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14 Attorneys for Plaintiffs

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF LOS ANGELES

18 TODD AND KIMBERLEY FERRIER; SINGER
FAMILY TRUST AND BENEFICIARIES

19 JEFFREY AND KELLIE SINGER; JAMES

KIRK DEMICCO AND KACY DEMICCO,

20 INDIVIDUALLY AND AS TRUSTEE OF THE

DEMICCO FAMILY TRUST; R06ALMA, LLC

21 AND YUANRUN LIN AND JUN WANG AS

MAJORITY SHAREHOLDERS AND

22 BENEFICIAL OWNERS; KRISTIN JONES

AND FINN-OLAF JONES; MARIA

23 STRATTON, INDIVIDUALLY AND AS

TRUSTEE OF THE STRATTON FAMILY

24 TRUST; MARK MARON AND SUSAN

MARON, INDIVIDUALLY AND AS

25 TRUSTEES OF THE MARON LIVING TRUST;

RUSSELL EMANUEL AND SARA

26 EMANUEL; ROXANNE A. DAVIS,

INDIVIDUALLY AND AS TRUSTEE OF THE

27 GAVSIE / DAVIS LIVING TRUST; TERENCE

FAHN AND JULIE FAHN; GHB PROPERTIES,

28 LLC; THOMAS J. VILLANTE; JUNLIANG LU,

Case No.

PLAINTIFFS' COMPLAINT FOR:

1. **VIOLATIONS OF THE
CARTWRIGHT ACT (BUS. &
PROF. CODE § 16720)**

2. **VIOLATION OF UNFAIR
COMPETITION LAW (BUS.
& PROF. CODE § 17200)**

1 INDIVIDUALLY AND AS TRUSTEE OF THE
2 340 N. GRENOLA STREET PROPERTY
3 TRUST, AND DAVID ORENSTEIN; AYUSH
4 SINGHANIA AND ASHIMA SHENOY;
5 BRYAN CRANE,,

6 Plaintiffs,

7 vs.

8 STATE FARM FIRE AND CASUALTY
9 COMPANY; STATE FARM GENERAL
10 INSURANCE COMPANY; STATE FARM
11 MUTUAL AUTOMOBILE INSURANCE
12 COMPANY; 21ST CENTURY INSURANCE
13 COMPANY; 21ST CENTURY CASUALTY
14 COMPANY; 21ST CENTURY CENTENNIAL
15 INSURANCE COMPANY; 21ST CENTURY
16 NORTH AMERICA INSURANCE COMPANY;
17 21ST CENTURY PREMIER INSURANCE
18 COMPANY; FOREMOST PROPERTY AND
19 CASUALTY INSURANCE COMPANY; CIVIC
20 PROPERTY AND CASUALTY COMPANY;
21 ECONOMY FIRE & CASUALTY COMPANY;
22 EXACT PROPERTY AND CASUALTY
23 COMPANY; FARMERS DIRECT PROPERTY
24 AND CASUALTY INSURANCE COMPANY;
25 FARMERS GROUP PROPERTY AND
26 CASUALTY INSURANCE COMPANY;
27 FARMERS INSURANCE COMPANY, INC.;
28 FARMERS INSURANCE COMPANY OF
OREGON; FARMERS INSURANCE
COMPANY OF WASHINGTON; FARMERS
INSURANCE EXCHANGE; FIRE INSURANCE
EXCHANGE; FOREMOST INSURANCE
COMPANY GRAND RAPIDS, MICHIGAN;
FOREMOST SIGNATURE INSURANCE
COMPANY; MID-CENTURY INSURANCE
COMPANY; TRUCK INSURANCE
EXCHANGE; NEIGHBORHOOD SPIRIT
PROPERTY AND CASUALTY COMPANY;
BERKSHIRE HATHAWAY DIRECT
INSURANCE COMPANY; AMGUARD
INSURANCE COMPANY; PLATTE RIVER
INSURANCE COMPANY; WELLFLEET NEW
YORK INSURANCE COMPANY; BERKSHIRE
HATHAWAY ASSURANCE CORPORATION;
BERKSHIRE HATHAWAY SPECIALTY
INSURANCE COMPANY; RSUI INDEMNITY
COMPANY; CAPITOL INDEMNITY
CORPORATION; CENTRAL STATES
INDEMNITY CO. OF OMAHA; COLOGNE
REINSURANCE COMPANY OF AMERICA;
COLUMBIA INSURANCE COMPANY;
FINIAL REINSURANCE COMPANY; GEICO

1 INDEMNITY COMPANY; CYPRESS
INSURANCE COMPANY; EASTGUARD
2 INSURANCE COMPANY; GENERAL STAR
NATIONAL INSURANCE COMPANY; FAIR
3 AMERICAN INSURANCE AND
REINSURANCE COMPANY; THE NATIONAL
4 REINSURANCE CORPORATION; GENERAL
REINSURANCE CORPORATION; GENESIS
5 INSURANCE COMPANY; GOVERNMENT
EMPLOYEES INSURANCE COMPANY;
6 NATIONAL LIABILITY & FIRE INSURANCE
COMPANY; MOUNT VERNON SPECIALTY
7 INSURANCE COMPANY; NATIONAL
INDEMNITY COMPANY; NATIONAL
8 LIABILITY & FIRE INSURANCE COMPANY;
THE NATIONAL REINSURANCE
9 CORPORATION; NORGUARD INSURANCE
COMPANY; NORTH STAR REINSURANCE
10 CORPORATION; REDWOOD FIRE AND
CASUALTY INSURANCE COMPANY;
11 TRANSATLANTIC REINSURANCE
COMPANY; U.S. UNDERWRITERS
12 INSURANCE COMPANY; UNIONE
ITALIANA REINSURANCE COMPANY OF
13 AMERICA, INC.; UNITED STATES
LIABILITY INSURANCE COMPANY;
14 ALLSTATE INDEMNITY COMPANY;
ALLSTATE INSURANCE COMPANY;
15 ALLSTATE NORTHBROOK INDEMNITY
COMPANY; ALLSTATE PROPERTY AND
16 CASUALTY INSURANCE COMPANY;
INTEGON PREFERRED INSURANCE
17 COMPANY; INTEGON NATIONAL
INSURANCE COMPANY; CENTURY-
18 NATIONAL INSURANCE COMPANY;
ENCOMPASS INSURANCE COMPANY;
19 ESURANCE INSURANCE COMPANY;
ESURANCE PROPERTY AND CASUALTY
20 INSURANCE COMPANY; MIC GENERAL
INSURANCE CORPORATION; NATIONAL
21 FARMERS UNION PROPERTY AND
CASUALTY COMPANY; NATIONAL
22 GENERAL INSURANCE COMPANY;
NATIONAL GENERAL PREMIER
23 INSURANCE COMPANY; AUTO CLUB
FAMILY INSURANCE COMPANY;
24 AUTOMOBILE CLUB INTER-INSURANCE
EXCHANGE; AUTOMOBILE CLUB OF
25 SOUTHERN CALIFORNIA LIFE INSURANCE
COMPANY; INTERINSURANCE EXCHANGE
26 OF THE AUTOMOBILE CLUB; WAWANESA
GENERAL INSURANCE COMPANY;
27 TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA; TRAVELERS
28 CASUALTY INSURANCE COMPANY OF

1 AMERICA; TRAVELERS CASUALTY AND
2 SURETY COMPANY; TRAVELERS
3 CASUALTY COMPANY OF CONNECTICUT;
4 TRAVELERS COMMERCIAL INSURANCE
5 COMPANY; TRAVELERS PROPERTY
6 CASUALTY INSURANCE COMPANY; ST.
7 PAUL PROTECTIVE INSURANCE
8 COMPANY; AMERICAN EQUITY
9 SPECIALTY INSURANCE COMPANY; THE
10 TRAVELERS CASUALTY COMPANY;
11 AUTOMOBILE INSURANCE COMPANY OF
12 HARTFORD, CONNECTICUT; NORTHLAND
13 CASUALTY COMPANY; TRAVCO
14 PERSONAL INSURANCE COMPANY; THE
15 TRAVELERS INDEMNITY COMPANY OF
16 CONNECTICUT; FARMINGTON CASUALTY
17 COMPANY; FIDELITY AND GUARANTY
18 INSURANCE COMPANY; FIDELITY AND
19 GUARANTY INSURANCE UNDERWRITERS,
20 INC.; ST. PAUL FIRE AND MARINE
21 INSURANCE COMPANY; ST. PAUL
22 PROTECTIVE INSURANCE COMPANY;
23 NORTHLAND INSURANCE COMPANY;
24 TRAVELERS CONSTITUTION STATE
25 INSURANCE COMPANY; SELECT
26 INSURANCE COMPANY; ST. PAUL
27 GUARDIAN INSURANCE COMPANY; ST.
28 PAUL MERCURY INSURANCE COMPANY;
THE STANDARD FIRE INSURANCE
COMPANY; TRAVELERS COMMERCIAL
CASUALTY COMPANY; THE TRAVELERS
INDEMNITY COMPANY; UNITED STATES
FIDELITY AND GUARANTY COMPANY;
AMERICAN ECONOMY INSURANCE
COMPANY; AMERICAN FIRE AND
CASUALTY COMPANY; AMERICAN
STATES PREFERRED INSURANCE
COMPANY; AMERICAN STATES
INSURANCE COMPANY; AMERICAN
STATES INSURANCE COMPANY OF TEXAS;
ATLAS ASSURANCE COMPANY OF
AMERICA; GOLDEN EAGLE INSURANCE
COMPANY; EMPLOYERS INSURANCE
COMPANY OF WAUSAU; THE FIRST
LIBERTY INSURANCE CORPORATION;
FIRST NATIONAL INSURANCE COMPANY
OF AMERICA; GENERAL INSURANCE
COMPANY OF AMERICA; GOLDEN EAGLE
INSURANCE CORPORATION; INSURANCE
COMPANY OF ILLINOIS; IRONSHORE
INDEMNITY INC.; IRONSHORE SPECIALTY
INSURANCE COMPANY; LIBERTY
INSURANCE CORPORATION; LIBERTY
MUTUAL FIRE INSURANCE COMPANY;
LIBERTY MUTUAL INSURANCE

1 COMPANY; LIBERTY NORTHWEST
2 INSURANCE CORPORATION; LM GENERAL
3 INSURANCE COMPANY; LM INSURANCE
4 CORPORATION; LM PROPERTY AND
5 CASUALTY INSURANCE COMPANY; THE
6 NETHERLANDS INSURANCE COMPANY;
7 THE OHIO CASUALTY INSURANCE
8 COMPANY; THE OHIO SECURITY
9 INSURANCE COMPANY; PEERLESS
10 INDEMNITY INSURANCE COMPANY;
11 PEERLESS INSURANCE COMPANY;
12 SAFECO INSURANCE COMPANY OF
13 AMERICA; SAFECO INSURANCE COMPANY
14 OF ILLINOIS; SAN DIEGO INSURANCE
15 COMPANY; AMERICAN STATES
16 INSURANCE COMPANY OF TEXAS; STATE
17 AUTOMOBILE MUTUAL INSURANCE
18 COMPANY; WAUSAU BUSINESS
19 INSURANCE COMPANY; WAUSAU
20 UNDERWRITERS INSURANCE COMPANY;
21 WEST AMERICAN INSURANCE COMPANY;
22 CSAA MID-ATLANTIC INSURANCE
23 COMPANY; CSAA MID-ATLANTIC
24 INSURANCE COMPANY OF NEW JERSEY;
25 CSAA FIRE & CASUALTY INSURANCE
26 COMPANY; CSAA INSURANCE EXCHANGE;
27 CSAA AFFINITY INSURANCE COMPANY;
28 CSAA GENERAL INSURANCE COMPANY;
MOBILITAS INSURANCE COMPANY;
AMERICAN MERCURY INSURANCE
COMPANY; CALIFORNIA AUTOMOBILE
INSURANCE COMPANY; CALIFORNIA
GENERAL UNDERWRITERS INSURANCE
COMPANY, INC.; MERCURY CASUALTY
COMPANY; MERCURY INSURANCE
COMPANY; ORION INDEMNITY COMPANY;
ACE AMERICAN INSURANCE COMPANY;
ACE FIRE UNDERWRITERS INSURANCE
COMPANY; WESTCHESTER FIRE
INSURANCE COMPANY; ACE PROPERTY
AND CASUALTY INSURANCE COMPANY;
AGRI GENERAL INSURANCE COMPANY;
ALLIED INSURANCE COMPANY;
EXECUTIVE RISK INDEMNITY INC.;
BANKERS STANDARD INSURANCE
COMPANY; CENTURY INDEMNITY
COMPANY; CHUBB INDEMNITY
INSURANCE COMPANY; CHUBB
NATIONAL INSURANCE COMPANY;
INDEMNITY INSURANCE COMPANY OF
NORTH AMERICA; FEDERAL INSURANCE
COMPANY; GREAT NORTHERN
INSURANCE COMPANY; INSURANCE
COMPANY OF NORTH AMERICA; PACIFIC
EMPLOYERS INSURANCE COMPANY;

1 PACIFIC INDEMNITY COMPANY;
2 PENNSYLVANIA MILLERS MUTUAL
3 INSURANCE COMPANY; VIGILANT
4 INSURANCE COMPANY; NATIONAL
5 CONTINENTAL INSURANCE COMPANY;
6 DRIVE INSURANCE COMPANY; ASI
7 SELECT AUTO INSURANCE CORP; ASI
8 SELECT INSURANCE CORP; PROGRESSIVE
9 AMERICAN INSURANCE COMPANY;
10 PROGRESSIVE CASUALTY INSURANCE
11 COMPANY; PROGRESSIVE
12 NORTHWESTERN INSURANCE COMPANY;
13 PROGRESSIVE SOUTHEASTERN
14 INSURANCE COMPANY; PROGRESSIVE
15 SPECIALTY INSURANCE COMPANY;
16 PROTECTIVE INSURANCE COMPANY;
17 UNITED FINANCIAL CASUALTY
18 COMPANY; GARRISON PROPERTY AND
19 CASUALTY INSURANCE COMPANY;
20 UNITED SERVICES AUTOMOBILE
21 ASSOCIATION; USAA CASUALTY
22 INSURANCE COMPANY; USAA GENERAL
23 INDEMNITY COMPANY; HARTFORD
24 CASUALTY INSURANCE COMPANY; FIRST
25 STATE INSURANCE COMPANY;
26 HARTFORD ACCIDENT AND INDEMNITY
27 COMPANY; HARTFORD FIRE INSURANCE
28 COMPANY; HARTFORD INSURANCE
COMPANY OF THE MIDWEST; HARTFORD
UNDERWRITERS INSURANCE COMPANY;
NAVIGATORS INSURANCE COMPANY;
NEW ENGLAND REINSURANCE
CORPORATION; PROPERTY AND
CASUALTY INSURANCE COMPANY OF
HARTFORD; SENTINEL INSURANCE
COMPANY, LTD.; TRUMBULL INSURANCE
COMPANY; TWIN CITY FIRE INSURANCE
COMPANY; ALLIED PROPERTY AND
CASUALTY INSURANCE COMPANY;
ALLIED INSURANCE COMPANY OF
AMERICA; AMCO INSURANCE COMPANY;
FREEDOM SPECIALTY INSURANCE
COMPANY; CRESTBROOK INSURANCE
COMPANY; NATIONWIDE INSURANCE
COMPANY OF AMERICA; DEPOSITORS
INSURANCE COMPANY; FARMLAND
MUTUAL INSURANCE COMPANY;
HARLEYSVILLE INSURANCE COMPANY;
NATIONAL CASUALTY COMPANY;
NATIONWIDE AGRIBUSINESS INSURANCE
COMPANY; NATIONWIDE GENERAL
INSURANCE COMPANY; NATIONWIDE
MUTUAL INSURANCE COMPANY;
NATIONWIDE PROPERTY AND CASUALTY
INSURANCE COMPANY; SCOTTSDALE

