

[Date]

[Policyholder Name]
[Luxury Property Address]
[City, State, Zip Code]

Subject: Notice of Inflation Guard Adjustment for Policy Renewal - [Policy Number]

Dear [Policyholder Name],

As we approach the renewal of your insurance policy for [Property Name/Address] on [Renewal Date], we have completed a review of your coverage limits in relation to current market conditions.

To ensure your luxury estate remains fully protected against rising construction costs, labor shortages, and the increased price of high-end materials, an **Inflation Guard Adjustment** has been applied to your dwelling coverage (Coverage A). This adjustment is designed to maintain your property's replacement value and prevent underinsurance in the event of a total loss.

Summary of Adjustments:

- **Previous Coverage Limit:** \$[Amount]
- **New Coverage Limit:** \$[Amount]
- **Inflation Guard Percentage Applied:** [Percentage]%

This proactive increase ensures that the unique architectural details, custom finishes, and premium craftsmanship of your home are accounted for at today's reconstruction rates. Your updated premium reflects this necessary change in valuation.

Please review the enclosed renewal declarations page for full details. If you have recently completed renovations or added high-value assets to the property that may require further adjustments, please contact our office at [Phone Number] or [Email Address].

We value your continued trust in protecting your assets.

Sincerely,

[Agent Name]
[Company Name]
[Title]