

State Farm Was All In on California—Until It Pulled the Plug Before the Fires

Wall Street Journal

Insurer aggressively grew in Los Angeles, despite getting overweight on fire risk, but decided to cut thousands of policies last year, adding to the state’s home-insurance crisis

After the pandemic, most home insurers were fleeing wildfire-prone areas of California. But State Farm was there—and making a huge bet.

It gobbled up market share—and generated substantial commissions for its agents—by insuring high-value homes in the Pacific Palisades and other Los Angeles neighborhoods that many of its competitors rejected as too vulnerable to wildfires. By 2022, State Farm had more than 20% of the California market, dwarfing its competitors. [Read more.](#)