1 INDEMNITY COMPANY; ALLIANCE
2 UNITED INSURANCE COMPANY; UNITED
3 CASUALTY INSURANCE COMPANY OF
4 AMERICA; UNITRIN AUTO AND HOME
5 INSURANCE COMPANY; RESPONSE
6 INSURANCE COMPANY; UNITRIN DIRECT
7 PROPERTY & CASUALTY COMPANY;
8 KEMPER INDEPENDENCE INSURANCE
9 COMPANY; MERASTAR INSURANCE
10 COMPANY; RESPONSE WORLDWIDE
11 INSURANCE COMPANY; TRINITY
12 UNIVERSAL INSURANCE COMPANY;
13 WARNER RECIPROCAL INSURERS;
14 AMERICAN GUARANTEE AND LIABILITY
15 INSURANCE COMPANY; AMERICAN
16 ZURICH INSURANCE COMPANY; CENTRE
17 REINSURANCE COMPANY OF NEW YORK;
18 COLONIAL AMERICAN CASUALTY AND
19 SURETY COMPANY; EMPIRE FIRE AND
20 MARINE INSURANCE COMPANY;
21 FARMERS REINSURANCE COMPANY;
22 FIDELITY AND DEPOSIT COMPANY OF
23 MARYLAND; US INTERNATIONAL
24 REINSURANCE COMPANY; UNIVERSAL
25 UNDERWRITERS INSURANCE COMPANY;
26 ZURICH AMERICAN INSURANCE
27 COMPANY; ZURICH AMERICAN
28 INSURANCE COMPANY OF ILLINOIS;
TOKIO MARINE GRV RE, INC.; AMERICAN
CONTRACTORS INDEMNITY COMPANY;
U.S. SPECIALTY INSURANCE COMPANY;
TRANS PACIFIC INSURANCE COMPANY;
TOKIO MARINE & NICHIDO FIRE
INSURANCE CO., LTD.; TOKIO MARINE
AMERICA INSURANCE COMPANY; TNUS
INSURANCE COMPANY; SAFETY
NATIONAL CASUALTY CORPORATION;
PRIVILEGE UNDERWRITERS RECIPROCAL
EXCHANGE; PHILADELPHIA INDEMNITY
INSURANCE COMPANY; VALLEY FORGE
INSURANCE COMPANY; AMERICAN
CASUALTY COMPANY OF READING,
PENNSYLVANIA; THE CONTINENTAL
INSURANCE COMPANY; FIREMEN'S
INSURANCE COMPANY OF NEWARK, NEW
JERSEY; KANSAS CITY FIRE AND MARINE
INSURANCE COMPANY ; NATIONAL FIRE
INSURANCE COMPANY OF HARTFORD;
TRANSPORTATION INSURANCE
COMPANY; PACIFIC INSURANCE
COMPANY; AMTRUST INSURANCE
COMPANY; COREPOINTE INSURANCE
COMPANY; DEVELOPERS SURETY AND
INDEMNITY COMPANY; HERITAGE
INDEMNITY COMPANY; MILFORD

1 CASUALTY INSURANCE COMPANY;
NORTH EAST INSURANCE COMPANY;
2 PARK NATIONAL INSURANCE COMPANY;
PRESERVER INSURANCE COMPANY;
3 REPUBLIC FIRE AND CASUALTY
INSURANCE COMPANY; ROCHDALE
4 INSURANCE COMPANY; SECURITY
NATIONAL INSURANCE COMPANY;
5 SEQUOIA INSURANCE COMPANY;
SOUTHERN INSURANCE COMPANY;
6 SPRINGFIELD INSURANCE COMPANY;
TECHNOLOGY INSURANCE COMPANY,
7 INC.; TOWER INSURANCE COMPANY OF
NEW YORK ; WESCO INSURANCE
8 COMPANY; YORK INSURANCE COMPANY
OF MAINE; ALLIED WORLD ASSURANCE
9 COMPANY (U.S.) INC.; ALLIED WORLD
INSURANCE COMPANY; ALLIED WORLD
10 SPECIALTY INSURANCE COMPANY;
AMERICAN SAFETY CASUALTY
11 INSURANCE COMPANY; CLEARWATER
INSURANCE COMPANY; CLEARWATER
12 SELECT INSURANCE COMPANY; SENECA
INSURANCE COMPANY, INC.; FAIRMONT
13 INSURANCE COMPANY; FAIRMONT
PREMIER INSURANCE COMPANY;
14 FAIRMONT SPECIALTY INSURANCE
COMPANY; GENERAL FIDELITY
15 INSURANCE COMPANY; MT. MCKINLEY
INSURANCE COMPANY; HUDSON
16 INSURANCE COMPANY; INTERNATIONAL
INSURANCE COMPANY; UNITED STATES
17 FIRE INSURANCE COMPANY; NORTH
RIVER INSURANCE COMPANY; ODYSSEY
18 REINSURANCE COMPANY; TIG
INSURANCE COMPANY; TIG INSURANCE
19 COMPANY OF TEXAS; UNITED STATES
FIRE INSURANCE COMPANY; VANTAPRO
20 SPECIALTY INSURANCE COMPANY;
ZENITH INSURANCE COMPANY; ZNAT
21 INSURANCE COMPANY; MIDVALE
INDEMNITY COMPANY; AMERICAN
22 FAMILY CONNECT PROPERTY AND
CASUALTY INSURANCE COMPANY;
23 AMERICAN FAMILY MUTUAL INSURANCE
COMPANY; HOMESITE INSURANCE
24 COMPANY OF CALIFORNIA; NGM
INSURANCE COMPANY; AMERICAN
25 HOME ASSURANCE COMPANY; AIU
INSURANCE COMPANY; AIG PROPERTY
26 CASUALTY COMPANY; GLATFELTER
INSURANCE COMPANY; COMMERCE AND
27 INDUSTRY INSURANCE COMPANY;
GRANITE STATE INSURANCE COMPANY;
28 THE INSURANCE COMPANY OF THE

1 STATE OF PENNSYLVANIA; LANDMARK
2 INSURANCE COMPANY; NATIONAL UNION
3 FIRE INSURANCE COMPANY OF
4 PITTSBURGH, PA; NEW HAMPSHIRE
5 INSURANCE COMPANY; STRATFORD
6 INSURANCE COMPANY; PINNACLE
7 NATIONAL INSURANCE COMPANY;
8 MARKEL AMERICAN INSURANCE
9 COMPANY; MARKEL INSURANCE
10 COMPANY; STATE NATIONAL INSURANCE
11 COMPANY, INC.; MARKEL GLOBAL
12 REINSURANCE COMPANY; NATIONAL
13 SPECIALTY INSURANCE COMPANY; CITY
14 NATIONAL INSURANCE COMPANY;
15 EVANSTON INSURANCE COMPANY,
16 SPINNAKER INSURANCE COMPANY; and
17 DOES 1 through 100

18
19 Defendants.
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23
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27
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INTRODUCTION

1. In January 2025, a series of devastating wildfires erupted in multiple regions of Los Angeles, California. These fires quickly spread across residential, commercial, and forested areas, causing widespread destruction, significant property loss, and the tragic loss of life. Recognizing the severity of the disaster, state and local officials declared a state of emergency that same day, immediately mobilizing resources to combat the blazes and provide aid to affected communities.

2. The most destructive fires were the Palisades Fire, which consumed approximately 23,707 acres in the Pacific Palisades area, and the Eaton Fire, which scorched roughly 14,021 acres in Altadena and Pasadena. These fires collectively destroyed approximately 17,000 structures and tragically resulted in at least 29 fatalities, making it the most harmful natural disaster to ever strike the Los Angeles area. Despite emergency response efforts, the fires continued to burn for weeks, with full containment not achieved until the end of January.

3. Plaintiffs were among the thousands of homeowners who lost their homes and now face the daunting prospect of rebuilding their lives. Plaintiffs, however, must face this daunting prospect without adequate insurance coverage due to Defendants' nefarious conspiracy to eliminate competition between them, and to intentionally and systematically force Plaintiffs to obtain fire insurance from the state's insurer of last resort—the California FAIR Plan ("FAIR Plan").

4. Defendants and other co-conspirator insurance companies who had for many years provided residential and commercial property insurance coverage policies, in direct competition with each other, agreed, combined, colluded and conspired to eliminate competition between them related to their offering of property insurance coverage products, including fire insurance ("Property Policies"). Specifically, Defendants and other co-conspirator insurance companies agreed, combined, colluded and conspired not to offer Property Policies to property owners in certain geographic areas and markets located in the State of California,

1 particularly in the area of Pacific Palisades (“Palisades”), the city of Malibu
2 (“Malibu”), and the unincorporated community of Altadena (“Altadena”).

3 5. The goals of the conspiracy were accomplished by, among other things,
4 the concerted actions of Defendants and co-conspirators refusing to renew existing
5 Property Policies with consumers in these areas; refusing to write and conclude new
6 Property Policies with consumers in these areas; and, by these coordinated actions,
7 directing and forcing consumers to obtain Property Policies exclusively through the
8 FAIR Plan, an insurer of last resort, which Defendants and co-conspirators jointly
9 participated in and controlled. These coordinated actions eliminated competition
10 between Defendants and co-conspirators over prices and terms controlling the
11 breadth and amounts of coverage. They also resulted in premium rates being raised
12 and fixed at non-competitive levels and in coverage being substantially reduced and
13 fixed at inadequate, non-competitive levels.

14 6. As part of this conspiracy, Defendants and their co-conspirators agreed
15 to jointly establish a group boycott to withhold insurance coverage and Property
16 Policies they would otherwise individually offer—and had offered in the past—to
17 owners seeking to obtain or maintain sufficient insurance coverage necessary to
18 rebuild or replace their homes in the event of a catastrophic fire.

19 7. Defendants’ group boycott resulted in property owners, including but
20 not limited to Plaintiffs, being unable to obtain Property Policies from any of the
21 Defendants and their co-conspirators, and left Plaintiffs with only one non-
22 competitive, highly-expensive, and inadequate option for coverage in the FAIR
23 Plan, which charged Plaintiffs excessive premium prices that were raised, fixed,
24 maintained and stabilized by Defendants, and systematically underinsured Plaintiffs’
25 properties.

26 8. This group boycott intentionally forced Plaintiffs and other property
27 owners to seek and obtain coverage from the only source available to them, the
28 FAIR Plan, which the same Defendants jointly participated in and controlled.

1 Through their boycott, Defendants caused Plaintiffs to pay premiums that were
2 above competitive levels for policies that provided severely limited fire coverage
3 capped at a maximum of \$3 million, regardless of the construction costs required to
4 rebuild Plaintiffs' destroyed structures, their losses of personal property contents,
5 their loss of use expenses, and other previously insured losses.

6 9. The illegal objectives and effects of Defendants' conspiracy—to force
7 Plaintiffs and other customers onto the FAIR Plan at a substantial benefit to
8 themselves and to extreme detriment to Plaintiffs and others—was plainly laid bare
9 by the unforeseen, cataclysmic damages to thousands of properties by the 2025
10 Fires. This catastrophe revealed the magnitude and extent of the underinsurance
11 harm to Plaintiffs and other consumers caused by Defendants' group boycott, as
12 well as the illegal gains and benefits to Defendants. For instance, rather than facing
13 exposure according to their individual underwriting or risk assessments, Defendants
14 substantially reduced their liabilities. Defendants also achieved the ability to pass
15 off up to 50% of their FAIR Plan claims liability consumers through premium rate
16 increases, without complying with strict procedures laid out by California's
17 Proposition 103.

18 10. As a direct result of Defendants' group boycott, the insurance
19 coverages that each of the Plaintiffs had previously obtained for their properties to
20 cover fire peril were reduced by millions of dollars, notwithstanding Plaintiffs'
21 ability, willingness and desire to purchase additional coverage had the group boycott
22 not prevented it.

23 11. Defendants are jointly and severally liable for the damages sustained by
24 Plaintiffs as a direct result of Defendants' illegal group boycott. Plaintiffs seek three
25 times the damages each have sustained, and attorney's fees, costs, and interest as
26 provided by statute.

27 **JURISDICTION AND VENUE**

28 12. This Court has jurisdiction under Code of Civil Procedure section 393,

1 which provides in pertinent part that “[a] corporation or association may be sued in
2 the county where the contract is made or is to be performed, or where the obligation
3 or liability arises” and section 410.10, which provides that “[a] court of this state
4 may exercise jurisdiction on any basis not inconsistent with the Constitution of this
5 state or of the United States.” Here, Defendants’ misconduct occurred and their
6 liability arises from losses sustained by Plaintiffs in Los Angeles County. The
7 obligations and liability arose from the wildfires occurring in January 2025, as well
8 as Defendants’ coordinated misconduct that occurred in Los Angeles County
9 between approximately January 2023 and the date of this complaint.

10 13. Venue is proper pursuant to Civil Code section 395(a) because
11 Plaintiffs reside in Los Angeles County and/or Defendants are authorized to do and
12 do business in Los Angeles County, and the insurance policies at issue are to be
13 performed in Los Angeles County. Furthermore, this venue is convenient for the
14 parties and relevant non-parties.

