

## **PM-20-078**

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Date

November 19, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

Enhanced Coverage Option (ECO) Endorsement Effective for the 2021 and Succeeding Crop Years

On August 20, 2020, the Federal Crop Insurance Corporation Board of Directors approved the implementation of the ECO, under section 508(h) of the Federal Crop Insurance Act. ECO will be available for the 2021 crop year for select crops with a contract change date of November 30, 2020 or later. ECO provides area-based coverage for a portion of the policyholder's underlying policy deductible like the Supplemental Coverage Option (SCO). The underlying policy must be under the Basic Provisions of the Common Crop Insurance Policy –Yield Protection, Revenue Protection, or Revenue Protection with the Harvest Price Exclusion. It uses the same expected and final area yields, projected and harvest prices and payment factors as SCO. ECO covers a band from 86 percent (where SCO coverage ends) up to 90 or 95 percent of expected crop value.

The following 2021 ECO materials will be available by close of business today on the RMA website at [www.rma.usda.gov](http://www.rma.usda.gov).

- 2021 Enhanced Coverage Option Endorsement (21-ECO)
- 2021 Enhanced Coverage Option Insurance Standards Handbook (FCIC-24400)

Interested producers should contract a crop insurance agent for further information.

A list of agents can be found on the RMA website at [www.rma.usda.gov/information-Tools/Agent-Locator-Page](http://www.rma.usda.gov/information-Tools/Agent-Locator-Page). DISPOSAL DATE: December 31, 2020