

ENHANCED COVERAGE OPTION

The Enhanced Coverage Option (ECO) provides area-based coverage for a portion of the deductible of your underlying policy, similar to the Supplemental Coverage Option (SCO), but at a higher coverage level. ECO is an optional endorsement to supplement your underlying policy (RP, RP-HPE, YP, YDO, and APH).

How Does It Work?

- ECO provides area-based coverage for a portion of the deductible of your underlying policy, similar to the Supplemental Coverage Option (SCO).
- ECO is based on your underlying policy plan of insurance. For example, with Yield Protection ECO covers yield loss.
- The amount of ECO coverage depends on the liability, coverage level, and approved yield for your underlying policy.
- Coverage must be elected by the sales closing date for your underlying policy.

Benefits

- Coverage up to 95% of expected crop value
- Kicks in where SCO coverage stops
- Uses same SCO figures for expected and final area yields, projected and harvest prices, and payment factors
- No premium credits or offsets against individual policy
- ARC or PLC participation has no impact on eligibility

COVERAGE OPTIONS

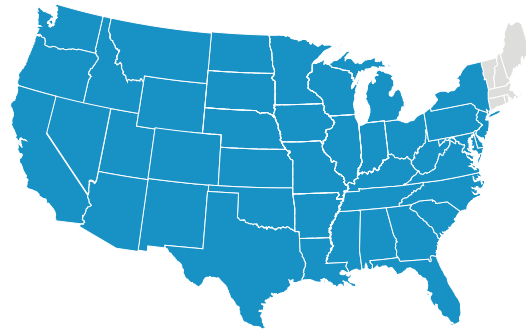
1. Choose a coverage band option:
 - 86% to 95% (9% coverage band)
 - 86% to 90% (4% coverage band)
2. Choose a Coverage Percentage of 50% - 100%, in 1% increments
3. Calculate amount of ECO coverage
Liability of underlying policy / Coverage level of underlying policy x ECO coverage band x Selected coverage percentage

AVAILABILITY

ECO is available in all states within the FMH writing area. Coverage is available for spring-planted crops with a contract change date of November 30 or later.

Covered crops include: Barley, Buckwheat, Burley Tobacco, Canola, Cigar Binder Tobacco, Corn, Cotton, Cotton - Ex. Long Staple, Cultivated Wild Rice, Dark Air Tobacco, Dry Beans, Dry Peas, Fire Cured Tobacco, Flax, Flue Cured Tobacco, Grain Sorghum, Hybrid Corn Seed, Hybrid Seed Rice, Hybrid Sorghum Seed, Millet, Oats, Peanuts, Popcorn, Rice, Safflower, Sesame, Silage Sorghum, Soybeans, Sugar Beets, Sunflowers, and Wheat.

FMH WRITING AREA



RESTRICTIONS

ECO may not be purchased in conjunction with:

- Margin Protection (MP)
- Area Risk Protection Insurance (ARPI)
- Hurricane Insurance Protection – Wind Index Endorsement (HIP-WI)

ECO doesn't cover high-risk acres excluded from the underlying policy under the Catastrophic Risk Protection Endorsement (CAT), High-Risk Land Exclusion Option (HRLE), or High-Risk Alternative Coverage Endorsement (HR-ACE), unless ECO is elected on the HR-ACE policy when on the base policy.

The underlying policy and ECO coverage must be insured with the same AIP and agent.



Farmers Mutual Hail
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ECO
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COVERAGE OPTION

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COVERAGE LEVELS AND PREMIUM SUBSIDIES

- Premium rates are generally released in November of each year for spring crops
- Includes separate administrative fee
- Billing dates match underlying policy billing dates
- Subsidy amounts: 51% for YP, 44% for RP

Sample Estimate of ECO Cost for Corn

REVENUE PROTECTION

Coverage Band	Amount of Coverage*	Total Premium**	Producer Premium
86%-90%	\$41	\$19	\$10
86%-95%	\$92	\$42	\$23

YIELD PROTECTION

Coverage Band	Amount of Coverage*	Total Premium**	Producer Premium
86%-90%	\$41	\$9	\$4
86%-95%	\$92	\$25	\$12

* This is based on a yield of 178 bushels/acre with an expected price of \$5.76.
 ** This is intended to give a general indication of potential cost of ECO. Actual cost will vary based on actual yields, actual prices, implied market volatilities, and other factors.

LOSS REQUIREMENTS AND TRIGGERS

ECO 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.
- ECO pays a loss on an area (generally county) basis and an indemnity is triggered when there is an area-level loss in yield or revenue.

ECO payments are determined 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 ECO payment, or vice-versa.

INDEMNITY

Indemnities are determined after RMA provides Final Yields/Revenues, which is a similar process to SCO, MP, and ARPI. An ECO indemnity is not affected by whether you receive a payment on your underlying policy.