15 **PARTIES**

16 **Plaintiffs**

17 14. Plaintiffs Todd Ferrier and Kimberley Ferrier (“Ferrier Plaintiffs”) are
18 residents of Los Angeles County and have been the owners of the real property,
19 structures, improvements, and personal property contents located at 1337 Monument
20 Street, Pacific Palisades, CA 90272.

21 15. The Ferrier Plaintiffs’ property was previously covered for loss from
22 multiple perils by a Property Policy issued by State Farm, which provided coverage
23 for structures, personal property contents, loss of use, the cost of rebuilding and
24 other related losses for an amount substantially in excess of their FAIR Plan policy
25 limit.

26 16. On or about October 1, 2024, State Farm notified the Ferrier Plaintiffs
27 that their Property Policy would not be renewed. State Farm then terminated their
28 Property Policy and refused to renew the existing policy or offer any other

1 replacement Property Policy.

2 17. Thereafter, the Ferrier Plaintiffs attempted to obtain a Property Policy
3 from other insurance carriers registered in California, but they could not obtain a
4 Property Policy from any Defendant or other insurance carrier.

5 18. As the only fire coverage available to them, the Ferrier Plaintiffs
6 applied for and obtained a FAIR Plan property policy for limited fire coverage on or
7 about December 20, 2024 in the amount of \$3,000,000.

8 18. On or about January 7, 2025, the Ferrier Plaintiffs suffered the total
9 loss of all structures and personal property contents as a direct result of the Palisades
10 Wildfire and have incurred substantial loss of use expenses for temporary living
11 relocation.

12 19. On or about January 13, 2025, the Ferrier Plaintiffs made a claim under
13 the FAIR Plan for coverage in the amount of \$3,000,000.

14 20. Plaintiffs Jeffrey Singer and Kellie Singer, individually and as Trustees
15 of the Singer Family Trust (“Singer Plaintiffs”) are residents of Los Angeles
16 County. The Singer Family trust has been the owner of the real property, structures,
17 improvements located at 17017 Livorno Dr., Pacific Palisades, CA 90272. The
18 Singer Plaintiffs were the owners of the personal property contents located at 17017
19 Livorno Dr., Pacific Palisades, CA 90272.

20 21. The Singer Plaintiffs’ property was previously covered for loss from
21 multiple perils by a Property Policy issued by State Farm, which provided coverage
22 for structures, personal property contents, loss of use, the cost of rebuilding and
23 other related losses for an amount substantially in excess of their FAIR Plan policy
24 limit.

25 22. On or about August 1, 2024, State Farm notified the Singer Plaintiffs
26 that their Property Policy would not be renewed. State Farm then terminated their
27 Property Policy and refused to renew the existing policy or offer any other
28 replacement Property Policy.

1 23. Thereafter, the Singer Plaintiffs attempted to obtain a Property Policy
2 from other insurance carriers registered in California, but they could not obtain a
3 Property Policy from any Defendant or other insurance carrier.

4 24. As the only fire coverage available to them, the Singer Plaintiffs
5 applied for and obtained a FAIR Plan property policy for limited fire coverage on or
6 about October 2024 in the amount of \$3,000,000.

7 25. On or about January 7, 2025, the Singer Plaintiffs suffered the total loss
8 of all structures and personal property contents as a direct result of the Palisades
9 Wildfire and have incurred substantial loss of use expenses for temporary living
10 relocation.

11 26. On or about January 10, 2025, the Singer Plaintiffs made a claim under
12 the FAIR Plan for coverage in the amount of \$3,000,000.

13 27. Plaintiffs James Kirk DeMicco and Kacy DeMicco, individually and as
14 Trustees of the DeMicco Family Trust (collectively, the “DeMicco Plaintiffs”) are
15 residents of Los Angeles County. The DeMicco Family Trust has been the owner of
16 the real property, structures, improvements, located at 15866 Seabec Circle, Pacific
17 Palisades, CA 90272, and the DeMicco Plaintiffs were the owners of the personal
18 property contents located at 15866 Seabec Circle, Pacific Palisades, CA 90272.

19 28. The DeMicco Plaintiffs’ property was previously covered for loss from
20 multiple perils by a Property Policy issued by State Farm, which provided coverage
21 for structures, personal property contents, loss of use, the cost of rebuilding and
22 other related losses for an amount substantially in excess of their FAIR Plan policy
23 limit.

24 29. On or about August 2024, State Farm notified the DeMicco Plaintiffs
25 that their Property Policy would not be renewed. State Farm then terminated their
26 Property Policy and refused to renew the existing policy or offer any other
27 replacement Property Policy.

28 30. Thereafter, the DeMicco Plaintiffs attempted to obtain a Property

1 Policy from other insurance carriers registered in California, but they could not
2 obtain a Property Policy from any Defendant or other insurance carrier.

3 31. As the only fire coverage available to them, the DeMicco Plaintiffs
4 applied for and obtained a FAIR Plan property policy for limited fire coverage on or
5 about August 20, 2024 in the amount of \$2,962,860.

6 32. On or about January 7, 2025, the DeMicco Plaintiffs suffered the total
7 loss of all structures and personal property contents as a direct result of the Palisades
8 Wildfire and have incurred substantial loss of use expenses for temporary relocation.

9 33. On or about January 8, 2025, the DeMicco Plaintiffs made a claim
10 under the FAIR Plan for coverage in the amount of \$2,962,860.

11 34. Plaintiffs R06ALMA, LLC and Yuanrun Lin and Jun Wang as majority
12 shareholders and beneficial owners (“Lin Plaintiffs”) are residents of Los Angeles
13 County and have been the owners of the real property, structures, improvements and
14 personal property contents located at 806 Alma Real Dr., Pacific Palisades, CA
15 90272.

16 35. The Lin Plaintiffs’ property was previously covered for loss from
17 multiple perils by a Property Policy issued by State Farm, which provided coverage
18 for structures, personal property contents, loss of use, the cost of rebuilding and
19 other related losses for an amount substantially in excess of their FAIR Plan policy
20 limit.

21 36. On or about August 2024, State Farm notified the Lin Plaintiffs that
22 their Property Policy would not be renewed. State Farm then terminated their
23 Property Policy, and refused to renew the existing policy or offer any other
24 replacement Property Policy.

25 37. Thereafter, the Lin Plaintiffs attempted to obtain a Property Policy from
26 other insurance carriers registered in California, but they could not obtain a Property
27 Policy from any Defendant or other insurance carrier.

28 38. As the only fire coverage available to them, the Lin Plaintiffs applied

1 for and obtained a FAIR Plan property policy for limited fire coverage on or about
2 November 8, 2024 in the amount of \$2,923,200.

3 39. On or about January 7, 2025, the Lin Plaintiffs suffered the total loss of
4 all structures and personal property contents as a direct result of the Palisades
5 Wildfire and have incurred substantial loss of use expenses for temporary living
6 relocation.

7 40. On or about January 9, 2025, the Lin Plaintiffs made a claim under the
8 FAIR Plan for coverage in the amount of \$2,555,000.

9 41. Plaintiffs Kristin Jones and Finn-Olaf Jones (“Jones Plaintiffs”) are
10 residents of Los Angeles County and have been the owners of the real property,
11 structures, improvements, and personal property contents located at 15249 De Pauw
12 Street, Pacific Palisades, CA 90272.

13 42. The Jones Plaintiffs’ property was previously covered for loss from
14 multiple perils by a Property Policy issued by State Farm, which provided coverage
15 for structures, personal property contents, loss of use, the cost of rebuilding and
16 other related losses for an amount substantially in excess of their FAIR Plan policy
17 limit.

18 43. On or about April 12, 2024, State Farm notified the Jones Plaintiffs that
19 their Property Policy would not be renewed. State Farm then terminated their
20 Property Policy and refused to renew the existing policy or offer any other
21 replacement Property Policy.

22 44. Thereafter, Jones Plaintiffs attempted to obtain a Property Policy from
23 other insurance carriers registered in California, but they could not obtain a Property
24 Policy from any Defendant or other insurance carrier.

25 45. As the only fire coverage available to them, the Jones Plaintiffs applied
26 for and obtained a FAIR Plan property policy for limited fire coverage on or about
27 June 2024 in the amount of \$3,000,000.

28 46. On or about January 7, 2025, the Jones Plaintiffs suffered the total loss

1 of all structures and personal property contents as a direct result of the Palisades
2 Wildfire and have incurred substantial loss of use expenses for temporary living
3 relocation.

4 47. On or about January 8, 2025, the Jones Plaintiffs made a claim under
5 the FAIR Plan for coverage in the amount of \$3,000,000.

6 48. Plaintiff Maria Stratton, individually and as Trustee of The Stratton
7 Family Trust (collectively, the “Stratton Plaintiffs”) are residents of Los Angeles
8 County. The Stratton Family Trust has been the owner of the real property,
9 structures, improvements located at 1308 Sunny Oaks Circle, Altadena, California
10 91001, and the Stratton Plaintiffs were the owners of the personal property contents
11 located at 1308 Sunny Oaks Circle, Altadena, California 91001.

12 49. Up to 2023, USAA insured two homes located in Los Angeles County
13 that the Stratton Plaintiffs owned and provided coverage for structures, personal
14 property contents, loss of use, the cost of rebuilding and other related losses for an
15 amount substantially in excess of their FAIR Plan policy limit.

16 50. In or about June 2023, the Stratton Plaintiffs entered a purchase
17 contract to acquire the residence located at 1308 Sunny Oaks Circle in Altadena,
18 California. Despite having been a customer in good standing with USAA for the
19 preceding 40 years, USAA refused to insure the Stratton Plaintiffs’ property in
20 Altadena. Rather, USAA acted as the Stratton Plaintiffs’ broker.

21 51. Thereafter, the Stratton Plaintiffs attempted to obtain a Property Policy
22 from other insurance carriers registered in California, but the Stratton Plaintiffs
23 could not obtain a Property Policy from any Defendant or other insurance carrier.

24 52. USAA—acting as the Stratton Plaintiffs’ broker—then identified a
25 FAIR Plan policy as the Stratton Plaintiffs only option for coverage. The FAIR Plan
26 would not negotiate the terms of the Stratton Plaintiffs’ policy, but instead offered to
27 insure the dwellings located at 1308 Sunny Oaks Circle for an actual cash value of
28 \$605,920, despite the fact that Stratton was contemporaneously paying \$1,788,000

1 to acquire her residence and was able and willing to pay any of the Defendants for
2 more coverage and replacement value coverage.

3 53. On or about January 7, 2025 the Stratton Plaintiffs suffered the total
4 loss of all structures and personal property contents as a direct result of the Eaton
5 Fire and has incurred substantial loss of use expenses for temporary living
6 relocation.

7 54. Plaintiffs Mark Maron and Susan Maron, individually and as Trustee of
8 the Maron Living Trust (collectively, the “Maron Plaintiffs”) are residents of Los
9 Angeles County. The Maron Living Trust has been the owner of the real property,
10 structures, improvements, located at 1427 Via Cresta, Pacific Palisades, CA 90272,
11 and the Maron Plaintiffs were the owners of the personal property contents located
12 at 1427 Via Cresta, Pacific Palisades, CA 90272.

13 55. The Maron Plaintiffs’ property was previously covered for loss from
14 multiple perils by a Property Policy issued by State Farm, which provided coverage
15 for structures, personal property contents, loss of use, the cost of rebuilding and
16 other related losses for an amount substantially in excess of their FAIR Plan policy
17 limit.

18 56. On or about September 2024, State Farm notified the Maron Plaintiffs
19 that their Property Policy would not be renewed. State Farm then terminated their
20 Property Policy, and refused to renew the existing policy or offer any other
21 replacement Property Policy.

22 57. Thereafter, the Maron Plaintiffs attempted to obtain a Property Policy
23 from other insurance carriers registered in California, but they could not obtain a
24 Property Policy from any Defendant or other insurance carrier.

25 58. As the only fire coverage available to them, the Maron Plaintiffs
26 applied for and obtained a FAIR Plan property policy for limited fire coverage
27 around September 2024 in the amount of \$3,000,000.

28 59. On or about January 7, 2025, the Maron Plaintiffs suffered extensive

1 smoke damage to their structures and personal property contents as a direct result of
2 the Palisades Wildfire.

3 60. On or about January 11, 2025, the Maron Plaintiffs made a claim under
4 the FAIR Plan for coverage in the amount of \$4,300,000.

5 61. Plaintiffs Russell Emanuel and Sara Emanuel (“Emanuel Plaintiffs”)
6 are residents of Los Angeles County and have been the owners of the real property,
7 structures, improvements, and personal property contents located at 1101 Kagawa
8 Street, Pacific Palisades, CA 90272.

9 62. The Emanuel Plaintiffs’ property was previously covered for loss from
10 multiple perils by a Property Policy issued by State Farm, which provided coverage
11 for structures, personal property contents, loss of use, the cost of rebuilding and
12 other related losses for an amount substantially in excess of their FAIR Plan policy
13 limit.

14 63. On or about August 2024, State Farm notified Emanuel Plaintiffs that
15 their Property Policy would not be renewed. State Farm then terminated their
16 Property Policy and refused to renew the existing policy or offer any other
17 replacement Property Policy.

18 64. Thereafter, Emanuel Plaintiffs attempted to obtain a Property Policy
19 from other insurance carriers registered in California, but they could not obtain a
20 Property Policy from any Defendant or other insurance carrier.

21 65. As the only fire coverage available to them, the Emanuel Plaintiffs
22 applied for and obtained a FAIR Plan property policy for limited fire coverage on or
23 about June 1, 2024 in the amount of \$2,900,000.

24 66. On or about January 7, 2025, the Emanuel Plaintiffs suffered the total
25 loss of all structures and personal property contents as a direct result of the Palisades
26 Wildfire and have incurred substantial loss of use expenses for temporary living
27 relocation.

28 67. On or about January 25, 2025 the Emanuel Plaintiffs made a claim

1 under the FAIR Plan for coverage in the amount of \$2,900,000.

2 68. Plaintiff Roxanne A. Davis, individually and as Trustee of the Gavsie /
3 Davis Living Trust (collectively, the “Davis Plaintiffs”) are residents of Los Angeles
4 County. The Gavsie / Davis Living Trust has been the owner of the real property,
5 structures, improvements, located at 16720 Monte Hermoso Drive, Pacific
6 Palisades, CA 90272, and the Davis Plaintiffs were the owners of the personal
7 property contents located at 16720 Monte Hermoso Drive, Pacific Palisades, CA
8 90272.

