

Once again this year, crop insurance agents will be offering the Enhanced Coverage Option (ECO). This endorsement is similar to the SCO that I discussed earlier this month. If you need to refresh your memory on SCO, download the newsletter entitled [ARC](#), [PLC](#), and [SCO](#) off my website at www.jccrop.com.

Like SCO, an ECO indemnity will trigger when the county yield x harvest price is lower than the coverage level selected. SCO triggers at 86% of expected county revenue while ECO can trigger at either 90% or 95% of expected county revenue. The same expected yield is used for both SCO and ECO. The same base and harvest prices are used for the underlying multi-peril policy, for SCO and for ECO. Both SCO and ECO will work the same as the underlying multi-peril policy (yield protection, revenue protection, or revenue protection with harvest price exclusion).

The 90% coverage will trigger at 90% and pay down to 86%. The 95% coverage will trigger at 95% and pay down to 86%. You can reduce your premium by cutting your payout by a percentage. For example, if you select a 50% payout, your premium will be reduced by 50%, but, of course, so will any indemnity.

You do not have to select PLC at the FSA office to purchase ECO. ARC-County and ECO on the same fields is allowed. You also do not have to select both SCO and ECO. Obviously, with higher trigger points ECO has a much higher probability of triggering an indemnity as shown below.

Chances of Triggering for Corn in 2022

	Percent Chance of Triggering		
	95% ECO	90% ECO	SCO
Boone	55%	41%	29%
Bureau	51%	36%	27%
Dekalb	49%	34%	19%
Kane	56%	38%	29%
Lasalle	60%	45%	32%
Lee	49%	34%	19%
Mchenry	48%	34%	27%
Ogle	43%	34%	19%

Chances of Triggering for Soybeans in 2022

	Percent Chance of Triggering		
	95% ECO	90% ECO	SCO
Boone	58%	46%	35%
Bureau	60%	42%	26%
Dekalb	60%	42%	30%
Kane	66%	49%	36%
Lasalle	53%	33%	26%
Lee	50%	30%	25%
Mchenry	64%	48%	37%
Ogle	60%	47%	36%

By: Jeff Calvert

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If you have any questions about ECO, feel free to give me a call at 815-593-0926.