[Date]

[Policyholder Name]
[Address Line 1]
[Address Line 2]
[City, State, Zip Code]

Subject: Confirmation of Premium Adjustment and Coverage Limit Decrease

Dear [Policyholder Name],

This letter confirms that we have processed the requested changes to your insurance policy, effective [Effective Date].

Policy Details:

- **Policy Number:** [Policy Number]
- **Coverage Type:** [Type of Insurance]
- **Previous Coverage Limit:** $[Amount]
- **New Coverage Limit:** $[Amount]

Premium Adjustment:

Due to the reduction in your coverage limits, your premium has been adjusted as follows:

- **Previous Premium:** $[Amount] per [Billing Period]
- **New Premium:** $[Amount] per [Billing Period]

The updated premium amount will be reflected in your next billing statement dated [Statement Date]. Any overpayment resulting from this change will be [credited to your account / refunded via original payment method].

Please review your updated policy documents, which are attached to this letter, to ensure all information is correct. It is important to understand that decreasing your coverage limits may increase your financial exposure in the event of a claim.

If you have any questions regarding these changes or wish to discuss your coverage options, please contact our customer service department at [Phone Number] or via email at [Email Address].

Sincerely,

[Sender Name]
[Title]
[Company Name]