

Date: [Insert Date]

Policyholder Name: [Insert Name]

Policy Number: [Insert Policy Number]

Property Address: [Insert Property Address]

Subject: Important Update Regarding Your Rebuilding Cost Protection and Earthquake Insurance

Dear [Insert Policyholder Name],

We are writing to provide you with an important update regarding your property insurance policy, specifically concerning the Rebuilding Cost Protection (Extended Replacement Cost) and your Earthquake Insurance coverage.

As construction costs, labor rates, and material prices continue to fluctuate, it is essential to ensure that your home is insured for its true reconstruction value. Standard policies may not account for the rapid inflation of building expenses following a major seismic event.

Key Coverage Details:

- **Rebuilding Cost Protection:** This feature provides an additional buffer (typically [Insert Percentage, e.g., 25% or 50%]) above your dwelling limit if the actual cost to repair or rebuild your home exceeds your policy limit.
- **Earthquake Endorsement:** Your policy currently includes coverage for loss or damage caused by earth movement, subject to a separate deductible of [Insert Percentage, e.g., 10% or 15%].

Why This Matters:

In the event of a significant earthquake, "demand surge" often leads to a localized spike in construction costs. Without Rebuilding Cost Protection, you may be responsible for the difference between your insurance limit and the actual cost to rebuild.

Action Recommended:

We recommend a brief review of your current limits to ensure they align with today's local construction market. If you have recently completed renovations or additions to your property, please notify us immediately so we can update your valuation.

If you have any questions regarding your deductible or the specifics of your earthquake coverage, please contact your agent at [Insert Phone Number] or reply to this email.

Thank you for choosing [Insert Company Name] for your protection.

Sincerely,

[Insert Name/Signature]
[Insert Title]
[Insert Company Name]