



# SCO & ECO Summary

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# Supplemental Coverage Option (SCO)

- Area-based coverage for a portion of insurance policy deductible
- Purchased with an underlying individual crop policy
- Coverage level is 86%, down to level of underlying policy
- 65% premium subsidy
- Available in Missouri for corn, soybeans, cotton, rice, sorghum, and wheat



# Enhanced Coverage Option (ECO)

- Also area-based coverage for a portion underlying policy deductible
- Coverage levels of 90% and 95%, down to 86%
- Purchased with SCO or with just an underlying policy
- 44% premium subsidy



# Examples of SCO Coverage

SCO covers from 86% of expected county performance down to the coverage level of the underlying policy.

Lowering coverage level will increase coverage range.

SCO dollar amount of protection is the coverage multiplied by your APH and price (in general)

SCO Coverage

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

SCO Coverage

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



# SCO & ECO Indemnities

## SCO

- Payment Begins:
  - Actual Revenue < 86% of Expected Revenue
- Max Payout:
  - Actual Rev <= Coverage Level Percent of Underlying Policy

## ECO

- Payment Begins:
  - Actual Rev < 90% or 95% of Expected Revenue
- Max Payout:
  - Actual Revenue <= 86% (with or without paired SCO coverage)



# Expected Yields

- Uses crop insurance yield data from the county (or county group) to establish expected yield
  - Includes projection of yield trends (by practice)
  - Exceptional years (high or low) can be given less weight when calculating projected yield
- Expected yields can also be based on NASS
  - Generally only used when crop insurance data is unavailable
- Why base Expected Yields on crop insurance data?
  - Allows for practice specific data in more areas
  - Enables aggregation into larger groups

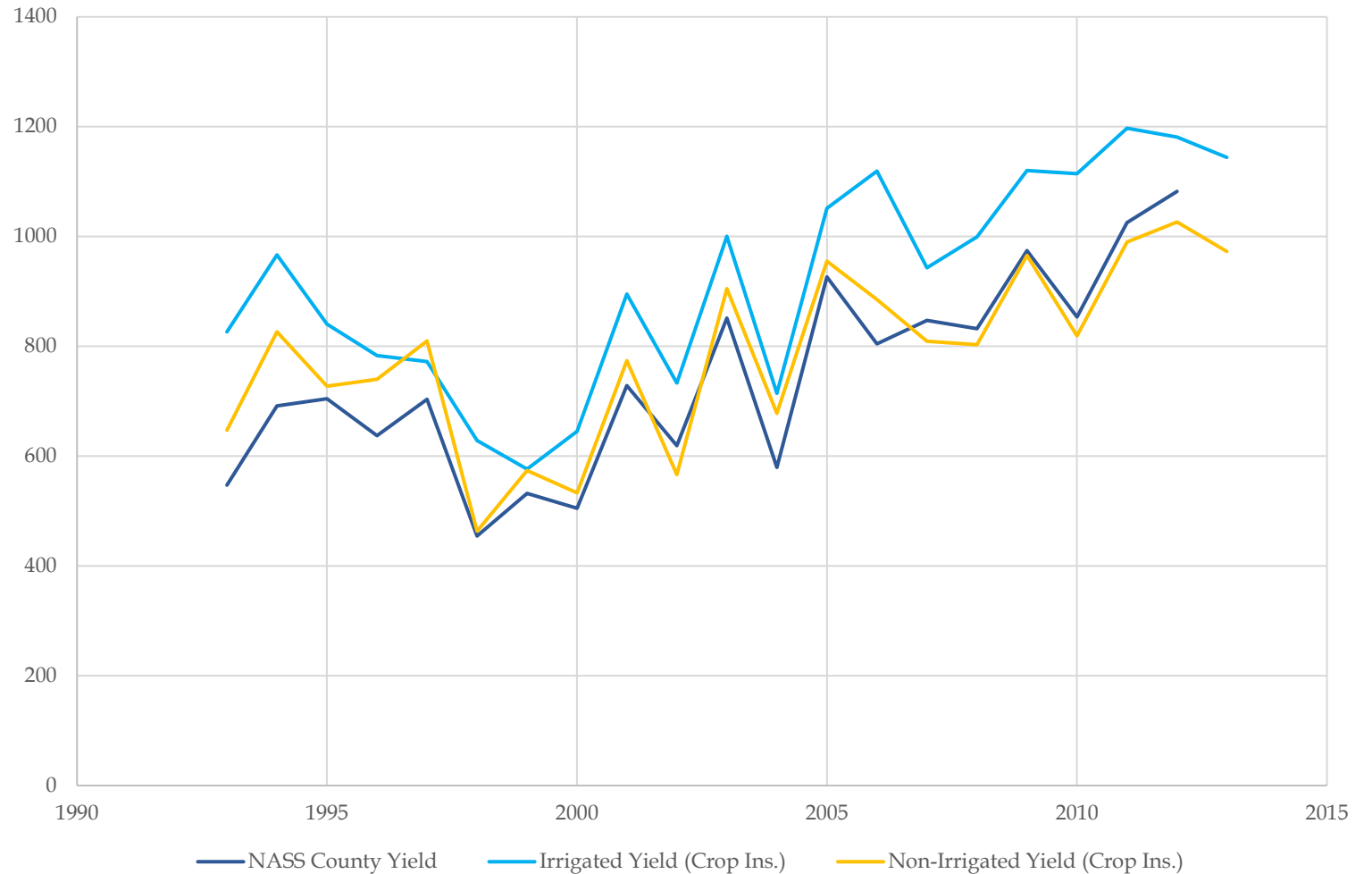


## Crop Insurance Data and NASS Data

Cotton yield data from a county in GA

Note that NASS published an aggregated yield for this county

Comparison of NASS County Yield and Crop Insurance Yield by Practice





# Questions?

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Thanks to All!