9 69. The Davis Plaintiffs’ property was previously covered for loss from
10 multiple perils by a Property Policy issued by Defendant State Farm, which
11 provided coverage for structures, personal property contents, loss of use, the cost of
12 rebuilding and other related losses for an amount substantially in excess of their
13 FAIR Plan policy limit.

14 70. On or about September 4, 2024, the State Farm notified the Davis
15 Plaintiffs that their Property Policy would not be renewed. State Farm then
16 terminated the Davis Plaintiffs’ Property Policy and refused to renew the existing
17 policy or offer any other replacement Property Policy.

18 71. Thereafter, the Davis Plaintiffs attempted to obtain a Property Policy
19 from other insurance carriers registered in California, but they could not obtain a
20 Property Policy from any Defendant or other insurance carrier.

21 72. As the only fire coverage available to them, the Davis Plaintiffs applied
22 for and obtained a FAIR Plan property policy for limited fire coverage on or about
23 November 7, 2024 in the amount of \$3,000,000.

24 73. On or about January 7, 2025, the Davis Plaintiffs suffered the total loss
25 of all structures and personal property contents as a direct result of the Palisades
26 Wildfire and have incurred substantial loss of use expenses for temporary living
27 relocation.

28 74. On or about January 9, 2025, the Davis Plaintiffs made a claim under

1 the FAIR Plan for coverage in the amount of \$3,000,000.

2 75. Plaintiffs Terence Fahn and Julie Fahn (“Fahn Plaintiffs”) are residents
3 of Los Angeles County and have been the owners of the real property, structures,
4 improvements, and personal property contents located at 1120 Fiske Street, Pacific
5 Palisades, CA 90272.

6 76. The Fahn Plaintiffs’ property was previously covered for loss from
7 multiple perils by a Property Policy issued by State Farm, which provided coverage
8 for structures, personal property contents, loss of use, the cost of rebuilding and
9 other related losses for an amount substantially in excess of their FAIR Plan policy
10 limit.

11 77. On or about July 12, 2024, State Farm notified the Fahn Plaintiffs that
12 their Property Policy would not be renewed. State Farm then terminated their
13 Property Policy and refused to renew the existing policy or offer any other
14 replacement Property Policy.

15 78. Thereafter, the Fahn Plaintiffs attempted to obtain a Property Policy
16 from other insurance carriers registered in California, but they could not obtain a
17 Property Policy from any Defendant or other insurance carrier.

18 79. As the only fire coverage available to them, the Fahn Plaintiffs applied
19 for and obtained a FAIR Plan property policy for limited fire coverage on or about
20 October 3, 2024 in the amount of \$2,500,000.

21 80. On or about January 7, 2025, the Fahn Plaintiffs suffered the total loss
22 of all structures and personal property contents as a direct result of the Palisades
23 Wildfire and have incurred substantial loss of use expenses for temporary relocation.

24 81. On January 9, 2025, Fahn Plaintiffs made a claim under the FAIR Plan
25 for coverage in the amount of \$2,500,000.

26 82. Plaintiff GHB Properties, LLC (“GHB Properties”) is a resident of Los
27 Angeles County and has been the owner of the real property, structures,
28 improvements, and personal property contents located at 867 Hartzell St., Pacific

1 Palisades, CA 90272.

2 83. GHB Properties' property was previously covered for loss from fire by
3 a Property Policy issued by State Farm, which provided coverage for structures,
4 personal property contents, loss of use, the cost of rebuilding and other related
5 losses for an amount substantially in excess of their FAIR Plan policy limit.

6 84. On or about December 11, 2024, State Farm notified GHB Properties
7 that its Property Policy for fire would not be renewed, and if it wanted to stay with
8 State Farm for its other policies, it had to bind with the FAIR Plan before December
9 30, 2024. State Farm then provided GHB Properties with a FAIR Plan quote and
10 link for payment. State Farm did so without informing it of the available policy
11 limits under the FAIR Plan.

12 85. GHB Properties then entered the FAIR Plan property policy for limited
13 fire coverage on or about December 20, 2024 in the amount of \$1,950,000.

14 86. On or about January 7, 2025, GHB Properties suffered the total loss of
15 all structures and personal property contents as a direct result of the Palisades
16 Wildfire and have incurred substantial loss of use expenses for temporary living
17 relocation.

18 87. On or about January 8, 2025, GHB Properties made a claim under the
19 FAIR Plan for coverage in the amount of \$1,950,000.

20 88. Plaintiff Thomas J. Villante ("Villante") is a resident of Los Angeles
21 County and has been the owner of the real property, structures, improvements, and
22 personal property contents located at 16864 Calle Bellevista, Pacific Palisades,
23 California 90266.

24 89. Villante's property was previously covered for loss from fire by a
25 Property Policy issued by Chubb, which provided coverage for structures, personal
26 property contents, loss of use, the cost of rebuilding and other related losses for an
27 amount substantially in excess of their FAIR Plan policy limit.

28 90. On or about October 2022, Chubb notified Villante that his Property

1 Policy would not be renewed, terminated his Property Policy, and refused to renew
2 the existing policy or offer any other replacement Property Policy.

3 91. Thereafter, Villante attempted to obtain a Property Policy from other
4 insurance carriers registered in California, but he was unable to obtain a Property
5 Policy from any Defendant or other insurance carrier.

6 92. As the only fire coverage available to him, Villante applied for and
7 obtained a FAIR Plan property policy for limited fire coverage on or about
8 November 2022 in the amount of \$3,000,000.

9 93. On or about January 7, 2025, Villante suffered a total loss of all
10 structures and personal property contents as a direct result of the Palisades Wildfire,
11 and he has incurred substantial loss of use expenses for temporary living relocation.

12 94. On or about January 8, 2025, Villante made a claim under the FAIR
13 Plan for coverage in the amount of \$3,000,000.

14 95. Plaintiff Junliang Lu, individually and as Trustee of The 340 N.
15 Grenola Street Property Trust, and David Orenstein (collectively, the “Orenstein
16 Plaintiffs”) are residents of Los Angeles County. The 340 N. Grenola Street
17 Property Trust has been the owner of the real property, structures, improvements,
18 located at 340 North Grenola Street, Pacific Palisades, California 90272, and the
19 Orenstein Plaintiffs were the owners of the personal property contents located at 340
20 North Grenola Street, Pacific Palisades, California 90272.

21 96. The Orenstein Plaintiffs’ property was previously covered for loss from
22 multiple perils by a Property Policy issued by State Farm, which provided coverage
23 for structures, personal property contents, loss of use, the cost of rebuilding and
24 other related losses for an amount substantially in excess of their FAIR Plan policy
25 limit.

26 97. In 2024, State Farm notified the Orenstein Plaintiffs that their Property
27 Policy would not be renewed. State Farm then terminated their Property Policy and
28 refused to renew the existing policy or offer any other replacement Property Policy.

1 98. Thereafter, the Orenstein Plaintiffs attempted to obtain a Property
2 Policy from other insurance carriers registered in California, but they were unable to
3 obtain a Property Policy from any Defendant or other insurance carrier.

4 99. As the only fire coverage available to them, the Orenstein Plaintiffs
5 applied for and obtained a FAIR Plan property policy for limited fire coverage on or
6 about December 18, 2025, in the amount of \$2,915,000.

7 100. On or about January 7, 2025, the Orenstein Plaintiffs suffered a total
8 loss of all structures and personal property contents as a direct result of the Palisades
9 Wildfire, and have incurred substantial loss of use expenses for temporary living
10 relocation.

11 101. On or about January 8, 2025, the Orenstein Plaintiffs made a claim
12 under the FAIR Plan for coverage of \$2,915,000.

13 102. Plaintiffs Ayush Singhanian and Ashima Shenoy Singhanian (“Singhanian
14 Plaintiffs”) are residents of Los Angeles County and have been the owners of the
15 real property, structures, improvements, and personal property contents located at
16 629 Radcliffe Avenue, Pacific Palisades, CA 90272.

17 103. The Singhanian Plaintiffs’ property was previously covered for loss from
18 multiple perils by a Property Policy issued by State Farm, which provided coverage
19 for structures, personal property contents, loss of use, the cost of rebuilding and
20 other related losses for an amount substantially in excess of their FAIR Plan policy
21 limit.

22 104. On or about August 5, 2024, State Farm notified the Singhanian
23 Plaintiffs that their Property Policy would not be renewed. State Farm then
24 terminated their Property Policy and refused to renew the existing policy or offer
25 any other replacement Property Policy.

26 105. Thereafter, the Singhanian Plaintiffs attempted to obtain a Property
27 Policy from other insurance carriers registered in California, but they could not
28 obtain a Property Policy from any Defendant or other insurance carrier.

1 106. As the only fire coverage available to them, the Ferrier Plaintiffs
2 applied for and obtained a FAIR Plan property policy for limited fire coverage on
3 November 6, 2024 in the amount of \$3,000,000.

4 18. On or about January 7, 2025, the Singhania Plaintiffs suffered the total
5 loss of all structures and personal property contents as a direct result of the Palisades
6 Wildfire and have incurred substantial loss of use expenses for temporary living
7 relocation.

8 107. On or about January 8, 2025, the Singhania Plaintiffs made a claim
9 under the FAIR Plan for coverage in the amount of \$3,000,000.

10 108. Plaintiff Bryan Crane (“Crane”) is a resident of Los Angeles County
11 and has been the owner of the real property, structures, improvements, and personal
12 property contents located at 15265 Bestor Blvd, Pacific Palisades, CA 90272.

13 109. Crane’s property was previously covered for loss from fire by a
14 Property Policy issued by State Farm, which provided coverage for structures,
15 personal property contents, loss of use, the cost of rebuilding and other related
16 losses for an amount substantially in excess of their FAIR Plan policy limit.

17 110. On or about October 2024, State Farm notified Crane that his Property
18 Policy would not be renewed, terminated his Property Policy, and refused to renew
19 the existing policy or offer any other replacement Property Policy.

20 111. Thereafter, Crane attempted to obtain a Property Policy from other
21 insurance carriers registered in California, but he was unable to obtain a Property
22 Policy from any Defendant or other insurance carrier.

23 112. As the only fire coverage available to him, Crane applied for and
24 obtained a FAIR Plan property policy for limited fire coverage on or about
25 December 2024 in the amount of \$3,000,000.

26 113. On or about January 7, 2025, Crane suffered a total loss of all structures
27 and personal property contents as a direct result of the Palisades Wildfire, and he
28 has incurred substantial loss of use expenses for temporary living relocation.

1 114. On or about January 2025, Crane made a claim under the FAIR Plan
2 for coverage.

3 **Defendants**

4 115. Defendants comprise the top Insurance Groups in the State by Property
5 and Casualty market share, and account for approximately 75% of all Property and
6 Casualty insurance sales in California.

7 116. State Farm Group conducts business in the State of California and the
8 County of Los Angeles and consists of the following entities: Defendants State
9 Farm Fire and Casualty Company; State Farm General Insurance Company; and
10 State Farm Mutual Automobile Insurance Company (collectively “State Farm”)—
11 each of which is a corporation registered to do business in California and/or licensed
12 by the California Department of Insurance.

13 117. Farmers Insurance Group conducts business in the State of California
14 and the County of Los Angeles and consists of the following entities: Defendants
15 21st Century Insurance Company; 21st Century Casualty Company; 21st Century
16 Centennial Insurance Company; 21st Century North America Insurance Company;
17 21st Century Premier Insurance Company; Foremost Property and Casualty
18 Insurance Company; Civic Property and Casualty Company; Economy Fire &
19 Casualty Company; Exact Property and Casualty Company; Farmers Direct
20 Property and Casualty Insurance Company; Farmers Group Property And Casualty
21 Insurance Company; Farmers Insurance Company, Inc.; Farmers Insurance
22 Company of Oregon; Farmers Insurance Company of Washington; Farmers
23 Insurance Exchange; Fire Insurance Exchange; Foremost Insurance Company Grand
24 Rapids, Michigan; Foremost Signature Insurance Company; Mid-Century Insurance
25 Company; Truck Insurance Exchange; and Neighborhood Spirit Property and
26 Casualty Company (collectively “Farmers”)—each of which is a corporation
27 registered to do business in California and/or licensed by the California Department
28 of Insurance.

1 118. Berkshire Hathaway Group conducts business in the State of California
2 and the County of Los Angeles and consists of the following entities: Defendants
3 Berkshire Hathaway Direct Insurance Company; AmGUARD Insurance Company;
4 Platte River Insurance Company; Wellfleet New York Insurance Company;
5 Berkshire Hathaway Assurance Corporation; Berkshire Hathaway Specialty
6 Insurance Company; RSUI Indemnity Company; Capitol Indemnity Corporation;
7 Central States Indemnity Co. of Omaha; Cologne Reinsurance Company of
8 America; Columbia Insurance Company; Columbia Insurance Company; Finial
9 Reinsurance Company; GEICO Indemnity Company; Cypress Insurance Company;
10 EastGUARD Insurance Company; General Star National Insurance Company; Fair
11 American Insurance and Reinsurance Company; The National Reinsurance
12 Corporation; General Reinsurance Corporation; Genesis Insurance Company;
13 Government Employees Insurance Company; National Liability & Fire Insurance
14 Company; Mount Vernon Specialty Insurance Company; National Indemnity
15 Company; National Liability & Fire Insurance Company; The National Reinsurance
16 Corporation; NorGUARD Insurance Company; North Star Reinsurance
17 Corporation; Redwood Fire and Casualty Insurance Company; Transatlantic
18 Reinsurance Company; U.S. Underwriters Insurance Company; Unione Italiana
19 Reinsurance Company of America, Inc.; United States Liability Insurance Company
20 (collectively “Berkshire”)—each of which is a corporation registered to do business
21 in California and/or licensed by the California Department of Insurance.

22 119. Allstate Insurance Group conducts business in the State of California
23 and the County of Los Angeles and consists of the following entities: Defendants
24 Allstate Indemnity Company; Allstate Insurance Company; Allstate Northbrook
25 Indemnity Company; Allstate Property and Casualty Insurance Company; Integon
26 Preferred Insurance Company; Integon National Insurance Company; Century-
27 National Insurance Company; Encompass Insurance Company; Esurance Insurance
28 Company; Esurance Property and Casualty Insurance Company; MIC General

1 Insurance Corporation; National Farmers Union Property and Casualty Company;
2 National General Insurance Company; and National General Premier Insurance
3 Company (collectively “Allstate”)—each of which is a corporation registered to do
4 business in California and/or licensed by the California Department of Insurance.

