

[Date]

[Policyholder Name]

[Address]

[City, State, Zip Code]

Subject: Notice of Premium Change - Policy Number: [Policy Number]

Dear [Policyholder Name],

Thank you for choosing [Insurance Company Name] for your auto insurance needs. We are writing to inform you of a change in your policy premium for the upcoming renewal term starting on [Effective Date].

Your new premium will be \$[Amount], an increase from your previous rate of \$[Old Amount].

We understand that a rate increase is never welcome news. This adjustment is based on several factors, including:

- **Market Trends:** Increasing costs for vehicle repairs, labor, and medical services.
- **Claim Frequency:** A rise in the overall number of accidents and claims in your geographic area.
- **Policy Changes:** Any recent changes made to your coverage levels, added vehicles, or drivers.
- **Individual Factors:** Updates to your driving record or insurance score, if applicable.

We value your loyalty and want to ensure you are receiving all available discounts. You may be eligible for savings through:

- Bundling home and auto policies.
- Safe driver or accident-free discounts.
- Good student discounts.
- Paid-in-full or paperless billing incentives.

Please review your updated policy documents attached to this letter. If you have any questions or would like to review your coverage options to find a more comfortable price point, please contact your agent at [Phone Number] or visit our website at [Website].

Sincerely,

[Name/Department]

[Insurance Company Name]