

[First theft claim in 20 years leads to policy cancellation in what consumer groups call ‘use and lose’](#)

abc7

SAN JOSE, Calif. (KGO) — An untold number of Californians lost their fire insurance due to increased wild fire risk in recent years. Now there’s yet another reason to lose your insurance, and it has nothing to do with climate change.

Layla Dreyer loves to snowboard. “Woo hoo!” she exclaims after elevating high in the air on her snowboard.

When the opportunity for a job at Dodge Ridge ski resort opened up, her mom says her daughter jumped at the opportunity.

“This is one of the small, happy things going on since the pandemic,” said Catalina Agudello.

Layla packed up her car in anticipation of the move. The windows are tinted... as you can see on the video.

“These are the two windows. You can’t really see anything inside of it,” said Layla.

The next morning she came out to her car in the driveway to find her vehicle had been ransacked on Christmas Eve.

“My heart dropped,” said Layla Dreyer. “I didn’t know how to react. I ran inside, and like, was panicking and yelling to my parents.”

Everything she owned had been stolen.

Her mom Catalina debated whether to file a claim out of fear of losing her insurance.

“I actually asked State Farm. I said ‘Hey, I’ve heard these stories. Am I at risk? Because if I’m at risk maybe I’ll just chalk this up as a loss,’” she said.

Three years ago, a bad storm blew down her fence. She put up a new one using money from a \$1,500 claim.

Until now, she says it was her only claim in 20 years.

State Farm told her it was rare someone would be dropped for one theft claim. So she filed it and promptly received a payout of \$5,000.

One month later, she received a letter declaring her policy would not be renewed.

It read: “Your theft loss of December 2020 shows there was a need for theft prevention such as removing personal property from unintended vehicle.”

“I was a victim of a crime, and now I’m being penalized for seeking help,” said Layla.

State Farm told us it’s in business “to provide coverage... at competitive prices. Sometimes that means that we have to make the tough decision to no longer insure a property.”

The consumer advocacy group United Policyholders calls the decision arbitrary.

“Carelessness, I just, I just can’t. It doesn’t make any sense that that kind of a guideline would be would be legal,” said Executive Director Amy Bach.

She says guidelines need to be clearly laid out on how many claims can get you cancelled or raise your rates.

The trade group Insurance Information Institute says valuables should never be left unattended.

“I’m just in shock that, that we use insurance that we pay for emergencies. And when we have an emergency, we actually can’t really use it,” said Catalina.

The Department of insurance says it will investigate whether State Farm violated any guidelines if Catalina files a complaint with the department.