5 120. Auto Club Enterprises Insurance Group conducts business in the State
6 of California and the County of Los Angeles and consists of the following entities:
7 Defendants Auto Club Family Insurance Company; Automobile Club Inter-
8 Insurance Exchange; Automobile Club of Southern California Life Insurance
9 Company; Interinsurance Exchange of The Automobile Club; and Wawanesa
10 General Insurance Company (collectively “Auto Club”)—each of which is a
11 corporation registered to do business in California and/or licensed by the California
12 Department of Insurance.

13 121. Travelers Group conducts business in the State of California and the
14 County of Los Angeles and consists of the following entities: Defendants Travelers
15 Casualty and Surety Company of America; Travelers Casualty and Surety
16 Company; Travelers Casualty Company of Connecticut; Travelers Commercial
17 Insurance Company; Travelers Property Casualty Insurance Company; St. Paul
18 Protective Insurance Company; American Equity Specialty Insurance Company;
19 The Travelers Casualty Company; Automobile Insurance Company of Hartford,
20 Connecticut; Northland Casualty Company; TravCo Personal Insurance Company;
21 The Travelers Indemnity Company of Connecticut; Farmington Casualty Company;
22 Fidelity and Guaranty Insurance Company; Fidelity and Guaranty Insurance
23 Underwriters, Inc.; St. Paul Fire and Marine Insurance Company; St. Paul Protective
24 Insurance Company; Northland Insurance Company; Travelers Constitution State
25 Insurance Company; Select Insurance Company; St. Paul Guardian Insurance
26 Company; St. Paul Mercury Insurance Company; The Standard Fire Insurance
27 Company; Travelers Commercial Casualty Company; The Travelers Indemnity
28 Company; and United States Fidelity and Guaranty Company (collectively

1 “Travelers”)—each of which is a corporation registered to do business in California
2 and/or licensed by the California Department of Insurance.

3 122. Liberty Mutual Group conducts business in the State of California and
4 the County of Los Angeles and consists of the following entities: Defendants
5 American Economy Insurance Company; American Fire and Casualty Company;
6 American States Preferred Insurance Company; American States Insurance
7 Company; American States Insurance Company of Texas; Atlas Assurance
8 Company of America; Golden Eagle Insurance Company; Employers Insurance
9 Company of Wausau; The First Liberty Insurance Corporation; First National
10 Insurance Company of America; General Insurance Company of America; Golden
11 Eagle Insurance Corporation; Insurance Company of Illinois; Ironshore Indemnity
12 Inc.; Ironshore Specialty Insurance Company; Liberty Insurance Corporation;
13 Liberty Mutual Fire Insurance Company; Liberty Mutual Insurance Company;
14 Liberty Northwest Insurance Corporation; LM General Insurance Company; LM
15 Insurance Corporation; LM Property and Casualty Insurance Company; The
16 Netherlands Insurance Company; The Ohio Casualty Insurance Company; The Ohio
17 Security Insurance Company; Peerless Indemnity Insurance Company; Peerless
18 Insurance Company; Safeco Insurance Company of America; Safeco Insurance
19 Company of Illinois; San Diego Insurance Company; American States Insurance
20 Company of Texas; State Automobile Mutual Insurance Company; Wausau
21 Business Insurance Company; Wausau Underwriters Insurance Company; and West
22 American Insurance Company (collectively “Liberty Mutual”)—each of which is a
23 corporation registered to do business in California and/or licensed by the California
24 Department of Insurance.

25 123. CSAA Insurance Group conducts business in the State of California
26 and the County of Los Angeles and consists of the following entities: Defendants
27 CSAA Mid-Atlantic Insurance Company; CSAA Mid-Atlantic Insurance Company
28 of New Jersey; CSAA Fire & Casualty Insurance Company; CSAA Insurance

1 Exchange; CSAA Affinity Insurance Company; CSAA General Insurance
2 Company; and Mobilitas Insurance Company (collectively “CSAA”)—each of
3 which is a corporation registered to do business in California and/or licensed by the
4 California Department of Insurance.

5 124. Mercury General Group conducts business in the State of California
6 and the County of Los Angeles and consists of the following entities: Defendants
7 American Mercury Insurance Company; California Automobile Insurance
8 Company; California General Underwriters Insurance Company, Inc.; Mercury
9 Casualty Company; Mercury Insurance Company; and Orion Indemnity Company
10 (collectively “Mercury”)—each of which is a corporation registered to do business
11 in California and/or licensed by the California Department of Insurance.

12 125. Chubb Ltd Group conducts business in the State of California and the
13 County of Los Angeles and consists of the following entities: Defendants ACE
14 American Insurance Company; ACE Fire Underwriters Insurance Company;
15 Westchester Fire Insurance Company; ACE Property and Casualty Insurance
16 Company; Agri General Insurance Company; Allied Insurance Company; Executive
17 Risk Indemnity Inc.; Bankers Standard Insurance Company; Century Indemnity
18 Company; Chubb Indemnity Insurance Company; Chubb National Insurance
19 Company; Indemnity Insurance Company of North America; Federal Insurance
20 Company; Great Northern Insurance Company; Insurance Company of North
21 America; Pacific Employers Insurance Company; Pacific Indemnity Company;
22 Pennsylvania Millers Mutual Insurance Company; and Vigilant Insurance Company
23 (collectively “Chubb”)—each of which is a corporation registered to do business in
24 California and/or licensed by the California Department of Insurance.

25 126. Progressive Group conducts business in the State of California and the
26 County of Los Angeles and consists of the following entities: Defendants National
27 Continental Insurance Company; Drive Insurance Company; ASI Select Auto
28 Insurance Corp; ASI Select Insurance Corp; Progressive American Insurance

1 Company; Progressive Casualty Insurance Company; Progressive Northwestern
2 Insurance Company; Progressive Southeastern Insurance Company; Progressive
3 Specialty Insurance Company; Protective Insurance Company; and United Financial
4 Casualty Company (collectively “Progressive”)—each of which is a corporation
5 registered to do business in California and/or licensed by the California Department
6 of Insurance.

7 127. United Services Automobile Association Group conducts business in
8 the State of California and the County of Los Angeles and consists of the following
9 entities: Defendants Garrison Property and Casualty Insurance Company; United
10 Services Automobile Association; USAA Casualty Insurance Company; and USAA
11 General Indemnity Company (collectively “USAA”)—each of which is a
12 corporation registered to do business in California and/or licensed by the California
13 Department of Insurance.

14 128. Hartford Fire & Casualty Group conducts business in the State of
15 California and the County of Los Angeles and consists of the following entities:
16 Defendants Hartford Casualty Insurance Company; First State Insurance Company;
17 Hartford Accident and Indemnity Company; Hartford Fire Insurance Company;
18 Hartford Insurance Company of the Midwest; Hartford Underwriters Insurance
19 Company; Navigators Insurance Company; New England Reinsurance Corporation;
20 Property and Casualty Insurance Company of Hartford; Sentinel Insurance
21 Company, Ltd.; Trumbull Insurance Company; and Twin City Fire Insurance
22 Company (collectively “Hartford”)—each of which is a corporation registered to do
23 business in California and/or licensed by the California Department of Insurance.

24 129. Nationwide Corporation Group conducts business in the State of
25 California and the County of Los Angeles and consists of the following entities:
26 Defendants Allied Property and Casualty Insurance Company; Allied Insurance
27 Company of America; AMCO Insurance Company; Freedom Specialty Insurance
28 Company; Crestbrook Insurance Company; Nationwide Insurance Company Of

1 America; Depositors Insurance Company; Farmland Mutual Insurance Company;
2 Harleysville Insurance Company; National Casualty Company; Nationwide
3 Agribusiness Insurance Company; Nationwide General Insurance Company;
4 Nationwide Mutual Insurance Company; Nationwide Mutual Insurance Company;
5 Nationwide Property and Casualty Insurance Company; and Scottsdale Indemnity
6 Company (collectively “Nationwide”)—each of which is a corporation registered to
7 do business in California and/or licensed by the California Department of Insurance.

8 130. Kemper Corporation Group conducts business in the State of California
9 and the County of Los Angeles and consists of the following entities: Defendants
10 Alliance United Insurance Company; United Casualty Insurance Company of
11 America; Unitrin Auto and Home Insurance Company; Response Insurance
12 Company; Unitrin Direct Property & Casualty Company; Kemper Independence
13 Insurance Company; Merastar Insurance Company; Response Worldwide Insurance
14 Company; Trinity Universal Insurance Company; and Warner Reciprocal Insurers
15 (collectively “Kemper”)—each of which is a corporation registered to do business in
16 California and/or licensed by the California Department of Insurance.

17 131. Zurich Insurance Group conducts business in the State of California
18 and the County of Los Angeles and consists of the following entities: Defendants
19 American Guarantee and Liability Insurance Company; American Zurich Insurance
20 Company; Centre Reinsurance Company of New York; Colonial American Casualty
21 and Surety Company; Empire Fire and Marine Insurance Company; Farmers
22 Reinsurance Company; Fidelity and Deposit Company of Maryland; US
23 International Reinsurance Company; Universal Underwriters Insurance Company;
24 Zurich American Insurance Company; and Zurich American Insurance Company of
25 Illinois (collectively “Zurich”)—each of which is a corporation registered to do
26 business in California and/or licensed by the California Department of Insurance.

27 132. Tokio Marine Holdings Inc Group conducts business in the State of
28 California and the County of Los Angeles and consists of the following entities:

1 Defendants Tokio Marine GRV RE, Inc.; American Contractors Indemnity
2 Company; U.S. Specialty Insurance Company; Trans Pacific Insurance Company;
3 Tokio Marine & Nichido Fire Insurance Co., LTD; Tokio Marine America
4 Insurance Company; TNUS Insurance Company; Safety National Casualty
5 Corporation; Privilege Underwriters Reciprocal Exchange; and Philadelphia
6 Indemnity Insurance Company (collectively “Tokio”)—each of which is a
7 corporation registered to do business in California and/or licensed by the California
8 Department of Insurance.

9 133. CNA Insurance Group conducts business in the State of California and
10 the County of Los Angeles and consists of the following entities: Defendants
11 Valley Forge Insurance Company; American Casualty Company of Reading,
12 Pennsylvania; The Continental Insurance Company; Firemen’s Insurance Company
13 of Newark, New Jersey; Kansas City Fire and Marine Insurance Company; National
14 Fire Insurance Company of Hartford; Transportation Insurance Company; and
15 Pacific Insurance Company (collectively “CNA”)—each of which is a corporation
16 registered to do business in California and/or licensed by the California Department
17 of Insurance.

18 134. AmTrust Financial Services Group conducts business in the State of
19 California and the County of Los Angeles and consists of the following entities:
20 Defendants AmTrust Insurance Company; CorePointe Insurance Company;
21 Developers Surety and Indemnity Company; Heritage Indemnity Company; Milford
22 Casualty Insurance Company; North East Insurance Company; Park National
23 Insurance Company; Preserver Insurance Company; Republic Fire and Casualty
24 Insurance Company; Rochdale Insurance Company; Security National Insurance
25 Company; Sequoia Insurance Company; Southern Insurance Company; Springfield
26 Insurance Company; Technology Insurance Company, Inc.; Tower Insurance
27 Company of New York; Wesco Insurance Company; and York Insurance Company
28 of Maine (collectively “AmTrust”)—each of which is a corporation registered to do

1 business in California and/or licensed by the California Department of Insurance.

2 135. Fairfax Financial Group conducts business in the State of California
3 and the County of Los Angeles and consists of the following entities: Defendants
4 Allied World Assurance Company (U.S.) Inc.; Allied World Insurance Company;
5 Allied World Specialty Insurance Company; American Safety Casualty Insurance
6 Company; Clearwater Insurance Company; Clearwater Select Insurance Company;
7 Seneca Insurance Company, Inc.; Fairmont Insurance Company; Fairmont Premier
8 Insurance Company; Fairmont Specialty Insurance Company; General Fidelity
9 Insurance Company; Mt. McKinley Insurance Company; Hudson Insurance
10 Company; International Insurance Company; United States Fire Insurance
11 Company; North River Insurance Company; Odyssey Reinsurance Company; TIG
12 Insurance Company; TIG Insurance Company of Texas; United States Fire
13 Insurance Company; Vantapro Specialty Insurance Company; Zenith Insurance
14 Company; and ZNAT Insurance Company (collectively “Fairfax”)—each of which
15 is a corporation registered to do business in California and/or licensed by the
16 California Department of Insurance.

17 136. American Family Insurance Group conducts business in the State of
18 California and the County of Los Angeles and consists of the following entities:
19 Defendants Midvale Indemnity Company; American Family Connect Property and
20 Casualty Insurance Company; American Family Mutual Insurance Company;
21 Homesite Insurance Company of California; and NGM Insurance Company
22 (collectively “American Family”)—each of which is a corporation registered to do
23 business in California and/or licensed by the California Department of Insurance.

24 137. American International Group conducts business in the State of
25 California and the County of Los Angeles and consists of the following entities:
26 Defendants American Home Assurance Company; AIU Insurance Company; AIG
27 Property Casualty Company; Glatfelter Insurance Company; Commerce and
28 Industry Insurance Company; Granite State Insurance Company; The Insurance

1 Company of the State of Pennsylvania; Landmark Insurance Company; National
2 Union Fire Insurance Company of Pittsburgh, PA; New Hampshire Insurance
3 Company; and Stratford Insurance Company (collectively “AIG”)—each of which
4 is a corporation registered to do business in California and/or licensed by the
5 California Department of Insurance.

6 138. Markel Corporate Group conducts business in the State of California
7 and the County of Los Angeles and consists of the following entities: Defendants
8 Pinnacle National Insurance Company; Markel American Insurance Company;
9 Markel Insurance Company; State National Insurance Company, Inc.; Markel
10 Global Reinsurance Company; National Specialty Insurance Company; City
11 National Insurance Company; and Evanston Insurance Company (collectively
12 “Markel”)—each of which is a corporation registered to do business in California
13 and/or licensed by the California Department of Insurance.

14 139. Spinnaker Insurance Company (“Spinnaker”) conducts business in the
15 State of California and the County of Los Angeles and is an Illinois corporation
16 licensed that is registered to do business in California and/or licensed by the
17 California Department of Insurance.

