

[Date]

[Policyholder Name]

[Mailing Address]

[City, State, Zip Code]

Subject: Notification of Replacement Cost Valuation Adjustment

Policy Number: [Policy Number]

Property Address: [Insured Property Address]

Effective Date: [Renewal Date]

Dear [Policyholder Name],

As we prepare for the upcoming renewal of your estate insurance policy, we have completed a periodic review of the estimated replacement cost for your property. This evaluation ensures that your coverage limits remain aligned with current construction costs and local market trends.

Based on our latest valuation, the replacement cost for your residence has been adjusted as follows:

- **Previous Replacement Cost Limit:** \$[Amount]
- **New Replacement Cost Limit:** \$[Amount]
- **Adjustment Percentage:** [Percentage]%

This adjustment reflects increases in labor expenses, material costs, and specialized craftsmanship required to restore a high-value estate to its original condition in the event of a total loss. Maintaining an accurate valuation is essential to prevent underinsurance and to ensure you have adequate protection under the terms of your policy.

Please note that this change in coverage limits will result in a premium adjustment, which will be detailed in your formal renewal offer. We recommend reviewing your updated policy documents carefully to ensure all descriptions and features of your estate are accurately recorded.

If you have recently completed renovations, additions, or structural improvements that have not yet been reported, or if you have questions regarding this valuation, please contact your account manager at [Phone Number] or [Email Address].

Thank you for choosing [Insurance Company Name] to protect your estate.

Sincerely,

[Name/Signature]

[Title]

[Insurance Agency/Company Name]