

[Date]

[Insured Name]

[Mailing Address]

[City, State, Zip Code]

Re: Policy Number: [Policy Number]

Dear [Insured Name],

Subject: Notice of Policy Limits Update and Inflation Guard Renewal

We are writing to inform you of upcoming changes to your insurance policy limits effective [Renewal Date].

To ensure that your property remains adequately protected against rising construction costs and economic changes, your policy includes an **Inflation Guard** provision. This feature automatically adjusts your coverage limits at each renewal to reflect current market values.

Based on this year's adjustment, your coverage limits have been updated as follows:

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

As a result of these increased limits, your new renewal premium will be \$[Amount].

Please review the enclosed Declarations Page for a detailed breakdown of your updated coverage. If you have recently made major renovations to your property or if you feel these limits do not accurately reflect your replacement cost, please contact us immediately.

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

Thank you for choosing [Company Name].

Sincerely,

[Name/Department]

[Company Name]