

## 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.

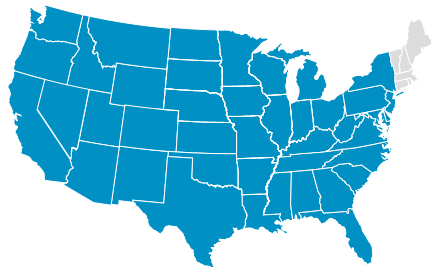
### Covered crops include:

- Alfalfa Seed
- Almonds\*
- Apples\*
- Barley
- Blueberries\*
- Buckwheat
- Burley Tobacco
- Canola
- Cigar Binder Tobacco
- Citrus\*\*
- Corn
- Cotton
- Cotton-Ex. Long Staple
- Cultivated Wild Rice
- Dark Air Tobacco
- Dry Beans
- Dry Peas
- Fire Cured Tobacco
- Flax
- Flue Cured Tobacco
- Wheat
- Forage Production
- Grain Sorghum
- Grapes\*
- Hybrid Corn Seed
- Hybrid Seed Rice
- Hybrid Sorghum Seed
- Millet
- Oats
- Peanuts
- Popcorn
- Rice
- Rye
- Safflower
- Sesame
- Silage Sorghum
- Soybeans
- Sugar Beets
- Sugarcane
- Sunflowers
- Walnuts\*

\*Starting with the 2025 Crop Year

\*\*Where SCO is currently available in California and Arizona starting with the 2026 Crop Year

### FMH WRITING AREA



## RESTRICTIONS

- The underlying policy and ECO coverage must be insured with the same AIP and agent.
- ECO may not be purchased in conjunction with:
  - Margin Protection (MP)
  - Stacked Income Protection Policy (STAX)
  - 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.



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Insurance Company of Iowa

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**Farmers Mutual Hail**  
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**ECO**  
**ENHANCED**  
COVERAGE OPTION

## 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*

## 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
- Same 80% premium subsidy rate for both Revenue or Yield Protection underlying policy

### New for 2026!

The premium subsidy rate has increased from 65% to 80% for all crops with the passing of the One Big Beautiful Bill Act (OBBBA).

### Sample Estimate of ECO Cost for Corn

#### REVENUE OR YIELD PROTECTION

Coverage Band	Amount of Coverage*	Total Premium**	Producer Premium
86%-90%	\$32	\$15	\$3
86%-95%	\$73	\$35	\$7

\* This is based on a yield of 180 bushels/acre with an expected price of \$4.50.

\*\* 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: \$4.50/bu
Elected ECO Coverage: 95%	Producer's Approved APH: 210 bu/ac
Coverage Range: 9% (95% - 86%)	Premium rate: 45%

$$\$4.50 \times 210 \text{ bu/ac} \times 9\% = \$85.05/\text{ac ECO Amount of Insurance}$$

$$\$85.05/\text{ac} \times 0.45 = \$38.27/\text{ac Total Premium}$$

$$\$38.27/\text{ac} \times 0.80 = \$30.62/\text{ac Premium Subsidy}$$

$$\$38.27/\text{ac} - \$30.62/\text{ac} = \$7.65/\text{ac Producer Premium}$$

### INDEMNITY CALCULATION

Harvest Price: \$4.00/bu	Final Area Yield: 190 bu/ac
Final Area Revenue: \$760/ac	

$$95\% - [\$760 / \$900] = 11\% \text{ Loss Percentage}$$

$$11\%/9\% = 100\% \text{ Payment Factor}$$

$$\$85.05/\text{ac} \times 100\% = \$85.05/\text{ac ECO indemnity}$$

