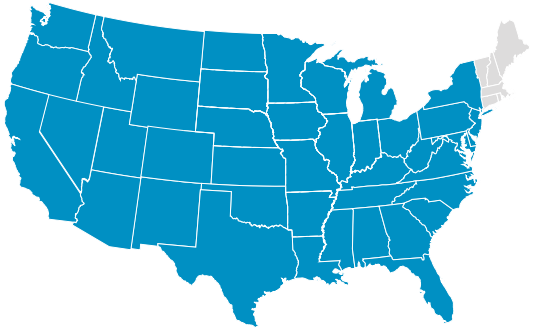
AVAILABILITY

SCO must be elected by crop. It is available in select counties for the following crops and more:

- Buckwheat
- Burley Tobacco
- Cigar Binder Tobacco
- Corn
- Cotton
- Cotton, Ex. Long Staple
- Cucumbers
- Dark Air Tobacco
- Dry Beans
- Fire-Cured Tobacco
- Flax
- Flue-Cured Tobacco
- Grain Sorghum
- Green Peas
- Hybrid Corn Seed
- Hybrid Seed Rice
- Hybrid Sorghum Seed
- Millet
- Mustard
- Peanuts
- Popcorn
- Processing Beans
- Pumpkins
- Rice
- Safflower
- Sesame
- Silage Sorghum
- Soybeans
- Sugar Beets
- Sunflowers
- Sweet Corn
- Tomatoes

FMH WRITING AREA



COVERAGE RESTRICTIONS

- **Underlying Policy:** The underlying policy and SCO coverage must be insured with the same AIP and agent.
- **STAX:** SCO cannot be combined with STAX coverage.
- **Prevented Planting/Replanting:** SCO does not provide coverage for Prevented Planting or Replanting.
- **High-Risk Land:** If the High-Risk Land Exclusion Option is elected and excluded acres are insured under a separate additional coverage policy, SCO elections must be consistent across the applicable policies.



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SCO
SUPPLEMENTAL COVERAGE OPTION

SUPPLEMENTAL COVERAGE OPTION

The Supplemental Coverage Option (SCO) is a county-level endorsement that provides additional yield or revenue protection above an eligible underlying crop insurance policy. SCO is purchased in addition to the underlying policy and covers a portion of the deductible up to the 90% coverage level.

How Does It Work?

- SCO follows the coverage of your underlying policy. For example, with Yield Protection, SCO covers yield loss.
- The amount of SCO coverage depends on the liability, coverage level, and approved yield for your underlying policy.
- While your underlying plan pays for an individual loss, SCO pays a loss on an area or county basis.
- Producers may elect a coverage percentage from 50% to 100% of the available SCO coverage amount.
- Coverage must be elected by the sales closing date for your underlying policy.

Benefits

- Extends coverage from the underlying policy coverage level up to 90% of expected crop value
- Kicks in where underlying coverage stops
- SCO may be combined with either ECO or MCO to provide additional coverage from 90% to 95%, where available
- Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) participation has no impact on eligibility
- Uses same MPCI figures for expected and final area yields, projected and harvest prices, and payment factors

USDA PROGRAM FLEXIBILITY

Did you know? Producers can participate in SCO even if they're enrolled in the Agriculture Risk Coverage (ARC) program. The previous restriction has been removed with the passage of the One Big Beautiful Bill Act (OBBBA).

COVERAGE LEVELS AND PREMIUM SUPPORT

- Premium rates are generally released in November of each year for spring crops
- Includes separate administrative fee
- Billing dates match underlying policy billing dates
- Federal premium support is available at 80%

LOSS REQUIREMENTS AND TRIGGERS

SCO differs from the underlying policy in how a loss payment is triggered.

- The underlying policy pays a loss on an individual unit basis and an indemnity is triggered when you have an individual loss in yield or revenue.
- SCO pays a loss on an area basis, and an indemnity is triggered when there is a county-level loss in yield or revenue.

PAYMENTS

SCO payments are determined only by county average revenue or yield, and are not affected by whether you receive a payment from your underlying policy. It is possible to experience an individual loss but not receive an SCO payment, or vice-versa.

SCO REVENUE SAMPLE CALCULATIONS

COVERAGE AND PREMIUM CALCULATIONS

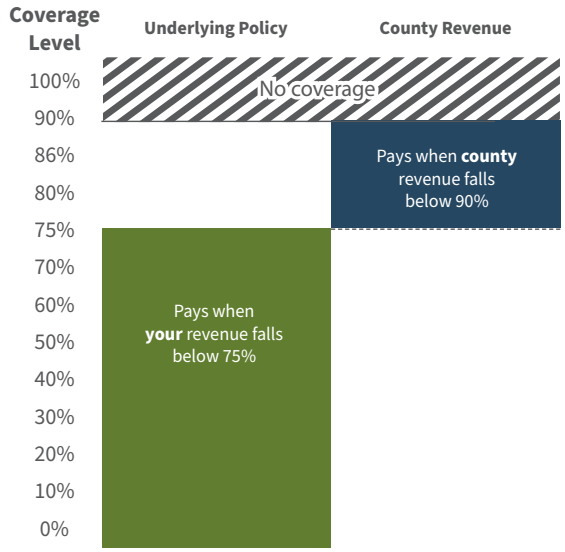
Crop: Corn	Projected Price: $4.50/bu
APH: 190 bu/ac	Coverage Level: 75%

Determine the Expected Crop Value

190 bu/ac x $4.50/bu = **$855/ac Expected Crop Value**

Determine Value and Coverage

$855 x 75% = **$641.25 Covered by Underlying Policy**



All calculations found in this brochure are for example purposes only.

SCO COVERAGE CALCULATION

1. The SCO Endorsement begins to pay when county average revenue falls below 90% of its expected level.
2. SCO reaches its maximum payment factor when county average revenue falls to or below the coverage level of the underlying MPCI policy.
   MPCI Coverage Level = 75%
3. The dollar amount of SCO coverage is based on the percent of crop value covered. Determine the percent covered by calculating the difference between 90% and the MPCI coverage level.
   90% – 75% = 15% covered by SCO
4. Determine the full amount of SCO coverage by multiplying the percent covered by SCO by the Expected Crop Value.
   15% x $855/ac = $128.25/ac max SCO coverage
5. For the example, the SCO policy can cover up to $128.25 of the amount not covered by the underlying MPCI policy.

