

**Date:** [Date]

**Policy Number:** [Policy Number]

**Policyholder Name:** [Policyholder Name]

**Property Address:** [Property Address]

**Subject: Notice of State-Mandated Catastrophe Surcharge**

Dear [Policyholder Name],

This letter is to inform you of a change to your insurance premium effective [Effective Date]. This change is the result of a state-mandated Catastrophe Surcharge required by the [State Name] Department of Insurance.

**What is this surcharge?**

The surcharge is a mandatory fee imposed by the state on all property insurance policies. These funds are used to ensure the stability of the state's insurance market and to support the [Name of State Fund/Association] in providing coverage for major catastrophic events, such as hurricanes, earthquakes, or wildfires.

**How does this affect your premium?**

The surcharge amount for your current policy period is \$[Surcharge Amount]. This amount has been added to your total premium as a separate line item. Please note that this is a state requirement and is not a rate increase initiated by [Insurance Company Name].

**Breakdown of Premium:**

- Previous Total Premium: \$[Amount]
- State-Mandated Catastrophe Surcharge: \$[Amount]
- New Total Premium: \$[Amount]

If you have any questions regarding this surcharge or your insurance coverage, please contact your agent or our customer service department at [Phone Number] or visit our website at [Website URL].

Thank you for choosing [Insurance Company Name].

Sincerely,

[Name/Signature]

[Title]

[Insurance Company Name]