

[Company Letterhead / Logo]

[Date]

[Policyholder Name]

[Mailing Address]

[City, State, Zip Code]

Re: Notice of State-Mandated Premium Increase - Policy Number: [Policy Number]

Dear [Policyholder Name],

This letter is to formally notify you of an upcoming change to the premium for your Commercial General Liability insurance policy. This adjustment is a direct result of recent state-mandated rate changes and regulatory requirements issued by the [State Name] Department of Insurance.

Summary of Change:

- **Current Annual Premium:** \$[Amount]
- **New Annual Premium:** \$[Amount]
- **Effective Date:** [Date]

Reason for Disclosure:

State legislation [State Statute Number, if applicable] requires all insurers to notify policyholders when mandated adjustments to loss cost multipliers, surcharges, or statutory assessments impact liability rates. These changes are applied across the industry to ensure adequate funding for state-specific insurance pools and to reflect current legal and economic conditions within the state of [State Name].

Please note that this increase is based on state regulations and does not necessarily reflect a change in your individual business risk profile or claims history.

Next Steps:

Your renewal offer or upcoming billing statement will reflect this adjusted premium. If you have questions regarding this state-mandated increase or wish to review your coverage options, please contact your insurance agent or our customer service department at [Phone Number].

We value your business and remain committed to providing you with comprehensive liability protection.

Sincerely,

[Signature]

[Name of Representative]

[Title]

[Insurance Company Name]