[Date]

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

Subject: IMPORTANT NOTICE - Policy Cancellation Due to Non-Payment

Policy Number: [Policy Number]
Amount Overdue: $[Amount]

Dear [Policyholder Name],

This letter is to inform you that we were unable to process your scheduled Electronic Funds Transfer (EFT) payment on [Date] for your auto insurance policy. The transaction was declined by your financial institution for the following reason: [Reason, e.g., Insufficient Funds].

As a result of this missed payment, your insurance coverage is currently in a **Lapsed** status effective [Cancellation Date/Time]. This means you do not have active insurance coverage for your vehicle(s) until payment is received and processed.

To reinstate your policy and avoid a permanent cancellation, please complete the following steps immediately:

- Pay the overdue amount of $[Amount] by [Deadline Date].
- Provide updated banking or credit card information if your account details have changed.

You can make a payment through our website at [Website URL], via our mobile app, or by calling our billing department at [Phone Number].

Please note that driving without valid insurance is illegal and may result in fines or the suspension of your driver's license. If payment is not received by the deadline mentioned above, your policy will be officially terminated.

If you have already sent your payment, please disregard this notice.

Sincerely,

[Insurance Company Name]
[Billing Department]
[Contact Phone Number]