ECO ENHANCED COVERAGE OPTION

In a manner like the Supplemental Coverage Option (SCO), the Enhanced Coverage Option (ECO) is a crop insurance option from RMA that provides additional area-based coverage for a portion of the underlying crop insurance policy deductible.

It must be purchased as an endorsement to the Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, Actual Production History or Yield Based Dollar Amount of Insurance policy. ECO offers producers a choice of 90 or 95% trigger levels. Trigger means the percentage of expected yield or revenue at which a loss becomes payable.

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

The amount of ECO coverage depends on the liability of the 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 a producer has 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.

POLICY HIGHLIGHTS

» Producers must purchase an individual buy-up policy to purchase ECO.

» ECO Sales Closing Date matches the underlying individual coverage.

» The amount of ECO coverage depends on the liability, coverage level and approved yield of your underlying policy.

» ECO has two trigger levels: 90 and 95%. ECO provides a band of coverage between the elected trigger level and 86%.

» Projected and harvest prices for ECO will match the individual coverage.

» ECO's subsidized rate is as follows: 65% of the premium for yield and revenue policies

» Producers may purchase the Supplemental Coverage Option (SCO) along with ECO.

» ECO is not impacted by Farm Program decisions, including Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC).

AVAILABILITY

Contact your trusted ProAg agent for ECO availability specific to your operation. Recent expansions include additional states and crops for the 2025 and 2026 Crop Years. Additional expansion may be possible in subsequent years.

ECO ENHANCED COVERAGE OPTION

INDEMNITY OVERVIEW

» ECO expected and final yields are based on 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:

1. An ECO indemnity, but no individual indemnity
2. An individual indemnity, but no ECO indemnity
3. Indemnities from ECO as well as an individual policy
4. No indemnities.

ECO RESTRICTIONS

If a producer buys ECO, the producer may not:

» Purchase 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).

TARGET YOUR INDIVIDUAL FARM WITH ECO + AIM

Contact your ProAg agent for a complete description of available coverages and their terms and conditions. For more information on how ECO + AIM will work for your specific farming operation, go to **ProAg.com/AIM**.

COVERAGE EXAMPLE

A producer's corn crop has an expected value of $765.00 per acre (170 bushels at $4.50 per bushel). A Revenue Protection policy with a 75% coverage level is purchased. This is the 'underlying policy.' The underlying policy covers 75% (or $573.75) of the expected crop value and leaves 25% (or $191.25) uncovered as a deductible.

At this point, the producer has the option to buy ECO coverage. Since the underlying policy is Revenue Protection, ECO will also provide revenue protection, except ECO's payments will be determined at a county level. The ECO revenue coverage is described in the following table. ECO yield coverage performs in the same manner.

The ECO Endorsement begins to pay when county average yield or revenue falls below 95% (or 90%, if that is the trigger level the producer elected) of its expected level. The full amount of the ECO coverage is paid out when the county average revenue falls to 86%.

ECO Coverage Calculation for 95% Area

» ECO Endorsement begins to pay when the county revenue falls below this percent of its expected level	**95%**
» ECO Endorsement pays out its full amount when the county revenue falls to 86% of its expected level	**86%**
» Percent of expected crop value covered by ECO	**95% - 86% = 9%**
» Amount of ECO Protection (Percent of expected crop value covered by ECO x expected crop value)	**9% X $765 = $68.85**

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