18 140. Plaintiffs are not currently aware of the true names and capacities,
19 whether individual, corporate, associate, or otherwise, of the Defendants sued herein
20 under the fictitious names Does 1 through 100, inclusive, and therefore sue such
21 Defendants by such fictitious names. Plaintiffs will seek leave to amend this
22 complaint to allege the true names and capacities of said fictitiously named
23 Defendants when their true names and capacities have been ascertained. Plaintiffs
24 are informed and believe and thereon allege that each of the fictitiously named doe
25 Defendants is legally responsible in some manner for the events and occurrences
26 alleged herein and for the damage suffered by Plaintiffs.

27 141. Plaintiffs are informed, believe, and thereon allege that all Defendants,
28 including the fictitious doe Defendants, were at all relevant times acting as actual or

1 ostensible agents, conspirators, partners, joint venturers and/or employees of all
2 other Defendants, and that all acts alleged herein occurred within the course and
3 scope of said agency, conspiracy, partnership, joint venture, enterprise and/or
4 employment, and with the express and/or implied permission, knowledge, consent,
5 authorization and ratification of their co-Defendants; however, this allegation is
6 pleaded as an “alternative” theory wherever not doing so would result in a
7 contradiction with other allegations.

8 142. The true names and capacities of Does 1 through 100, inclusive,
9 whether individual, corporate, associate, partnership, sole proprietorship, or
10 otherwise, are currently unknown to Plaintiffs, who therefore sue said defendants by
11 such fictitious names. Plaintiffs will seek leave of court to amend this Complaint to
12 show their true names and capacities when the same has been ascertained, or
13 according to proof at the time of trial.

14 143. Plaintiffs are informed and believe and thereupon allege that at all
15 times mentioned herein, each of the Defendants was the agent of each of the
16 remaining Defendants and, in doing the things hereinafter alleged, was acting within
17 the course and scope of such agency and with the permission and consent of its
18 co-Defendants.

19 **GENERAL ALLEGATIONS**

20 **The California Fire Insurance Market**

21 144. Defendants are all companies that, during the period 2015 through
22 2025, have been licensed by the California Department of Insurance (“CDI”) and
23 engaged in the business of offering their own Property Policies to homeowners in
24 the State of California. Until approximately 2023, certain Defendants offered and
25 sold Property Policies to homeowners in Los Angeles County in Malibu and in the
26 neighborhood of the Palisades in the City of Los Angeles, as well as the
27 unincorporated community of Altadena located in Los Angeles County.

28 145. The Property Policies sold by Defendants were contracts for insurance

1 which offered broad coverage to include multiple perils (*e.g.*, wind, fire, earthquake,
2 mudslide, etc.) and included specific coverage terms to include, in addition to home
3 structures, contents and personal property, additional coverages for total loss and
4 rebuilding, and loss of use, among others.

5 146. Defendants offered and sold such Property Policies in competition with
6 each other, to property owners with coverage amounts in dollars at levels that
7 covered at least homeowners' mortgage liabilities, as routinely required by
8 mortgage lenders to secure home purchase financing, and/or higher levels that
9 covered the potential reconstruction cost amounts of the insured homes, together
10 with coverage for personal property contents loss, loss of use, and other standard
11 loss protections. In Palisades, Malibu, and Altadena, Plaintiffs obtained Property
12 Policies from Defendants for coverage substantially greater than the FAIR Plan's
13 maximum allowable coverage of \$3 million and/or greater than the maximum
14 amount available to them at the time they became insured by the FAIR Plan.

15 147. In 2022, the CDI reported that licensed insurers received approximately
16 \$1.6 billion in premiums from California's insured property owners for fire
17 insurance alone. They reportedly received an additional \$12.1 billion in premiums
18 for homeowner's insurance policies. The loss rate attributed to fire policies was
19 38.26% during 2022.

20 148. In 2023, the CDI reported that licensed insurers received approximately
21 \$1.9 billion in premiums from California's insured property owners for fire
22 insurance alone. They reportedly received an additional \$13.2 billion for
23 homeowner's insurance policies. The loss rate attributed to fire policies was
24 32.12% during 2023.

25 149. In early to mid-2023, Defendants began to implement their scheme to
26 terminate existing Property Policies, and began to notify homeowners with whom
27 they had existing Property Policies that such policies would not be renewed upon
28 expiration. At the same time, Defendants refused to write and sell new policies to

1 replace the terminated Property Policies. Defendants also refused to sell new
2 Property Policies to any homeowners who had been dropped by another insurance
3 carrier.

4 150. Defendants’ coordinated decisions to cancel, stop renewing, and refuse
5 to sell new Property Policies to homeowners in the Palisades, Malibu, and Altadena
6 substantially reduced competition in the marketplace for fire insurance coverage.
7 For example, the Herfindahl-Hirschman Index, a commonly accepted measure of
8 market concentration used to determine market competitiveness, spiked
9 precipitously between 2020 to 2024, indicating a much less competitive market.

10 151. This left homeowners who were cancelled, or who were new to the
11 market and seeking new Property Policies, with one, and only one, alternative for
12 property insurance for fire peril: the FAIR Plan.

13 **The FAIR Plan**

14 152. After the Watts riots and brush fires of the 1960s, the Governor and the
15 California State Legislature created the FAIR Plan in 1968—an insurance program
16 statutorily mandated to make available basic property insurance to any persons
17 having an interest in real or tangible personal property who, after diligent effort, are
18 unable to procure such insurance through normal market channels from a licensed
19 insurer.

20 153. Codified in California Insurance Code (“CIC”) sections 10090 through
21 10100.2, the FAIR Plan obligates all real and personal property insurers—including
22 Defendants—to apportion among themselves the responsibility for providing basic
23 property insurance for “otherwise uninsurable” Californians, who own property in
24 specified brush/wildfire areas and urban areas designated by the California
25 Insurance Commissioner.

26 154. As the “insurer of last resort,” the FAIR Plan’s fundamental mission is
27 to meet the needs of California homeowners and businesses unable to find insurance
28 in the traditional marketplace. Specifically, the FAIR Plan has four interrelated

1 purposes: (1) assure stability in the property insurance market; (2) assure availability
2 of property insurance; (3) encourage maximum use of the traditional insurance
3 market; and (4) equitably distribute responsibility among all licensed insurers for
4 providing basic property insurance to all qualified properties.

5 155. The FAIR Plan is an “involuntary” and unincorporated association, or a
6 “joint reinsurance association,” comprised of Defendants and all other property
7 insurers licensed in California. Membership is mandatory for all licensed insurers,
8 (“Participating Insurers”), and all activity conducted by the FAIR Plan is on behalf
9 of its Participating Insurers.

10 156. The FAIR Plan is not a state or public agency. The FAIR Plan is
11 organized and administered by the FAIR Plan Association (the “Association”). As a
12 private association, Defendants and other Participating Insurers financially support
13 the Association, which receives the majority of its funds from the policies it sells to
14 consumers. The Participating Insurers must remain members and share in any
15 profits and losses, including risks, premiums, and expenses, as conditions of their
16 authority to transact insurance in the state. Each Participating Insurer is considered
17 to be a direct insurer for its share of the FAIR Plan’s writings. The Association has
18 approximately 145 employees and is headquartered at 725 South Figueroa Street,
19 Suite 3900, Los Angeles, California 90017.

20 157. The Association is statutorily mandated to propose a “Plan of
21 Operation” that provides, among other things, for the allocation of profits and losses
22 arising from the FAIR Plan among the Participating Insurers, based upon each
23 respective Participating Insurer’s proportion of the California insurance market. For
24 example, under CIC Section 10095 and the Plan of Operation, the Participating
25 Insurers “shall participate in the writings, expenses, profits, and losses of the
26 association in the proportion that its premiums written during the second preceding
27 calendar year bear to the aggregate premiums written by all insurers in the program,
28 excluding that portion of the premiums written attributable to the operation of the

1 association.”

2 158. Unlike private insurers that must file detailed financial reports with
3 state regulators, the FAIR Plan functions in near total secrecy. The Association
4 produces only limited public information on its financial position, reserves and
5 reinsurance arrangements. The Association is led by an Executive Committee,
6 however, the FAIR Plan does not publish a roster of current committee members.

7 159. The FAIR Plan operations are overseen by the CDI and the FAIR
8 Plan’s Governing Committee.

9 160. The CDI—led by the Insurance Commissioner—(1) approves the Plan
10 of Operation; (2) may withdraw approval for the Plan of Operation and issue an
11 order for the FAIR Plan to submit a new or revised Plan; (3) may order additional
12 coverages; and (4) may inspect the FAIR Plan’s insurance offerings at any time.
13 The operative Plan of Operation is entitled “Stipulation and Order No. 2024-2
14 Promulgating the FAIR Plan Association’s Plan of Operation,” dated August 27,
15 2024.

16 161. The FAIR Plan’s day-to-day operations are controlled by Defendants
17 and their co-conspirators by their membership as Participating Insurers on the
18 Governing Committee, which meets multiple times each year. The Governing
19 Committee consists of 13 members, including nine voting members from
20 Participating Insurers who are elected annually by the member companies and who
21 serve for one year, or until successors are elected. Not more than one Participating
22 Insurer within a holding company may serve on the Governing Committee. The
23 additional four members of the 13-member committee are non-voting members
24 appointed by the Governor for an indefinite term. All but one member is from the
25 insurance industry: one insurance agents’ representative; one insurance brokers’
26 representative; one surplus line brokers’ representative; and one representative from
27 the public. The Governing Committee and its subcommittees meet multiple times
28 each year.

1 **The FAIR Plan Coverage Policies**

2 162. The Association issues FAIR Plan property insurance policies to
3 homeowners on behalf of its Participating Insurers, writes policies, collects
4 premiums, pays claims and producer commissions, and incurs general expenses. All
5 issued policies are one-year in duration. The FAIR Plan does not have insurance
6 agents and licensed producers are not appointed agents of the FAIR Plan. All
7 property and casualty producers licensed by the CDI are eligible to submit
8 applications to the FAIR Plan through a statewide toll-free telephone number on
9 behalf of their clients. Consumers may also seek coverage directly from the FAIR
10 Plan without the use of a licensed producer. While the FAIR Plan does not verify if
11 applicants attempted to place a risk with Defendants individually for Property
12 Policies, it requires that producers sign an acknowledgement that they have
13 conducted a diligent search, as required by CIC §10093.

14 163. All issued FAIR Plan policies must comply with the requirements of
15 the CIC.

16 164. As policies written by an “insurer of last resort,” the FAIR Plan policies
17 are written to cover much less than a standard residential insurance policy. CIC
18 Section 10091(c) defines “basic property insurance” as “insurance against direct loss
19 to real or tangible personal property at a fixed location in those geographic or urban
20 areas designated by the commissioner, from perils insured under the standard fire
21 policy.” As applied, the standard FAIR Plan policy only provides financial
22 protection for the insured’s real property and personal property if they are damaged
23 from four perils: fire, lightning, internal explosions, or smoke. An insured’s damage
24 is assessed at actual cash value. The FAIR Plan does not cover theft, flood,
25 earthquake, hail, or vandalism, among other perils. Nor does it cover personal
26 liability, medical payments to others, or damage to property of others.

27 165. Under the FAIR Plan, an insured may be able to, at an additional
28 premium, purchase a Difference in Conditions (“DIC”) supplemental policy that is

1 designed to fill in gaps between the FAIR Plan policy coverage and a standard
2 Property Policy. However, the FAIR Plan does not sell DIC policies, and only a
3 limited number of carriers offer DIC coverage in California. These DIC policies are
4 of little value, as they do not and cannot increase the maximum FAIR Plan coverage
5 of \$3 million for losses caused by fires.

6 166. Reviewed and approved by the CDI, FAIR Plan rates are higher than
7 traditional insurance policies. In addition to location, FAIR Plan rates are also
8 based on several additional factors, such as age and condition of the property,
9 proximity to a fire station, the property owner's claims history, and the types and
10 amount of coverage and deductibles chosen. In 2022, the average cost of a FAIR
11 Plan policy was about \$3,200 per year, which is more than double a typical home
12 insurance policy in California, where the average homeowner paid \$1,480 for
13 broader dwelling coverage as of October 2024.

14 167. In the mid-1990s, the Legislature passed AB 1754, requiring FAIR
15 Plan rates to be "actuarially sound so that premiums are adequate to cover expected
16 losses, expenses and taxes." The Legislature believed that the bill was "necessary to
17 protect the solvency of the FAIR Plan and to remove what is in effect an indirect tax
18 on property owners." The Association has defined "actuarially sound" as "high
19 enough to provide sufficient funds to pay the expected cost of claims, as determined
20 by a certified actuary, and administrative expenses, and include net cost of
21 reinsurance whereby insurers purchase policies from other insurers." According to
22 the Association, "the net cost of reinsurance must be part of the ratemaking
23 process." The FAIR Plan accordingly purchases reinsurance for its policies.

24 168. Since 2020, the number of active FAIR Plan policies has dramatically
25 increased. In May 2023, State Farm—California's largest property insurer—
26 announced that it would no longer write new policies in the state. Since then, seven
27 of California's twelve largest property insurers have limited their coverage. Even
28 smaller insurers have stopped writing new homeowners policies. As a result, the

1 FAIR Plan has experienced record growth in the past four fiscal years, with dwelling
2 policies having increased by 123% and commercial policies by 161%.

3 169. In 2020, with only approximately 200,000 dwelling policies, the FAIR
4 Plan covered less than three percent of residents. Ninety-seven percent of
5 Californians then had a competitive market option for Property Policies. By the end
6 of the 2024 fiscal year (September 30), due to Defendants' illegal collusion and
7 group boycott, approximately 1,000 people each day were seeking FAIR Plan
8 coverage. Depending on the source, the total number of FAIR Plan policies
9 increased by 41% from 2022 to 2024 alone, with 451,799 residential policies by
10 September 30, 2024, a four percent market share of all property fire insurance
11 policies in the state. The FAIR Plan's total coverage exposure statewide was \$458
12 billion, reflecting a 61.3% increase from September 2023.

13 170. After the January 2025 wildfires, the Association estimated that the
14 FAIR Plan covers about 22% of the structures damaged by the Palisades Fire. The
15 FAIR Plan reported in its last prior disclosures in March 2024 that it has only \$200
16 million in reserves and \$2.5 billion in reinsurance, which is inadequate to cover the
17 claims arising from the Palisades Fire. These inadequate reserves and reinsurance
18 amounts were controlled and set by Defendants and their co-conspirators through
19 their participation in the FAIR Plan's Governing and Executive Committees as the
20 only voting members.

