

[Date]

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

Subject: NOTICE OF POLICY LAPSE - INSUFFICIENT FUNDS

Dear [Customer Name],

This letter is to inform you that your payment for policy number **[Policy Number]**, in the amount of \$[Amount], was returned by your financial institution due to **Insufficient Funds (NSF)**.

As a result, the premium remains unpaid, and your insurance coverage has lapsed effective as of [Lapse Date].

To reinstate your coverage and avoid a permanent cancellation, we must receive the following by [Due Date]:

- The missed premium payment: \$[Amount]
- A returned payment fee: \$[Fee Amount]
- **Total Amount Due: \$[Total Amount]**

Please note that any claims filed during this lapse period may not be covered. To make a payment immediately, you can visit our website at [Website URL] or call our billing department at [Phone Number].

If payment is not received by the date mentioned above, your policy will be formally cancelled, and you will need to reapply for a new policy, which may result in higher rates or a gap in coverage.

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

Sincerely,

[Your Name/Company Name]
[Department Name]
[Contact Information]