

[Date]

[Policyholder Name]

[Policyholder Address]

[City, State, Zip Code]

Subject: Notice of Inflation Guard Adjustment to Your Insurance Policy

Dear [Policyholder Name],

This letter is to inform you of an automatic adjustment to the coverage limits on your insurance policy, [Policy Number], effective [Effective Date].

To ensure that your property remains fully protected against rising construction costs and economic inflation, your policy includes an "Inflation Guard" provision. This feature automatically increases your building coverage limits at each renewal to reflect current market replacement costs.

Adjustment Summary:

- Previous Coverage Limit: \$[Amount]
- New Coverage Limit: \$[Amount]
- Adjustment Percentage: [Percentage]%

The updated coverage limits ensure that you have adequate financial protection in the event of a total loss. Please note that this adjustment may result in a modest change to your annual premium.

Enclosed is your updated Policy Declarations page for your records. We recommend reviewing these changes to ensure they align with your expectations. If you have recently made significant renovations or improvements to your property that exceed this adjustment, please contact us to schedule a formal valuation review.

If you have any questions regarding this adjustment, please contact your agent at [Phone Number] or email us at [Email Address].

Sincerely,

[Sender Name]

[Title]

[Insurance Company Name]