

[Date]

[Policyholder Name]

[Mailing Address]

[City, State, Zip Code]

Re: Notice of Inflation Guard Adjustment - Policy #[Policy Number]

Dear [Policyholder Name],

This letter is to inform you of an automatic update to your property insurance coverage. To ensure that your building remains adequately protected against rising construction costs, your policy includes an "Inflation Guard" provision.

Due to recent increases in the cost of labor and building materials, we have adjusted your total building coverage limits. This adjustment is designed to help your coverage keep pace with current replacement costs in the event of a total loss.

Updated Coverage Details:

- **Previous Building Limit:** \$[Amount]
- **New Building Limit:** \$[Amount]
- **Inflation Guard Percentage:** [Percentage]%
- **Effective Date:** [Date]

Please review your enclosed updated declarations page for complete details regarding your new premium and coverage limits. If you have recently made significant improvements to your property or feel this adjustment does not accurately reflect your building's value, please contact us.

Thank you for choosing [Insurance Company Name] for your protection.

Sincerely,

[Agent/Representative Name]

[Insurance Company Name]

[Phone Number]