

[Company Name]
[Company Address]
[City, State, Zip Code]
[Phone Number]

[Date]

[Policyholder Name]
[Policyholder Address]
[City, State, Zip Code]

Subject: Notification of Premium Adjustment for Policy #[Policy Number]

Dear [Policyholder Name],

We are writing to inform you of a change in your homeowners insurance premium. Effective [Date], your new annual premium will be \$[Amount], an increase from your previous rate of \$[Amount].

This adjustment is due to several factors impacting the insurance industry and your specific coverage area:

- **Inflation and Construction Costs:** The rising cost of building materials and labor has increased the estimated expense to repair or rebuild homes.
- **Increased Natural Disasters:** A higher frequency of severe weather events has led to an overall rise in claims across the region.
- **Property Valuation:** A recent assessment shows an increase in the replacement value of your property to ensure you are fully protected.

We value your business and remain committed to providing you with reliable protection. We recommend reviewing your policy to ensure your coverage limits and deductibles still meet your needs. You may be eligible for discounts such as:

- Home security system installation
- Bundling home and auto policies
- Updating your roof or electrical systems

If you have any questions regarding this change or would like to discuss your coverage options, please contact your agent or our customer service department at [Phone Number].

Sincerely,

[Name/Signature]
[Title]
[Company Name]