

[Date]

[Policyholder Name]

[Mailing Address]

[City, State, Zip Code]

RE: Notice of Inflation Guard Endorsement

Policy Number: [Policy Number]

Property Address: [Insured Property Address]

Dear [Policyholder Name],

This letter is to formally notify you that an **Inflation Guard Endorsement** has been applied to your residential property insurance policy.

To ensure that your home remains adequately protected against rising construction costs and inflation, the dwelling coverage limit (Coverage A) on your policy will automatically increase by [Percentage]% annually. This adjustment helps maintain your property's replacement cost value and reduces the risk of being underinsured in the event of a total loss.

Updated Coverage Details:

- **Previous Limit:** \$[Amount]
- **New Adjusted Limit:** \$[Amount]
- **Effective Date:** [Date]

Please note that this adjustment may result in a modest change to your annual premium. You can find the updated premium amount on your enclosed renewal statement or declarations page.

If you have recently made significant renovations to your home or if you wish to opt out of this automatic adjustment, please contact your agent at [Phone Number] or [Email Address].

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

Sincerely,

[Agent/Representative Name]

[Insurance Company Name]

[Contact Information]