

[Company Letterhead/Logo]

[Date]

[Policyholder Name]

[Policyholder Address]

[City, State, Zip Code]

**Subject: Acknowledgment of Mid-Term Policy Cancellation Request**

Dear [Policyholder Name],

We have received your request to cancel your insurance policy, [Policy Number], effective [Cancellation Date].

This letter serves as formal acknowledgment that your coverage will terminate on the date requested. As this cancellation is occurring prior to the natural expiration of the policy term, a short-rate penalty applies in accordance with your policy terms and conditions.

**Cancellation Summary:**

- Total Policy Premium: \$[Amount]
- Pro-rata Earned Premium: \$[Amount]
- Short-Rate Penalty (Cancellation Fee): \$[Amount]
- **Total Refund Amount: \$[Amount]**

The short-rate penalty covers the administrative costs associated with early termination and the front-loaded expenses of the policy issuance. Your refund will be processed via [Method of Payment] and should reach you within [Number] business days.

Please note that once the cancellation is effective, you will no longer have insurance coverage under this policy. If you have any questions regarding the calculation of your refund or the short-rate penalty, please contact our customer service department at [Phone Number] or [Email Address].

Thank you for the opportunity to have served your insurance needs.

Sincerely,

[Name/Signature]

[Title]

[Company Name]