[Company Logo/Letterhead]

[Date]

[Policyholder Name]
[Street Address]
[City, State, Zip Code]

Subject: Important Information Regarding Your Life Insurance Premium (Policy #[Policy Number])

Dear [Policyholder Name],

We are writing to inform you of an upcoming change to your life insurance premium. Starting on [Date of Increase], your new premium amount will be $[New Amount] per [Month/Year]. This is an increase from your current rate of $[Old Amount].

Why is my premium increasing?

We understand that a rate increase is never welcome news. There are several factors that influence premium adjustments, including:

- **Policy Structure:** Your specific policy type (such as Yearly Renewable Term) includes scheduled increases based on your age.
- **Cost of Insurance:** As you get older, the statistical cost to provide life insurance coverage increases.
- **External Factors:** Changes in economic conditions, interest rates, or overall mortality trends within the insurance industry.

What are your options?

You have several choices regarding how to manage this change:

- **Continue Current Coverage:** No action is required if you wish to keep your current benefit amount at the new premium rate.
- **Reduce Benefit Amount:** You may choose to lower your death benefit to help keep your premium closer to your current budget.
- **Review Alternative Plans:** We can discuss other policy types that may offer level premiums for a set period.

Next Steps

If your premiums are paid via automatic bank draft, the new amount will be deducted automatically on [Date]. If you pay by check or invoice, please ensure your next payment reflects the updated amount.

If you have questions or would like to review your coverage options, please contact our Customer Service team at [Phone Number] or your dedicated agent, [Agent Name], at [Agent Phone/Email].

Thank you for choosing [Company Name] for your life insurance needs.

Sincerely,

[Sender Name/Department]
[Company Name]