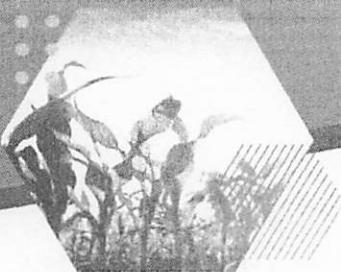




Farmers Mutual Hail
Insurance Company of Iowa

ECO/MCO/SCO COVERAGE COMPARISON



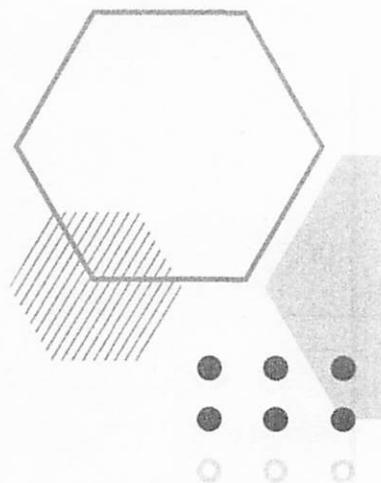
Plan	SCO	ECO	MCO
Coverage	Endorsement	Endorsement	Endorsement
Insures Against	The Supplemental Coverage Option (SCO) is a federally subsidized crop insurance product that provides additional Area-Based coverage for a portion of the underlying crop insurance policy deductible.	The Enhanced Coverage Option (ECO) is a federally subsidized crop insurance product that provides additional Area-Based coverage for a portion of the underlying crop insurance policy deductible.	Margin Coverage Option (MCO) provides area-based coverage against an unexpected decrease in operating margin (revenue minus input costs) caused by reduced county yields, reduced commodity prices, increased prices of certain inputs, or any combination of these perils.
Separate Administrative Fee	Yes, \$30	Yes, \$30	Yes, \$30
Underlying Plan	Yes	Yes	Yes
Sales Close Date	Same as the underlying policy	Same as the underlying policy	9/30 EXCEPTION (RICE)
Payment Factor	.50 - 1.00	.50 - 1.00	.50 - 1.00
Coverage Level	Wherever the underlying policy stops up to 86% *Up to 90% in RY27	86% - 90% 86% - 95%	86% - 90% 86% - 95% 90% - 95% (STAX)
Subsidy	80%	80%	80%
Inputs	No	No	Yes
High-Risk Land	Yes	Yes	Yes

This document is intended for educational purposes only. It is not a policy, terms and conditions for coverage. Products underwriting coverage are subject to change. Please refer to your policy for a detailed description of coverage, limitations, and conditions. All products underwriting coverage are mutual companies. Farmers Mutual Hail and its affiliates are equal opportunity providers and prohibit discrimination in underwriting, administration, and advertising. © 2018 Farmers Mutual Hail Insurance Company. All rights reserved.

Plan	SCO	ECO	MCO
Indemnity if...	SCO pays a loss on an area basis, and an indemnity is triggered when there is a county level loss in yield or revenue.	ECO pays a loss on an area basis, and an indemnity is triggered when there is a decrease in the county level yield or revenue.	MCO begins to pay (triggers) when area margin falls below 90 or 95 percent of the expected margin depending on which MCO trigger you select.

Crop Availability
<p>Corn, soybeans, wheat, grain sorghum, forage production, barley, canola, sunflowers, dry beans, dry peas, sugar beets, potatoes, oats, flax, apples, sweet corn, silage sorghum, rye, alfalfa seed, cultivated wild rice, and buckwheat</p> <p><i>*These are the common ones. There are over 50 crops eligible for SCO coverage. Check actuarials for more.</i></p>

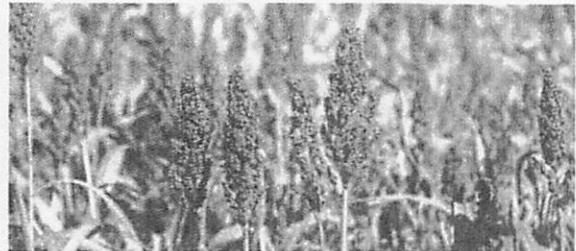
Alfalfa Seed, Almonds, Apples, Barley, Blueberries, Buckwheat, Burley Tobacco, Canola, Cigar Binder Tobacco, Citrus, Corn, Cotton, Cultivated Wild Rice, Dark Air Tobacco, Dry Beans, Dry Peas, Fire Cured Tobacco, Flax, Flue Cured Tobacco, Forage, Grain Sorghum, Grapes, Hybrid Corn Seed, Hybrid Seed Rice, Hybrid Seed Sorghum, Millet, Oats, Peanuts, Popcorn Rice, Rye, Safflower, Sesame, Silage Sorghum, Soybeans, Sugar Beets, Sugar Cane, Sunflowers, Walnuts, and Wheat



