

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

[Date]

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

RE: Notice of Premium Increase for Policy Number: [Policy Number]

Dear [Policyholder Name],

This letter is to inform you of a change to your auto insurance premium effective [Effective Date]. Your new premium for the upcoming term will be \$[New Premium Amount], which represents an increase of \$[Increase Amount] from your previous term.

Reason for Increase

This adjustment is primarily due to a state-mandated rate increase approved by the [State Name] Department of Insurance. These adjustments are applied across the state to account for rising costs in the following areas:

- Increased frequency and severity of motor vehicle accidents statewide.
- Higher costs associated with vehicle repairs, parts, and labor.
- Rising medical and litigation expenses related to accident claims.

Policy Options

We value your business and want to ensure your coverage remains affordable. To manage your premium costs, you may wish to consider:

- Adjusting your deductibles.
- Reviewing available discounts (such as multi-policy, safe driver, or anti-theft discounts).
- Updating your annual mileage estimates.

Please note that this increase is a general rate adjustment and is not a result of your individual driving record or claims history, unless otherwise noted in a separate correspondence.

If you have questions regarding this change or would like to review your coverage options, please contact your agent at [Agent Phone Number] or visit our website at [Website URL].

Sincerely,

[Name/Department]

[Insurance Company Name]