

Enhanced Coverage Option (ECO)

Fact Sheet



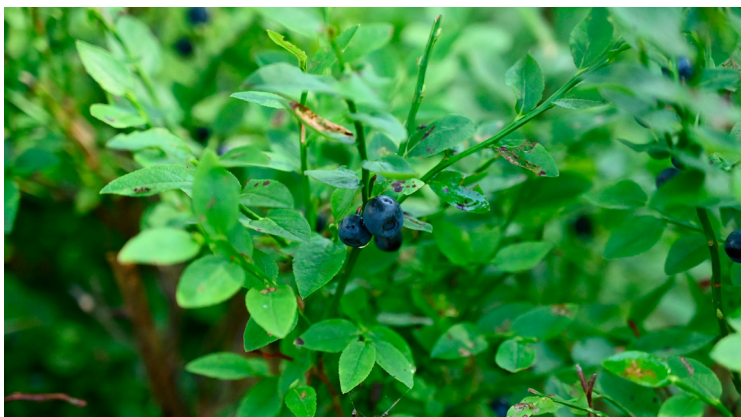
General Information

The Enhanced Coverage Option (ECO) is a crop insurance option that provides additional area-based coverage for a portion of your underlying crop insurance policy deductible. It must be purchased as an endorsement to the Common Crop Insurance Policy, Basic Provisions with a Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, Actual Production History, or Yield Based Dollar plan of insurance. ECO offers producers a 95% trigger level. Trigger means the percentage of expected yield or revenue at which a loss becomes payable.

How ECO Works

ECO follows the coverage of your underlying policy. If you choose Yield Protection or a yield-based policy, then ECO covers yield loss. If you choose a Revenue Protection policy, then ECO covers revenue losses.

The amount of ECO coverage depends on the liability of your underlying policy. However, ECO differs from the underlying policy in how a loss payment is triggered. The underlying policy pays a loss on an individual basis, and an indemnity is triggered when you have an individual loss in yield or revenue. ECO pays a loss on an area basis, and an indemnity is triggered when there is a decrease in the county level yield or revenue. ECO provides a band of coverage between the 95 percent trigger and 90 percent coverage level. If the county yield or revenue is reduced beyond the trigger level, you will receive an ECO indemnity.



Availability

ECO is available for the crops below in most counties where these crops are grown. Additional crops will be added in subsequent years based on producer interest and data availability.

Alfalfa Seed	Grain Sorghum
Almonds	Grapes
Apples	Grass Seed
Barley	Hybrid Corn Seed
Blueberries	Hybrid Seed Rice
Buckwheat	Hybrid Sorghum Seed
Burley Tobacco	Millet
Canola	Oats
Cigar Binder Tobacco	Peanuts
Citrus**	Popcorn
Corn	Rice
Cotton	Rye
Cotton - Ex. Long Staple	Safflower
Cultivated Wild Rice	Sesame
Dark Air Tobacco	Silage Sorghum
Dry Beans	Soybeans
Dry Peas	Sugar Beets
Fire Cured Tobacco	Sugarcane
Flax	Sunflowers
Flue Cured Tobacco	Walnuts
Forage Production	Wheat

**Where SCO is currently available in California and Arizona starting with 2026 Crop Year

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Coverage Example:

Suppose your corn crop has an expected value of \$765.00 per acre (170 bushels at \$4.50 per bushel). Assume you purchase a Revenue Protection policy with a 75 percent coverage level - this is the “underlying policy.” The underlying policy covers 75 percent (or \$573.75) of the expected crop value and leaves 25 percent (or \$191.25) uncovered as a deductible.

STEP	ECO Coverage Calculation for 95% Area Trigger Level	
A	ECO Endorsement begins to pay when county revenue falls below 95 percent of its expected level	95%
B	ECO Endorsement pays out its full amount when county revenue falls to 90 percent of its expected level	90%
C	Percent of expected crop value covered by ECO (A – B, or 95% - 90%)	5%
D	Amount of ECO Protection (C × Expected Crop Value, or 5% × \$765)	\$38.25

The ECO Endorsement begins to pay when county average yield or revenue falls below 95 percent of its expected level. The full amount of the ECO coverage is paid out when the county average revenue falls to 90 percent, as shown on step B in the table.

ECO payments are determined only by county average revenue or yield and are not affected if you receive a payment from your underlying policy. So, it is possible for you to experience an individual loss but not to receive an ECO payment, or vice-versa. You may also receive a loss on both the underlying policy and ECO.

The dollar amount of ECO coverage is based on the percent of crop value covered. In this example there are 5 percentage points of coverage - from 95 percent to 90 percent coverage level. Five percent of the expected crop value is \$38.25 (or 5 percent times \$765.00). Thus, the ECO policy can cover up to \$38.25 of the \$191.25 deductible amount not covered by your underlying policy. You may cover a portion of the remaining amount of the deductible with other coverage such as the Supplemental Coverage Option (SCO).

Now consider an event causing the actual county revenue to fall to 91% of the expected value. This loss is 4 percentage points less than the trigger level (95% - 91% = 4%). This indicates a loss of 80.0% of the ECO coverage range (4% / 5% = 80.0%). This loss is then applied to the amount of ECO protection to determine an indemnity of \$30.60/ac (80.0% × \$38.25 = \$30.60).

Cost

ECO provides coverage on a portion of your deductible where losses are more frequent, your premium will reflect that higher risk. The premium cost is shared between you and the government, where the government pays 80 percent of the premium for yield and revenue policies.

The exact premium cost will depend on the crop, county, coverage level selected, and type of coverage selected such as Yield Protection versus Revenue Protection. Additional variables, including the projected price and even the volatility of the applicable commodity market can also affect the amount of your premium. You should consult your crop insurance agent for detailed price quotes.

How Do I Decide If I Should Buy ECO

Federal law limits the authority for Federal Crop Insurance to insure individual farm yields at 85% coverage levels. If you need higher coverage levels for your farm, then ECO can offer coverage between 90 - 95%, at a county level to enhance your total coverage. You should consult your crop insurance agent to determine what best meets your individual risk management needs.

ECO with Farm Programs

ECO coverage is unaffected by participating in Agriculture Risk Coverage (ARC) for the same crop, on the same acres. You may elect ECO regardless of your farm program election.

ECO and Other Area Based Insurance Plans

ECO cannot be elected if you have a Margin Protection or an Area Risk Protection Insurance policy. The underlying policy for ECO cannot have the Hurricane Insurance Protection – Wind Index Endorsement. You can select SCO on all acres covered by ECO, but you are not required to elect SCO to purchase ECO.

Where to Buy Crop Insurance

Contact a crop insurance agent to see how Federal crop insurance can meet the specific needs of your operation. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online at rma.usda.gov/agent-locator.

More Information

Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their RMA Regional Office.

RMA fact sheets give only a general overview of Federal crop insurance programs, not complete policies. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

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