21 171. Defendants were aware of the FAIR Plan's inadequacies. In June 2022,
22 the CDI issued an operational assessment characterizing the FAIR Plan's operations
23 as opaque and insufficiently funded, and noted inaccuracies in its financial
24 reporting. The CDI also admitted that the FAIR Plan's "bare bones dwelling fire
25 policy is not enough," and stated that the FAIR Plan needed to be redirected to
26 fulfill its intended purposes of: (1) providing insurance to homeowners and
27 businesses unable to obtain coverage in the traditional insurance market; (2) offering
28 more coverage and higher policy limits to California homeowners and businesses;

1 and (3) expanding the FAIR Plan’s own personnel and resources to meet the
2 consumers’ needs and make structural and operational changes to achieve its goals.

3 172. Despite these recognized defects, Defendants, through their control of
4 the Association, took no actions to correct them. Instead, Defendants agreed to and
5 did take concerted actions to substantially reduce coverages in the Palisades, Malibu
6 and Altadena markets to limit their risk of coverage liability at the expense of the
7 very consumers, including Plaintiffs, that the CDI operational assessment addressed.
8 Defendants forced more consumers into the FAIR Plan by dropping Property
9 Policies through the cancellation/non-renewal in substantial numbers, and by
10 refusing to sell new Property Policies in competition with each other in
11 approximately late 2022 and throughout 2023 and 2024.

12 173. Defendants were keenly aware of the serious effects of their actions on
13 insurance policy consumers. In March 2024, President of the FAIR Plan, Victoria
14 Roach, speaking on behalf of the Participating Insurers, publicly warned that
15 California residents “would be forced to pay billions of dollars to bail out the state’s
16 insurer of last resort if a major wildfire hits.” President Roach stated that “[a]s the
17 numbers [of policies] climb our financial stability becomes more in question.”
18 Roach further stated that “[w]e are one event away from a large assessment. . . .
19 There’s no other way to say it, because we don’t have the money on hand [to pay
20 every claim] and we have a lot of exposure.”

21 174. Based on these concerns, Insurance Commissioner Ricardo Lara
22 announced, on July 26, 2024, a construct under which Defendants essentially
23 enjoyed a “limitation of liability” under the FAIR Plan. Specifically, losses suffered
24 by the state’s insurer of last resort could be recouped by surcharges on residential
25 and commercial insurance policies statewide in an “extreme worst-case scenario.”
26 Participating Insurers would be required to cover *only* up to \$1 billion for residential
27 claims. Participating Insurers could then temporarily surcharge all of their own
28 policyholders for half of what they are assessed under FAIR Plan, and to

1 temporarily surcharge policyholders for 100% of claims in excess of those amounts,
2 whether they were exposed to the fires or not. Criticizing this concession to the
3 Participating Insurers, Carmen Balber, of Consumer Watchdog, stated that “[i]f the
4 FAIR Plan gets into trouble, it will be because insurance companies [such as State
5 Farm] dumped too many Californians onto [FAIR Plan’s] books. Those companies
6 should be on the hook for the fallout, not every homeowner in the state.”

7 **Defendants’ Illegal Scheme**

8 175. Before implementing their illegal scheme, Defendants actively and
9 separately competed with each other in selling standard Property Policies to
10 homeowners on the bases of premium prices, coverages, and terms; sought new
11 customers and converted customers of other carriers to themselves; and wrote and
12 sold broad coverage policies. These competitive Property Policies included
13 coverage for content; for wind, earthquake, water, and other perils in addition to
14 wildfire; for loss of use; and increased coverage for total losses and rebuilding,
15 among other competitive terms.

16 176. For example, from 2017 to 2022, Defendant State Farm, in an effort to
17 increase its market share and solidify its position as the largest residential property
18 insurer in the state, aggressively sought new customers in Palisades and Malibu by
19 undercutting competitors’ premium prices for similar or the same broad coverage.

20 177. Upon information and belief, State Farm significantly increased its
21 market share of residential policies during this competitive period, such that by 2022
22 State Farm insured more than 2,300 of approximately 8,966 residential properties in
23 Palisades, or approximately 25% of the market in that community. During the same
24 period, State Farm had more than 20% of the market statewide. In 2023 alone,
25 Defendant State Farm received \$2.7 billion of residential insurance premiums in the
26 state, a 70% increase over 2018.

27 178. The competitive climate began to change in a wholesale fashion for
28 designated segments of the market in approximately January 2023. This sea change

1 is illustrated in dramatic effect through the experiences of Plaintiffs leading up to
2 the devastating wildfires in 2025. Before Defendants' collusion took effect,
3 Plaintiffs had purchased homeowners insurance in a conventional marketplace
4 governed by normal competitive practices. Plaintiffs were able to shop for and
5 purchase homeowners insurance on the basis of price comparison and other
6 competitive terms and factors through which insurers such as Defendants competed
7 for Plaintiffs' business. That suddenly changed in the year before the wildfires, as
8 Defendants' collusion coalesced in full force in the market.

9 179. Uncoincidentally, within the same narrow time period, Plaintiffs were
10 each shocked to discover that no admitted insurance carriers in the market—led by
11 Defendants—were willing to extend insurance coverage to their homes. This was
12 occurring despite the fact that Plaintiffs had for years prior been able to obtain and
13 maintain homeowners insurance coverage from carriers while the market was
14 functioning in a competitive and non-collusive manner. This was also occurring
15 despite the fact that Plaintiffs were part of an otherwise lucrative segment of the
16 market in which insurers had typically charged, and insureds were willing to pay,
17 high premium amounts for homeowners insurance coverage.

18 180. Plaintiffs' experience is illustrated by publicly reported statistics about
19 trends in Defendants' businesses. For example, in March 2024, State Farm
20 submitted filings to the CDI, announcing that the majority of the insurer's customers
21 in Palisades and similar communities would lose coverage. The submission
22 announced the elimination of approximately 72,000 Property Policies across
23 California, and resulted in more than 1,600 of 2,342 (69.4%) of policy holders in
24 Palisades losing coverage. The remaining Defendants similarly eliminated
25 significant swaths of policies in the same markets.

26 181. Defendants' conduct is also reflected in publicly reported statistics
27 about trends regarding the FAIR Plan. Only months before the 2025 Fires, the
28 FAIR Plan released statistics revealing that the primary zip code for Palisades

1 (90272) experienced an 85% increase in FAIR Plan policies between September 30,
2 2023 and September 30, 2024. A zip code in Altadena (91001) experienced a year-
3 over-year increase of 28.8% during the same period.

4 182. The only plausible reason why the entire marketplace of purportedly
5 competitive insurance suppliers, led by Defendants, would suddenly and
6 simultaneously refuse their products to a lucrative segment of the buyer market was
7 the existence of an agreement to drive that buyer segment into even higher-priced
8 FAIR Plan insurance policies that enabled the insurers to continue to profit from
9 these consumers and the broader California insurance market while dramatically
10 reducing the insured's coverages and the insurers' liability exposure. Defendants
11 were willing to forgo competition between them for these consumers so that they
12 could be forced en masse into the collectively controlled FAIR Plan, with its
13 substantial benefits and illegal gains provided by it to them.

14 183. Plaintiffs' shared experience brings into sharp focus Defendants'
15 collusive elimination of competition in this market. Plaintiffs each had paid
16 significant premiums for years from one or more of the Defendants in a competitive
17 market to maintain adequate insurance for their high value properties. Yet,
18 suddenly, each of these consumers found themselves in a market that suddenly
19 changed from offering adequate insurance coverage to meet their individual needs,
20 to compelling them to accept substantially inferior coverages that were inadequate
21 to protect their properties.

22 184. Plaintiffs comprise only an illustrative portion of the consumers in the
23 market segment that have experienced the impact of the conspiracy. Competitive
24 markets ordinarily do not operate in such an abrupt and economically irrational
25 manner absent collusive action, which Defendants spearheaded here.

26 185. Defendants' collusion quickly reaped a significant windfall to them.
27 By cancelling or refusing to renew existing policies and ceasing to write new
28 policies, Defendants forced consumers who previously had higher adequate

1 coverages to suffer actual losses of any amounts in excess of their FAIR Plan
2 policies. And, in addition, the claims paid for losses within the cap would be
3 subsidized by the market at large, in light of the above-mentioned characteristics of
4 the FAIR Plan (e.g. proportionate risk sharing, the ability to assess rate increases to
5 recover 50% of certain losses, and operational secrecy). In doing so, Defendants'
6 scheme succeeded in operating exactly as planned—to collectively reap hundreds of
7 millions of dollars in monetary benefits at the expense of Plaintiffs and other
8 consumers.

9 186. These anti-competitive activities were the direct result of an illegal
10 group boycott established and agreed upon by and between Defendants and their co-
11 conspirators, for the purpose of financially benefitting all Defendants at the expense,
12 risk and detriment of consumers insured by them and those seeking property
13 insurance from them. This illegal group boycott was coordinated and maintained by
14 and through a number of both joint and individual actions taken by Defendants in
15 furtherance of its goals, including actions taken to affirmatively conceal the
16 conspiracy, its purposes, and its goals, from Plaintiffs and other consumers. By and
17 through Defendants' joint management and control of the FAIR Plan, Defendants
18 utilized it as an artifice intended to deceive Plaintiffs, and as a device to achieve
19 their illegal goals. Defendants raised prices above competitive levels, reduced
20 quantity of coverage available in the market, changed incentives to inhibit interfirm
21 competition, allocated the illegal gains among themselves, and substituted joint
22 conduct for unilateral conduct.

23 187. Defendants dropped conventional Property Policies that Plaintiffs had
24 obtained for years in a competitive market. These competitive policies were at
25 substantially lower premium prices and provided far greater coverages than those
26 available under the FAIR Plan policies that Defendants forced Plaintiffs to accept as
27 the only available alternative. When considering the diminution in coverage and the
28 increased premium per \$1,000 of coverage, FAIR Plan premiums were 100-200%

1 higher than Defendants' previous premium prices. Defendants used the FAIR Plan
2 to fix prices at these supra-competitive levels by substituting the FAIR Plan's
3 single-premium pricing structure for the previously available individual, lower,
4 diverse competitive pricing provided by competing carriers. By forcing thousands
5 of consumers, including Plaintiffs, into the FAIR Plan, Defendants improperly used
6 the FAIR Plan as a device to raise, fix, maintain and stabilize premium prices for
7 those thousands of consumers to the insurance carriers' joint financial benefit.
8 These premium increases were achieved contrary to and in circumvention of the rate
9 increase approval process required by Proposition 103 and the CDI.

10 188. Defendants also succeeded in substantially reducing the quantity of
11 insurance coverage available in the market below what it had been in a competitive
12 market. By refusing to insure and dropping insurance policies for higher value
13 properties in excess of \$3 million and forcing insureds to purchase the \$3 million in
14 coverage capped by the FAIR Plan, Defendants jointly reduced the quantity of
15 insurance coverage by hundreds of millions of dollars below previous market levels.

16 189. As a result of the eliminated competition, Defendants' incentives
17 changed from competitive self-interest to the shared collusive interests in jointly
18 reducing coverages, increasing premium prices, reducing the requirements for tying
19 up revenue in reserves, using higher premium prices to fund re-insurance risk
20 reduction, and limiting claims liability. The resulting reduction in reserve
21 requirements enabled Defendants to increase profitability through increased
22 liquidity that could be allocated toward other investments. These substantial
23 financial incentives, none of which were otherwise achievable by Defendants
24 individually in the previously competitive market, were achieved by Defendants'
25 group boycott.

26 190. The allocation of the collusive, illegal gains achieved the Defendants'
27 participations in the conspiracy is further evidence of their agreement. Exploiting
28 their management and control of the FAIR Plan as an artifice and device of the

1 conspiracy, Defendants allocated the financial benefits of the group boycott among
2 themselves. In so doing, they fixed their relative market shares, and allocated the
3 benefits in accordance with their market shares. FAIR Plan revenue, reserve
4 contribution obligations, required coverage of excess claims, and other factors are
5 allocated and accounted for on this “market-share” basis, as are all financial benefits
6 resulting therefrom.

7 191. To effectuate this illegal group boycott, Defendants, through their
8 executives and employees as representatives, routinely met and communicated to
9 exchange confidential information including marketing plans, risk models, planned
10 market withdrawals, premium prices, and their joint use of the FAIR Plan as a
11 vehicle for reducing risk exposure and claims liability, and increasing revenue, in a
12 coordinated manner that would financially benefit all participating Defendants to the
13 detriment of property insurance consumers. This coordination and collusion, which
14 was intended to and, in fact, did eliminate competition between and among them,
15 was accomplished, in part, through their joint participation in a series of meetings,
16 including: (1) meetings of the FAIR Plan Governing Committee and its seven
17 separate subcommittees; (2) weekly meetings at the Personal Insurance Federation
18 of California (“PIFC”); (3) weekly meetings at the American Property Casualty
19 Insurance Association (“APCIA”); and (4) other meetings regarding the mechanism
20 of the conspiracy. The PIFC and the APCIA were utilized to reach agreements, and
21 to create, manage, and discipline the group boycott among Defendants.

22 192. Defendants’ decision to act in concert is further evidenced by its other
23 marketplace activities. In 2024, as Participating Insurers in the FAIR Plan,
24 Defendants requested and received a rule change from the CDI that permitted
25 Defendants to assess their customers in the event that the reserves and reinsurance
26 amounts in the FAIR Plan were exceeded by claims. The rule provides that, if the
27 Participating Insurers are proportionately assessed monies collectively in excess of
28 the reserves and reinsurance (approximately \$2.5 billion at that time), Defendants

1 could add to their customers' bills 50% of the first additional billion and 100% of
2 any amounts over that. These constitute benefits to the group boycott that could not
3 be otherwise achieved by independent competitive action. They are also confirming
4 evidence of the purpose of Defendants acting jointly to eliminate existing
5 competitive policies and force policy holders to the FAIR Plan as the only
6 alternative, to substantially reduce and limit their independently higher liabilities.
7 This joint effort to enact a rule change does not comprise in and of itself
8 Defendants' anti-competitive conduct, but rather serves as evidence of Defendants'
9 agreement to act collusively.

10 193. Other marketplace activities that evidence Defendants' decision to act
11 in concert include their participation in negotiations and workshops related to the
12 Sustainable Insurance Strategy Initiative. In 2023 and 2024, Defendants requested
13 and received a rule change from the CDI that permitted Defendants to use forward
14 looking catastrophe models regarding wildfire risks and factor reinsurance costs into
15 rate hikes, notwithstanding limitations imposed by Proposition 103. Once again,
16 this serves as further evidence of Defendants' agreement to act collusively.

