

BUSINESS

# L.A. fire victims say state regulators ignored complaints about State Farm



Sharlot Kendall, left, Len Kendall, center, and their 3-year-old daughter walk across the wildfire remnants of their family's home in Pacific Palisades. The Kendalls complained repeatedly to the California Department of Insurance about State Farm's handling of their claim. (Kayla Bartkowski/Los Angeles Times)



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- More than a dozen homeowners and their representatives told The Times that the state insurance department did little to resolve a wide range of complaints in State Farm's handling of their claims.
- A senior state insurance regulator was disciplined after criticizing State Farm's 'shoddy' claims handling, raising concerns about retaliation against consumer advocates.

Last spring, victims of the Los Angeles wildfires complained loudly and en masse over how State Farm General was handling their insurance claims, especially for smoke damage.

Insurance Commissioner [Ricardo Lara](#) urged them to lodge formal complaints with the department.

"That's how we track and how we monitor, and we make sure that we follow through ... make sure that those claims are being addressed," he told several hundred fire victims in a Zoom forum in May.

Nearly a year later, however, many homeowners and their representatives say the promise was hollow. Their voice mounting frustration over how the California Department of Insurance investigated their complaints about State Farm.

More than a dozen homeowners and their representatives told The Times that the department did little to resolve a wide range of complaints, or prevent new problems, in State Farm's handling of their claims.

"Seventy percent of insured Eaton and Palisades fire survivors are facing delays and denials that are impeding their recovery," said Joy Chen, executive director of the Eaton Fire Survivors Network, citing a survey by the nonprofit Department of Angels. "That is evidence of the failure of this department to do its job."

Policyholders shared complaints lodged against State Farm over denials to pay for the cleanup of fire toxins, rebuild estimates well below actual construction costs and delayed checks for living expenses. To the state they cited frequent turnover in adjusters and demands to sign legal papers agreeing to forego future reimbursement

for personal items without itemized receipts.

Now, they said, State Farm is cutting off prepaid rentals and leases for fire victims who aren't close to returning home.



Len Kendall, right, poses for a portrait . (Kayla Bartkowski/Los Angeles Times)

Most of the fire victims said they were left in the dark about their cases, and were told to stop trying to communicate with their complaint handlers. Some said their cases were closed before their insurance disputes were settled.

“It doesn't feel like it's an actual, legitimate organization that's meant to protect consumers,” said Len Kendall, who lost his home to the Pacific Palisades fire.

Kendall initially complained to the state about State Farm in July, citing delays in handling his total loss claim, dealing with multiple adjusters and struggles to get reimbursed for living expenses. Later he said he was told to stop communicating with the state and to send his records “directly and solely” to State Farm.

“We're told that they're tracking information and speaking to the insurers, but we have no idea what is happening,” Kendall said. “When it comes to the [insurance

department], we're all totally in the dark.”

A spokesperson for State Farm declined to address complaints from L.A. fire victims.

On Friday, [two California senators called for an investigation](#) into the insurance department's handling of the complaints about State Farm.

Michael Soller, a spokesman for the department, said **about 2,000 consumer complaints have been filed related to the L.A. wildfires**, and that the department's complaint unit has recovered \$210 million on behalf of policyholders.

“We do our best to approach every wildfire survivor with empathy and understanding,” Soller said Wednesday. **“Our goal is helping people recover fully, fairly, and quickly.** We hold ourselves to the highest standards.”

Soller said Friday the department was “investigating State Farm's behavior after the Southern California wildfires to get to the bottom of complaints” and would use “every tool available to hold the company accountable.”

He encouraged those with insurance disputes to contact the department. “We will do our best to expedite their claims,” he said.

The **mistrust** between fire victims and the department has been deepened by newly released records showing **the department disciplined one of its senior complaint handlers after she criticized State Farm over its claims handling**, according to personnel records reviewed by The Times.

In a July letter to a State Farm case manager, **Coleen Vandepas — a 32-year-veteran of the department** who had previously been commended for her work on behalf of policyholders — **accused the insurer of “shoddy” and “shameful” handling of an L.A. fire claim**, including claiming it did not have test results within the insurer's possession. **She demanded the company apologize to its policyholder. In another policyholder's case, she said State Farm engaged in a “pattern and practice” of delay.**

**Records show that days later, a State Farm lawyer called a top-level executive at the insurance department to complain about Vandepas' statements.**

Vandepas' State Farm caseload was subsequently reassigned and she was docked 10% of her pay, according to personnel records. Her supervisors said Vandepas had made "accusatory" and "improper" remarks about State Farm, and cited a LinkedIn post State Farm had called attention to, in which she characterized insurance company threats to leave California as "wailing" by companies that wanted to "make huge amounts off the backs of the citizens of California."