Product Compatibility			
ARC	Eligible	Eligible	Eligible
PLC	Eligible	Eligible	Eligible
Margin	Ineligible	Ineligible	Ineligible
ARPI	Ineligible	Ineligible	Ineligible
HIP-WI	Eligible	Ineligible	Ineligible
CAT	Eligible	Ineligible	Ineligible
STAX	Ineligible	Ineligible	Eligible



Margin Coverage Option (MCO)



Margin Coverage Option

Margin Coverage Option (MCO) provides area-based coverage against an unexpected decrease in operating margin (revenue minus input costs) caused by reduced county yields, reduced commodity prices, increased prices of certain inputs, or any combination of these perils. Because MCO is area-based (average for an area), it may not reflect your individual experience. It uses the same expected and final area yields, and harvest prices as Supplemental Coverage Option (SCO) and Enhanced Coverage Option (ECO), but covers a band from 86 percent (where SCO coverage triggers) up to 90 or 95 percent of expected crop value. When combined with the Stacked Income Protection Plan (STAX) at the 90 percent area loss trigger MCO covers a band from 90 to 95 percent. Like SCO and ECO, MCO is based on your underlying policy plan of insurance. A payment may be made when the harvest margin for the county is lower than the trigger margin due to a decrease in revenue and/or an increase in input costs.

Coverage Availability

MCO is available in select counties for corn, cotton, grain sorghum, rice, soybeans, and spring wheat in states listed below.

- **Corn and Soybeans:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.
- **Cotton:** Kansas, Oklahoma, Texas.
- **Grain Sorghum:** Kansas, Oklahoma, Texas.
- **Rice:** Arkansas, California, Louisiana, Mississippi, Missouri, Texas.
- **Spring Wheat:** California, Idaho, Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington.

Eligible Insurance Plans

MCO must be purchased as an endorsement to a Yield Protection (YP),

Revenue Protection (RP), Revenue Protection with the Harvest Price Exclusion (RP-HPE), or Actual Production History (APH).

Important Dates

Sales Closing Date:

- **Corn, Cotton, Grain Sorghum, Soybeans, and Spring Wheat:** September 30
- **Rice:** Varies by State and County

Coverage Levels MCO provides a band of coverage that is based on floor of 86 percent or 90 percent and coverage level of 90 percent or 95 percent.

Loss Payments

MCO begins to pay (triggers) when area margin falls below 90 or 95 percent of the expected margin depending on which MCO trigger you select.

The trigger margin is calculated by subtracting the deductible of 5 or 10 percent of the expected area revenue from the expected area margin.

The amount of area margin loss is calculated by subtracting the harvest margin from the trigger margin.

A payment factor is calculated by dividing the amount of area margin loss by the band of area coverage value.

The payment factor ranges from 0.00 to 1.00. The MCO protection is then multiplied by the payment factor to get the indemnity.

Determining the Margin

When determining the margin, the following inputs are included:

- **Corn:** diesel, natural gas, diammonium phosphate, urea, potash.
- **Cotton:** diesel, natural gas, diammonium phosphate, urea, potash.
- **Grain Sorghum:** diesel, natural gas, diammonium phosphate, urea, potash.
- **Soybeans:** diesel, natural gas, diammonium phosphate, potash.

- **Rice:** diesel, natural gas, urea, diammonium phosphate, potash.
- **Wheat:** diesel, natural gas, urea, diammonium phosphate, potash.

Payments

Any indemnities owed will be paid when final county yields are available, in the spring of the following year.

Insurable Types and Practices

You may choose any coverage level shown on the actuarial documents for each crop and irrigated or non-irrigated practice. Coverage levels cannot be varied by type.

All Federal reinsured crop insurance policies, including MCO policies, are available from authorized crop insurance agents. The purchase must be made before the MCO sales closing date, which for most MCO crops is earlier than traditional spring crop insurance policy sales closing dates. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www.rma.usda.gov/tools-reports/agent-locator

Contact Us

USDA/RMA

Mail Stop 0801

1400 Independence Ave., SW Washington, DC 20250

Phone: (202) 720-0723

Fax: (202) 690-2818

Email: RMA.Media.Requests@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at: www.rma.usda.gov/about-crop-insurance/fact-sheets.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.