ECO REVENUE SAMPLE CALCULATIONS

COVERAGE AND PREMIUM CALCULATIONS

Area Expected Yield: 200 bu/ac	Corn Projected Price: \$6.00/bu
Elected ECO Coverage: 95%	Producer's Approved APH: 210 bu/ac
Coverage Range: 9% (95% - 86%)	Premium rate: 45%

$$\$6.00 \times 210 \text{ bu/ac} \times 9\% = \mathbf{\$113.40/ac \text{ ECO Amount of Insurance}}$$

$$\$113.40/ac \times 0.45 = \mathbf{\$51.03/ac \text{ Total Premium}}$$

$$\$51.03/ac \times 0.44 = \mathbf{\$22.45/ac \text{ Premium Subsidy}}$$

$$\$51.03/ac - \$22.45/ac = \mathbf{\$28.58/ac \text{ Producer Premium}}$$

INDEMNITY CALCULATION

Harvest Price: \$5.80/bu	Final Area Yield: 190 bu/ac
Final Area Revenue: \$722/ac	Producer's Approved APH: 210 bu/ac

$$95\% - [\$722 / \$800] = \mathbf{5\% \text{ Loss Percentage}}$$

$$5\%/9\% = \mathbf{55.6\% \text{ Payment Factor}}$$

$$\$113.40/ac \times 55.6\% = \mathbf{\$63.05/ac \text{ ECO indemnity}}$$

ECO+™

ECO+ is an endorsement to your ECO policy that offers individual protection alongside the county protection of your underlying plan up to 95%.

Availability

ECO+ is available throughout the FMH writing area for corn and soybeans. Coverage for winter wheat is available in select states. Spring wheat is available for ND and SD; fall wheat in IL, IN, KS, MO, NE, OH and SD; and canola in ND.

How Does It Work?

- ECO+ provides coverage for a farm-level loss, or the greater of a farm-level and county loss.
- ECO+ follows the same coverage level you select for ECO.
- You have the option to select an ECO+ yield policy with an underlying ECO revenue policy, but not an ECO+ revenue policy with ECO yield policy.
- Available in two bands of coverage: 86-90% or 86-95%.
 - Option for different bands based on crop, practice, and/or ECO plan type.
- Coverage must be elected by the sales closing date for your underlying policy.

Benefits

- ⊕ Offers individual loss coverage on top of underlying plan
- ⊕ ECO+ coverage matches the liability of your county ECO coverage
- ⊕ ARC or PLC participation has no impact on eligibility

ECO+ Indemnity

Indemnities are determined after RMA provides Final Yields/Revenues the following summer, which is a similar process to SCO, MP, and ARPI. Producers will receive the higher of an ECO or ECO+ payment or a combination of both.

ECO+™ FORWARD PLUS

Add the ECO+ Forward Plus endorsement to your revenue or yield policy stack to secure coverage for higher fall prices if your liability, or Production to Count, falls below your ECO+ guarantee and the Harvest Price is higher than the MPCl Projected Price.

ECO+ REVENUE SAMPLE CALCULATIONS

COVERAGE AND PREMIUM CALCULATIONS

MPCI Coverage: 75% Revenue Protection	Production to Count: 13,200 bushels
Coverage Band: 90% - 86%	Approved Yield Revenue: \$96,000
Upper % of Coverage Band: 90%	MPCI Projected Price: \$6.00
Coverage Spread: 4%	MPCI Harvest Price: \$5.00
Acres: 80	Share: 100%
Approved Yield: 200 bu/ac	ECO Indemnity: \$500

Determine the Total Limit of Insurance

$$75\% \times \$6.00 \text{ Projected Price} \times 4\% \text{ Coverage Spread} \times 200 \text{ APH} \times 80 \text{ acres} \times 90\% \text{ of price} \times 100\% \text{ Share} = \mathbf{\$2,592 \text{ Total Limit}}$$

Determine the Harvest Revenue

$$13,200 \text{ Production to Count} \times \$5.00 \text{ Harvest Price} = \mathbf{\$66,000 \text{ Harvest Revenue}}$$

Determine the Loss Percentage

$$90\% - [\$66,000 \text{ Harvest Revenue} / \$96,000 \text{ Approved Yield Revenue}] = \mathbf{21\% \text{ Loss Percentage}}$$

(Cannot be greater than the coverage band spread so 4% is used instead)

Determine Payment Factor

$$4\%/4\% = \mathbf{1.0000 \text{ Payment Factor}}$$

Calculate the ECO+ Indemnity

$$\$2,592/ac - \$500 \text{ ECO Indemnity} = \mathbf{\$2,092 \text{ ECO+ Payment}}$$

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

NEW! BAND STACKING

Combine any RAMP, ECO+™ or SCO+™ products from FMH with new band stacking. This option allows you to secure any of these coverages together with a max overlap of 1%. For example, opt to secure a Revenue Protection policy at 75% coverage level with added ECO, ECO+ and RAMP policies.