A state personnel board law judge reviewing the discipline called Vandepas' remarks "rude and disparaging" and the full board this month rejected her appeal. A new appeal has been filed with the California Public Employee Relations Board, noting Vandepas was also protected as a union steward and was in part punished for raising internal workload issues.

The workplace action has angered advocates for wildfire victims.

"This sends a message to every single person who works at [the California Department of Insurance]: 'You may be next,'" said Chen, a former deputy mayor of Los Angeles.

Through its corporate media office in Illinois, State Farm declined to comment on the sanctions against Vandepas.

"We are not a party to the case in question," the Illinois-based insurer said in a statement. "We have ongoing relationships with state regulators so we can best meet the needs of our customers."

## Investigations into State Farm

State Farm was in the midst of dropping some 72,000 policies in California, and seeking a \$1.3-billion rate hike, when the Jan. 7, 2025, firestorm ravaged Los Angeles. The disaster killed 31, destroyed more than 16,000 structures, and left many others unable to return to their homes. As of November, the insurance department reported more than 42,000 home and commercial insurance claims.

By far, the largest share of those claims are with State Farm General, the California subsidiary of State Farm Mutual. A survey of about 2,300 fire victims by the

Department of Angels noted **State Farm policyholders reported higher rates of claim denials, low estimates and other complaints than customers of other insurers.**

Los Angeles County in November opened [its own investigation](#) into State Farm's claims handling, demanding the insurer turn over [reams of information](#), including company policy guides, training materials for handling fire and smoke claims, among other documents.

**In June, Lara launched what he called an expedited [market conduct exam](#) of State Farm. The findings have yet to be released.**

Lara rejected pressure from wildfire victim advocates to delay an interim 17% emergency hike until State Farm's claims practices could be examined. He said they would be taken up in the full rate review. There has been no public hearings on the full hike. The case could be settled by the end of the month, state lawyers told a judge this week.

**The insurance giant has a history of pushing strongly against regulators.**

**The company has refused to provide financial records sought by California actuaries attempting to judge the merit of its pending rate hike,** including plans to drop another 11,000 policies, according to public rate filing records obtained by The Times.

**The insurance department tracks complaints by disaster, as well as by insurer, but has rejected public record requests for that data. Its consumer complaint group has just 34 employees and hasn't changed staffing levels despite the surge in wildfire claims in 2025,** according to California payroll records.

**Internal agency emails show a State Farm executive in May 2025 told Lara the insurer had received less than 310 policyholder complaints among 10,359 Los Angeles fire claims** at the time. (Most of the cases reviewed by The Times were filed later.)

"SFG is not an outlier with respect to the number of complaints received in relation to the number of claims from the January 2025 wildfires," State Farm General CEO Dan

Krause wrote to Lara.

Insurance companies have 21 days to respond when a complaint is filed, and then state compliance officers can review the record for adherence with insurance law. They cannot make a determination of fault, or the size of an award. In a process kept confidential, they can challenge insurers with questions, asking them to explain their decisions. If they see violations, they cannot take action against an insurer. And they cannot tell the policyholder.

The insurance department contends the complaint process has resulted in the reversal of claim denials, increased payouts and agreements in individual cases to test for the toxic residues of wildfire smoke.

But interviews and records reviewed by The Times revealed inconsistencies in how wildfire disaster complaints were handled.

Some compliance officers told policyholders to stop sharing correspondence with their insurance companies or adjusters, saying they would read the claim files for themselves. Policyholders frustrated by the silence sought to file new complaints or have their cases reassigned, only to be refused.

After five months of sending protests about a “non-responsive” compliance officer, one fire victim was told by a bureau supervisor that she had two other alternatives to resolve her insurance dispute: seek a lawyer or file a lawsuit.

Three officers attempted to close policyholder cases even though the insurance claim remained in dispute. In one instance, a compliance officer referenced the wrong insurance company and the wrong issue being contested, letters shared with The Times show.

Andrew Wessels said State Farm prematurely closed this case after he challenged the insurers initial refusal to address toxic residues in his house left standing among the rubble of the Eaton fire, or its failure to pay living expenses.

For months, Wessels repeatedly wrote to alert his compliance officer that State Farm was making false claims. The state reviewer wrote back once to acknowledge receipt

of further complaints he would add to the case file. Then in October the case officer tried to close the still-disputed State Farm claim, calling it “in stable condition.”

“The Department would find its task of regulating the insurance industry much more difficult without the help of consumers like you,” the closure letter said.

Wessels protested and his case was reopened. **He continues to wrestle with State Farm over safety tests, delayed living expenses and ever-changing adjusters.** He emails updates to his state insurance compliance officer.

**“I just periodically send an email into oblivion, basically,”** he said.



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