Product Fact Sheet

Enhanced Coverage Option (ECO)

ECO is an area-based supplemental shallow-loss coverage that covers loss from 86% up to 90% or 95%. The endorsement is covered on select crops across the U.S.

Example: 95% ECO Trigger	
Deductible (no coverage)	100% - 95%
ECO coverage range	95% - 86%
SCO or ARC coverage range	86% - MPCI coverage level
MPCI coverage level	up to 85%

WHY ENHANCE WITH ECO

- ECO covers up to 95% coverage, which is the highest subsidized coverage available.
- ECO is area-based*, which benefits producers whose yield and revenue correlate with the county.
- ECO can trigger an indemnity on only a 5% loss in revenue or yield (dependent on the underlying MPCI coverage plan).
- ECO's subsidized rate for revenue and yield plans is 80%.

**ECO is based on Production Area, which many times is equivalent to the county. However, it is important to remember that they can differ. Production Area for ECO/SCO/ARP: The geographical area that the Expected and Final Area Yields are based on, designated generally as a county, but may be a smaller or larger geographical area as specified in the actuarial documents.*

HOW ECO WORKS

- ECO must be purchased with an underlying individual policy. These consist of: Actual Production History (APH), Yield Protection (YP), Revenue Protection (RP), Revenue Protection with the Harvest Price Exclusion (RP-HPE), or a Yield-Based Dollar Amount of Insurance policy.
- ECO follows the coverage of your underlying policy:
  - A Yield Protection coverage means ECO covers yield losses.
  - A Revenue Protection coverage means ECO covers revenue losses.
- There will be separate premium and administrative fees for ECO by crop/county.

COVERAGE DETAILS

- The amount of ECO coverage depends on the liability, coverage level, and approved yield of your underlying policy.
  - If there are multiple types or practices for the insured crop in the county, the supplemental protection will be determined separately for each coverage level, type, and practice.
- Producers have the ability to reduce their ECO liability by a "coverage percentage" elected on or before the Sales Closing Date (SCD). The range is from 50%-100%.
  - Adjusting the "coverage percent", allows producers the ability to reduce coverage and cost by 50%.

IMPORTANT DATES

- ECO Sales Closing Date (SCD) matches the underlying individual coverage.
- ECO is continuous and remains in effect for the insured crop until canceled.

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ELIGIBILITY DETAILS

- Producers may purchase the Supplemental Coverage Option (SCO) with along with ECO.
  - Producers are not required to purchase SCO, they can leave a gap in coverage.
  - Example of how ECO and SCO Coverage would work together:

ECO (95%) with SCO Coverage Example

Percent of Expected Grower Revenue	Individual Loss	Area-Based Loss
100%		
95% 90%		ECO Revenue (95% to 86%)
86% 80% 75%		SCO Revenue (86% to 75%)
70% 65% 60% 55% 50% 45% 40% 35% 30% 25% 20% 15% 10% 5% 0%	Individual Revenue Policy (75% coverage)	

Example: A grower purchases an individual revenue policy at 75% coverage. They add the SCO and ECO (95%) endorsements.

- ECO is not impacted by Farm Program decisions, including Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC).
- If a producer buys ECO, the producer may not:
  - Purchase Margin Coverage Option (MCO), Margin Protection (MP), Margin Protection with the Harvest Price Option (MP-HPO), Area Revenue Protection Insurance (ARPI), Hurricane Insurance Protection Wind Index (HIP-WI), or other area plans.
  - Apply ECO on acres that are already covered by Stacked Income Protection (STAX).

HIGH RISK LAND ACREAGE

- Insured by the underlying policy is insured under ECO.
- Excluded from an underlying policy under the High Risk Land Exclusion Option (HRLEO) and insured under a separate policy at a buy up level of coverage, must have EO elected on the separate High Risk Policy if it is elected on the base policy.

INDEMNITY OVERVIEW

- The ECO liability (maximum payout) will be based on the expected crop value (the insured's APH) for the individual grower. Since there are no units for ECO, policy protection is based on all planted acres of the crop in the county insured by the underlying policy, excluding acres covered under STAX.
- Projected and harvest prices for ECO will match the individual coverage.
- ECO expected and final yields are based on Risk Management Agency (RMA) data, NOT producer yields.
- ECO indemnities will be paid in the summer following the crop year, NOT at harvest time.
- ECO and individual coverage trigger independently, it is possible for a grower to have:
  - An ECO indemnity, but no individual indemnity.
  - An individual indemnity, but no ECO indemnity.
  - Indemnities from both programs.
  - No indemnities.

This fact sheet is only an overview of these described products. It does not include all features, exclusion, or limitations. Consult your agent or the policy provisions for further details.