17 194. To conceal their collusive agreement and group boycott, Defendants
18 made multiple, individual public announcements within a short period of time in
19 2022 and 2023. Those announcements misrepresented, among other things, that
20 certain Defendants had "independently" made decisions to refuse to write new
21 Property Policies, to restrict the absolute number of policies they would write state-
22 wide, and to refuse to renew existing policies; and purported to assign responsibility
23 for such coordinated anti-competitive actions away from themselves and their illegal
24 conspiracy to other causes. These purported "causes" included state regulations and
25 regulators, environmental factors, inadequate premium rates, the supposed
26 distressed financial status of wholly-owned, separate California subsidiary entities,
27 and their inability to earn an "adequate return."

28 195. These diversionary media tactics were intended to and were used to

1 conceal the true facts from consumers, including that the scheme was intended to
2 eliminate the coverage of homeowners with properties with values in excess of the
3 FAIR Plan maximum coverage (“High Value Properties”), so that the Defendants
4 could use the FAIR Plan as a vehicle to limit their individual coverage liabilities and
5 charge higher rates for less coverage, as a direct joint economic benefit to
6 Defendants. These diversionary media tactics were also intended to and were used
7 to conceal the true facts from consumers that the scheme was used to achieve
8 substantially higher premium rates from consumers across the board in California,
9 while eliminating the selected High Value Property coverages that were cited as the
10 risk basis to argue for and obtain approval of those higher rates. For example, in
11 February 2023, representatives of State Farm met with the California Insurance
12 Commissioner and threatened to stop writing policies in the State and requested a
13 28% increase in premiums. In response to that threat, the CDI granted State Farm a
14 20% rate increase. In June 2024, State Farm requested an additional 30% rate
15 increase. Defendants’ diversionary media tactics were also intended to and were
16 used to conceal the true facts from consumers that the scheme was intended to
17 replace competitive individual underwriting with the non-competitive alternative
18 FAIR Plan.

19 196. Defendants also concealed their illegal group boycott and collusive
20 activities from Plaintiffs by and through misrepresentations communicated to them
21 by Defendants’ brokers who were the principal contacts with Plaintiffs for the sale
22 of Property Policies. Among other things, such misrepresentations and falsehoods
23 included: (1) that the dropping and non-renewal of their then-existing Property
24 Policies was required by the California Insurance Commissioner Lara and/or the
25 CDI; (2) that no other certified insurance carrier was permitted to sell a similar full
26 coverage property policy in their geographic area by the CDI; (3) that, as a result of
27 action taken by the CDI, the only property insurance coverage available was that
28 provided by the FAIR Plan, and that consumers needed to immediately apply for

1 and obtain FAIR Plan coverage or risk losing coverage altogether; and (4) that the
2 lack of insurance through their existing policies that were not renewed was
3 temporary and that consumers should remain with their existing insurance
4 companies for all of their auto, personal liability and other insurance needs.

5 197. Defendants also concealed their illegal group boycott and collusive
6 activities from Plaintiffs by and through the withholding of material information.
7 This was accomplished by restricting Defendants' agents and brokers from sharing
8 material information with Plaintiffs and other consumers. Among other things,
9 Defendants restricted agents and brokers from providing such material information
10 such as: (1) prohibiting agents and brokers from disclosing to insured parties that
11 their policies would be terminated, dropped or not renewed for a period of several
12 months after the plan to drop the policies was made; and (2) prohibiting agents and
13 brokers from disclosing to insured parties that the carriers had agreed that no other
14 carrier would offer or sell property insurance to the dropped customer. This enabled
15 Defendants eliminate all competitive alternatives to apply added pressure on
16 consumers to quickly join the FAIR Plan or become uninsured altogether.

17 198. Defendants had a common interest in jointly controlling the Palisades,
18 Malibu, and Altadena property insurance markets by eliminating competition
19 between them in those markets, particularly in the coverage of High Value
20 Properties, for the joint purposes of substantially reducing claim reserves, reducing
21 multiple perils underwriting, increasing premium rates and profitability, and to
22 coerce consumers to the FAIR Plan which enabled them to assess consumers across
23 the state if claims exceeded the FAIR Plan's reserves and reinsurance.

24 199. Certain Defendants including Chubb and AIG, stopped offering
25 policies in 2022 through their existing brands in the state to direct customers to other
26 units of their companies, not licensed in California, that might, but are not required
27 to, offer "excess and surplus lines" of insurance at rates tens of thousands of dollars
28 higher than the premiums of the dropped policies for significantly less coverage.

1 200. Defendants formed and executed a number of conspiratorial
2 agreements, including: (a) overtly or tacitly agreeing to limit coverages for Property
3 Policies individually written by them in the market; (b) overtly or tacitly agreeing to
4 cancel, drop and refuse to renew existing Property Policies, and refuse to sell
5 coverage policies to both new customers and to existing and former customers of
6 other Defendants; (c) overtly or tacitly agreeing not to compete with each other for
7 the sale of Property Policies, by “redlining” certain geographic areas and home
8 values in which and for which they would withdraw from providing Property
9 Policies, including in Malibu, the Palisades, and Altadena; (d) overtly or tacitly
10 agreeing to boycott, as a group, High Property Value residential consumers seeking
11 Property Policies in the market.

12 201. Defendants thus coopted the FAIR Plan—which was intended as a
13 consumer benefit of “last resort” to temporarily provide fire insurance for those
14 unable to secure standard coverage until the CDI could arrange with carriers for
15 traditional insurance—as a vehicle and artifice to effectuate their illegal conspiracy.
16 By and through their joint control and management of the FAIR Plan, Defendants
17 were able to conspire to construct and use the operations of the FAIR Plan to
18 support their anti-competitive scheme by, among other things, using the FAIR Plan
19 to conceal their anticompetitive group boycott scheme by portraying the FAIR Plan
20 as a pro-consumer insurance exchange, when in fact it was used by them to achieve
21 their own illegal goals and benefits at the expense of consumers.

22 202. As a result of Defendants’ anticompetitive actions, the number of FAIR
23 Plan policies on residential properties in the Palisades increased between September
24 2023 and September 2024 by an astounding 85% and the FAIR Plan’s total
25 exposure increased by 61%. An article in the Washington Post confirms that by
26 March 2024: “State Farm dropped . . . nearly 70 percent of policies in the Palisades
27 zip code. Unable to find insurance on the private market, many of those
28 homeowners turned to the state-backed “insurer of last resort” known as the FAIR

1 Plan.

2 203. These collusive actions represent a clear antitrust violation under the
3 Cartwright Act and California's Unfair Competition Statute by: (a) eliminating
4 competition in the market by Defendants' group boycott of consumers; (b) reducing
5 capacity in the market by restricting the breath and amount of insurance coverage
6 available to consumers in the market to inadequate levels; and (c) price-fixing by
7 making insurance coverage available *only* at the uniform, higher FAIR Plan
8 premiums.

9 204. Through early 2025, the illegal group boycott was producing for
10 Defendants the intended financial benefits and results. Their intent and ability to
11 conceal their plans and execution of their group boycott had also succeeded. Had
12 the unprecedented calamity of the tragic 2025 Fires not occurred, Defendants illegal
13 group boycott scheme may have continued to go undetected. However, the 2025
14 Fires laid bare the Defendants' illegal scheme as the effects of the group boycott
15 immediately reached tens of millions of dollars in losses to Plaintiffs and other
16 insureds, whose previous property policies had been eliminated, or who could not
17 find any insurer to write a policy, or who had their coverages reduced, by and
18 through the conspiracy.

19 205. The effects of the conspiracy on the FAIR Plan became immediately
20 apparent. The claims resulting from the wildfires quickly exceeded the FAIR Plan's
21 minimal reserves and reinsurance, risking failure of the plan and required consumers
22 throughout the State—rather than the carriers—to bear these costs through increased
23 premiums for the exceeded claims.

24 **The Anticompetitive Harm of Defendants' Conspiracy**

25 206. As a result of the wildfires that swept through Palisades and in January
26 2025, the anticompetitive effects of Defendants' illegal conspiracy and the directly
27 resulting harm to both competition and consumers are clear and undeniable.
28 Plaintiffs' experiences alone reflect tens of millions of dollars in harm due to lost

1 coverages.

2 207. Before Defendants' collusion, Plaintiffs had each been able to shop for
3 and obtain millions of dollars more in homeowners' insurance coverages to protect
4 themselves from loss within a competitive insurance market. Defendants' illegal
5 conspiracy, however, eliminated competition for the sale of standard Property
6 Policies to consumers in the Palisades, Malibu, and Altadena areas that had
7 previously been characterized by aggressive competition on the bases of premium
8 prices, multiple perils coverages, dollar coverage levels equal to a substantial
9 portion of, or full home valuation, and other terms. By Defendants' collusive
10 actions, competition in the market essentially ceased to exist, with the joint action of
11 Defendants resulting, as they intended, in only one non-competitive insurance
12 option for boycotted homeowners. As to each Plaintiff, this eliminated millions of
13 dollars of previously available insurance coverage.

14 208. This non-competitive option, the FAIR Plan, jointly managed and
15 controlled by the Defendants and their co-conspirators, issued standard policies
16 which contained fixed terms, not subject to negotiation or competition. These terms
17 dictated inflated premium prices, perils coverage limited to fire only and limited the
18 dollar amount of coverage to a level that was inadequate to meet Plaintiffs' and
19 others' needs to cover their home mortgages and the overall value of their homes.
20 Competition in the market was not just harmed but completely eliminated and
21 replaced by a monopoly—the FAIR Plan—that controlled prices, capacity, and
22 terms. This resulting monopoly, achieved by the improper use by Defendants of the
23 FAIR Plan was manipulated and controlled by them.

24 209. Each of the Plaintiffs suffered a substantial or total loss of their
25 residence and contents resulting from the Palisades wildfire. Due to Defendants'
26 illegal conspiracy, Plaintiffs substantial losses can be measured as the difference
27 between the higher reconstruction, replacement, and other loss coverages that were
28 previously available in a competitive market and the substantially lower or non-

1 coverages they were forced by Defendants' conspiracy to accept under the FAIR
2 Plan.

3 **FIRST CAUSE OF ACTION**

4 **(Violations of California Cartwright Act, Business & Professions Code Sections**
5 **16720 et seq. Against All Defendants)**

6 210. Plaintiffs re-allege and incorporate by reference the allegations
7 contained in the preceding paragraphs, as though fully set forth herein.

8 211. Beginning at least as early as January 2023 and continuing until at least
9 February 2025, Defendants and their co-conspirators engaged in a combination or
10 conspiracy in restraint of trade or commerce, in violation of the California
11 Cartwright Act, California Business and Professional Code §§ 16700 et seq.

12 212. Defendants, acting in concert in the form of an illegal trust, agreed and
13 conspired to create and carry out restrictions on trade and commerce under
14 California Business and Professional Code §§ 16720 and 16726 by (a) refusing to
15 compete with each other in the sale of Property Policies and to boycott consumers of
16 such products; (b) increasing the price of these insurance products to inflated, non-
17 competitive levels; (c) reducing the quality and quantity of insurance coverage
18 available; and (d) creating a monopoly, which they jointly managed and controlled,
19 as the sole source of insurance coverage for Plaintiffs and others on fixed, non-
20 negotiable and non-competitive terms.

21 213. As a direct and proximate result of Defendants' misconduct, Plaintiffs
22 have been injured in their property and are entitled to recover damages, enhanced
23 damages, interest on their damages and injunctive relief as provided by Business &
24 Professions Code Section 16750.

25 **SECOND CAUSE OF ACTION**

26 **(Violation of California Unfair Competition Law Against All Defendants)**

27 214. Plaintiffs re-allege and incorporate by reference the allegations
28 contained in the preceding paragraphs, as though fully set forth herein.

1 215. California’s Unfair Competition Law (“UCL”) prohibits “unfair
2 competition,” including any unlawful, unfair or fraudulent business practice. A
3 business practice or act is “unlawful” where it violates or is otherwise forbidden by
4 law. A business practice or act is “unfair” when it offends an established public
5 policy, or the practice is unethical, immoral, oppressive or unscrupulous or
6 substantially injurious to consumers. A business practice or act is “fraudulent”
7 when reasonable members of the public are likely to be deceived.

8 216. The aforementioned anti-competitive behavior, misrepresentations, and
9 concealment constitute unlawful, unfair, and fraudulent business practices that
10 violate the UCL. Specifically, Defendants’ conduct was unlawful as it violated the
11 Cartwright Act and California Civil Code section 1572 et seq. Defendants’ conduct
12 was also an unfair business practice as it operated in an unethical, immoral,
13 oppressive or unscrupulous manner by systematically eliminating Plaintiffs’ access
14 to tens of millions of dollars of insurance coverage that they would have had access
15 to in a non-collusive and competitive marketplace. This practice was performed in
16 order to reap an improper financial windfall while being substantially injurious to
17 consumers by depriving them of critically important insurance coverage. This harm
18 to consumers plainly outweighs any value that should be attributed to unscrupulous
19 profits gained by Defendants through their unfair business practice. Defendants’
20 conduct was also a fraudulent business practice because their efforts to conceal the
21 collusive agreement were likely to deceive reasonable members of the public, which
22 in fact occurred with Plaintiffs.

23 217. On information and belief, Defendants’ misconduct was a widespread
24 practice.

25 218. Plaintiffs have suffered widespread harm as a result of Defendants’
26 violations of the UCL.

27 219. Defendants should be enjoined from engaging in the unlawful, unfair
28 and fraudulent business practices described herein, including maintaining and

1 executing the conspiratorial, anti-competitive agreements between and among them.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, Plaintiffs pray for relief as follows:

- 4 1. For an award of Plaintiffs' past, present, and future general, special,
5 actual, and compensatory damages as proven at trial;
6 2. For an award of treble damages;
7 3. For attorneys' fees;
8 4. For prejudgment interest as allowed by law;
9 5. For injunctive relief enjoining Defendants from engaging in
10 anticompetitive and/or unlawful behavior.
11 6. For such other and further relief which this Court deems just and
12 proper.

13 Dated: April 18, 2025

SHERNOFF BIDART ECHEVERRIA LLP

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15 

16 Michael J. Bidart
17 Ricardo Echeverria
18 Danica Crittenden

19 Dated: April 18, 2025

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By:

22 Stephen G. Larson
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24 Paul A. Rigali
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DEMAND FOR JURY TRIAL

Plaintiffs hereby demand trial by jury.

Dated: April 18, 2025

SHERNOFF BIDART ECHEVERRIA LLP



Michael J. Bidart
Ricardo Echeverria
Danica Crittenden

Dated: April 18, 2025

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