

COM-20-009

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Date

December 17, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Heather Manzano, Deputy Administrator for Compliance /s/ Heather Manzano

Subject

Appendix IV Review Requirements for Enhanced Coverage Option (ECO)

Background

On November 19, 2020, RMA released the 2021 Enhanced Coverage Option Endorsement (21-ECO) and 2021 Enhanced Coverage Option Insurance Standards Handbook (FCIC-24400) on the RMA website. ECO provides area-based coverage for a portion of the policyholder's underlying policy deductible like the Supplemental Coverage Option (SCO). The underlying policy must be under the Basic Provisions of the Common Crop Insurance Policy –Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, Yield Based Dollar Amount of Insurance, and APH policies. It uses the same expected and final area yields, projected and harvest prices and payment factors as SCO. As such, ECO will follow the same Appendix IV review requirements as SCO.

ECO will be added to the 2022 Appendix IV Review Matrix during the annual update in accordance with the SRA renewal.

Action

This serves as a reminder of Appendix IV Review Requirements for ECO. The Appendix IV (including the Matrix) is updated annually in accordance with renewal of the Standard Reinsurance Agreement.

DISPOSAL DATE:

Until modified or rescinded