

[Company Name]  
[Address Line 1]  
[City, State, Zip Code]  
[Phone Number]

[Date]

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

**RE: Notice of Annual Renewal and State-Mandated Premium Adjustment**

Policy Number: [Policy Number]  
Renewal Effective Date: [Date]

Dear [Policyholder Name],

Thank you for choosing [Company Name] for your insurance needs. We are writing to provide you with information regarding your upcoming policy renewal and a change in your premium amount.

Your new annual premium for the upcoming term will be \$[Amount]. This reflects an increase of \$[Difference] compared to your previous term.

**Reason for Increase:**

This adjustment is primarily due to state-mandated changes in [State Name] insurance regulations. These mandates require adjustments to [mention specific mandate, e.g., minimum liability limits, cost-of-living adjustments, or specific state assessment fees]. These changes are applied to all qualifying policies within the state and are not a reflection of your individual claims history.

**Your Coverage:**

Despite the change in premium, your policy continues to provide the protections outlined in your coverage summary. No action is required from you if you wish to renew your policy at these new rates; your renewal will process automatically on [Renewal Date].

**Questions:**

If you have questions regarding this state-mandated increase or would like to review your coverage options to manage your premium costs, please contact your agent or our customer service department at [Phone Number] or [Email Address].

We appreciate your continued business.

Sincerely,

[Sender Name]  
[Title]  
[Company Name]