regulations in its handling of insurance claims arising out of the January 2025 Eaton and Palisades wildfires (January 2025 Wildfires) in Los Angeles County. County Counsel is empowered by statute to prosecute violations of the Unfair Competition Law on behalf of the People of the State of California and to seek restitution, civil penalties, and injunctive relief for such violations. Cal. Bus. and Prof. Code §§ 17204, 17203, 17206. Violations of state laws or regulatory schemes may constitute actionable violations of the Unfair Competition Law. *People v. McKale*, 25 Cal. 3d 626, 632-33 (1979).

The scope of County Counsel's investigation includes, but is not limited to, the following conduct related to the January 2025 Wildfires:

- Whether State Farm failed to timely respond to communications from claimants and/or timely accept or deny claims. *See* Cal. Code Regs. tit. 10, §§ 2695.5(b) (insurer must respond to communications from claimants within 15 days), 2695.7(b) (insurer must accept or deny claim within 40 days of receiving proof of claim).
- Whether State Farm engaged in a practice of switching adjustors assigned to a claim in a manner that resulted in delays and unfairly burdened policyholders in violation of its obligations to timely process claims and to diligently conduct thorough, fair, and objective investigations of claims. *See* Cal. Code Regs. tit. 10, §§ 2695.7(b), (d).
- Whether State Farm misrepresented policy language or the terms or scope of coverage to claimants. *See* Cal. Ins. Code § 790.03(h)(1) (insurers may not misrepresent pertinent facts or policy provisions); Cal. Code Regs. tit. 10, § 2695.4(a) (insurer must disclose all benefits and coverage that may apply to a claim).
- Whether State Farm has failed to provide compensation for reimbursement for living expenses for up to 36 months from the date of the covered loss as required by law. *See* Cal. Ins. Code § 2060.
- Whether State Farm has failed to disclose repair, remediation, or replacement estimates or other documents upon claimant's request in violation of its obligation to disclose such documents within 15 days of a request. *See* Cal. Ins. Code § 2071.
- Whether State Farm failed to pay for testing for or otherwise reasonably investigate claims of smoke damage and to compensate claimants for remediation of smoke damage in violation of its obligations to conduct thorough, fair, and objective investigations of claims and to effectuate settlements of claims where liability is reasonably clear. *See* Cal. Code Regs. tit. 10, § 2695.7(d); Cal. Ins. Code § 790.03(h)(5).

If State Farm is engaging in any of these illegal or unfair practices, immediately stop them and come into compliance with State laws and regulations. Los Angeles County residents paid State Farm millions of dollars in premiums and it is State Farm's

obligation to honor those policies and do everything it can to help its customers recover and rebuild.

County Counsel seeks State Farm's cooperation in its investigation. Specifically, County Counsel requests that State Farm produce the following documents related to the January 2025 Wildfires:

1. Any and all documents, reports, spreadsheets, databases, summaries, dashboards or other records that track, compile, or reflect in aggregate form information concerning insurance claims related to the January 2025 Wildfires in Los Angeles County received by State Farm, including but not limited to:
 - a. the number or volume of claims submitted;
 - b. the nature or category of those claims;
 - c. the communications between claimants and State Farm for each claim and dates or timing thereof;
 - d. a description of the documents or materials submitted by each claimant and dates or timing of such submissions;
 - e. a description of the documents or materials sent to or disclosed to each claimant and the dates or timing of thereof;
 - f. the disposition or outcomes of each claim and the dates or timing thereof;
2. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute State Farm's claims-handling policies, procedures, criteria, guidelines, or practices applicable to claims arising out of property damaged by fire or smoke.
3. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute any updates, revisions, or changes made to State Farm's claims-handling policies, procedures,

criteria, guidelines, or practices for claims arising out of property damaged by fire or smoke on or after January 7, 2025.

4. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute any updates, revisions, or changes made to State Farm's claims-handling policies, procedures, criteria, guidelines, or practices for claims arising out of property damaged by fire or smoke in response to statements, orders, guidance, or directives of the California Department of Insurance ("CDI") or the CDI Commissioner issued on or after January 7, 2025.
5. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute State Farm's policies regarding its adjustors, whether in-house or contracted, including in regards to licensing, ethics, and continuing education requirements.
6. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute State Farm's policies regarding its catastrophe adjustors, whether in-house or contracted, including in regards to licensing, ethics, and continuing education requirements.
7. Any and all documents, including but not limited to memoranda, bulletins, manuals, training materials, policy statements, guidelines, or directives that reflect, describe, or constitute State Farm's use of Artificial Intelligence (AI) tools in the claims review process.
8. All documents, responses, and information provided to CDI in connection with its Market Conduct Examination of State Farm announced on June 12, 2025.

Because this investigation concerns the ability of Los Angeles County residents who have been displaced or otherwise severely impacted by the January 2025 Wildfires to recover duly owed compensation and assistance, time is of the essence and County Counsel seeks State Farm's cooperation on an expedited basis. We request that State Farm respond to this correspondence no later than November 20, 2025.

State Farm
November 13, 2025
Page 5

Please direct any responses, questions, or other inquiries regarding this correspondence or the above-described investigation to the following attorneys:

Scott Kuhn (skuhn@counsel.lacounty.gov)
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The County is committed to supporting those impacted by the January 2025 Wildfires in obtaining fair and efficient processing of their claims so they can return to cleaned homes and rebuild their homes and community.

Finally, State Farm is hereby advised to maintain and preserve any records related to the above-described investigation and State Farm's claims processing regarding the January 2025 Wildfires. Failure to properly preserve such records may constitute a violation of law and subject State Farm to legal liability or other adverse consequences.

Very truly yours,

DAWYN R. HARRISON
County Counsel

By 
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