

[Date]

[Policyholder Name]

[Mailing Address]

[City, State, Zip Code]

RE: Notice of Inflation Guard Adjustment

Policy Number: [Policy Number]

Property Address: [Insured Property Address]

Dear [Policyholder Name],

This letter is to inform you of an adjustment to the total insured value of your commercial property. To ensure your coverage keeps pace with rising construction costs and economic inflation, your policy includes an "Inflation Guard" endorsement.

Based on current market data and building cost indices, your property limit has been adjusted as follows:

- **Previous Limit:** \$[Amount]
- **New Limit:** \$[Amount]
- **Adjustment Percentage:** [Percentage]%
- **Effective Date:** [Date]

This automatic adjustment is designed to protect you from being underinsured in the event of a total loss. By increasing the limit, your policy continues to reflect the actual cost required to repair or replace your building today.

Please note that this adjustment will result in a pro-rated premium change of \$[Amount], which will be reflected in your next billing statement.

We recommend you review these new limits to ensure they align with your current business needs. If you have any questions or wish to discuss your coverage in detail, please contact your agent at [Phone Number] or [Email Address].

Thank you for choosing [Insurance Company Name].

Sincerely,

[Sender Name]

[Title]

[Insurance Company Name]