



#INSURECA

# CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

## California Department of Insurance Targets Tesla Insurance for Harmful Practices

**October 3, 2025** - The California Department of Insurance has launched enforcement actions against Tesla Insurance Services, Tesla Insurance Company, and State National Insurance Company, citing repeated violations of state laws that protect consumers. These actions aim to halt harmful insurance practices that have left hundreds of California drivers—primarily Tesla owners, without timely support, fair treatment, or the benefits they're legally owed.

### What's Happening

The Department accuses the Tesla Companies and State National of failing to comply with long-standing claims-handling laws. Despite multiple warnings since 2022, the companies allegedly continued to:

- Delay payments on valid claims
- Ignore consumer inquiries and complaints
- Conduct inadequate investigations
- Deny claims without proper justification
- Fail to inform consumers of their right to appeal claim denials through the Department



These violations have caused financial hardship, emotional distress, and potential legal exposure for policyholders. The Department warns that unless these issues are resolved, the companies could face license suspension, revocation, and fines of up to \$10,000 per willful violation.

### Why It Matters

Insurance companies are legally required to handle claims fairly, promptly, and transparently. When they fail to do so, consumers suffer, especially when dealing with accidents, repairs, or medical bills. The Department's actions reflect a strong commitment to holding insurers accountable and ensuring Californians receive the protection they pay for.

### What You Can Do

If you are a current or former auto insurance policyholder with Tesla Insurance or State National and believe your rights were violated, you are encouraged to:

- File a complaint with the California Department of Insurance
- Review your claim history and correspondence for delays or denials
- Ask the Department to review any unresolved or unfair claim decisions

### The Bigger Picture

This case highlights how the Department investigates consumer complaints, demands corrective action, and takes legal steps when insurers fail to meet their obligations. The goal is clear: protect California drivers, enforce the law, and ensure insurance companies honor their promises.

The companies have 15 days to respond to the Department's formal accusations. A hearing may follow to determine whether they can continue operating in California.

The Department encourages all consumers who have questions about their claims to contact its Consumer Services team at 800-927-4357 or online at [www.insurance.ca.gov](http://www.insurance.ca.gov).

### Resources:

- [Tesla Insurance Services Accusation link](#)
- [State National and Tesla Insurance Company Accusation link](#)

**insurance.ca.gov | 800-927-4357**