PM-26-036: Enhanced Coverage Option, Margin Coverage Option, and Supplemental Coverage Option Endorsement Changes Effective for the 2027 and Succeeding Crop Years

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Date
June 30, 2026

To
All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

From
Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy

Subject
Enhanced Coverage Option (ECO), Margin Coverage Option (MCO), and Supplemental Coverage Option (SCO) Endorsement Changes Effective for the 2027 and Succeeding Crop Years

BACKGROUND:

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”, officially designated as H.R.1) was signed into law. OBBBA allowed the Supplemental Coverage Option (SCO) Endorsement to be purchased regardless of an insured’s Area Risk Coverage (ARC) election with the Farm Service Agency and increased the maximum coverage level from 86 to 90 percent. On August 15, 2025, the Federal Crop Insurance Corporation (FCIC) Board of Directors approved corresponding coverage level changes for the Enhanced Coverage Option (ECO) and Margin Coverage Option (MCO) Endorsements. On August 20, 2025, FCIC implemented OBBBA changes through the One Big Beautiful Amendment (25-OBBA).

Beginning with the 2027 crop year, FCIC is incorporating the One Big Beautiful Amendment into the SCO Endorsement and updating the ECO, MCO, and SCO Endorsements to reflect the approved coverage level changes, remove potential conflicts, and make clarifications.

The changes are effective beginning with the 2027 crop year for crops with a June 30, 2026, contract change date, and for the 2028 crop year for crops with an earlier contract change date.

ACTION:

The One Big Beautiful Amendment (25-OBBA) is obsolete effective with the 2027 crop year for crops with a June 30, 2026, contract change date, and for the 2028 crop year for crops with an earlier contract change date.

The following documents will be available by June 30, 2026, on the Risk Management Agency (RMA) website at www.rma.usda.gov:

- Enhanced Coverage Option (ECO) Endorsement (27-ECO)
- Margin Coverage Option (MCO) Endorsement (27-MCO)
- Margin Coverage Option (MCO) Price Provisions (27-MCO PP)
- Margin Coverage Option (MCO) Price Provisions for Corn (27-MCO PP-0041)
- Margin Coverage Option (MCO) Price Provisions for Cotton (27-MCO PP-0021)
- Margin Coverage Option (MCO) Price Provisions for Grain Sorghum (27 MCO PP-0021)
- Margin Coverage Option (MCO) Price Provisions for Rice (27 MCO PP-0018)
- Margin Coverage Option (MCO) Price Provisions for Soybeans (27 MCO PP-0081)
- Margin Coverage Option (MCO) Price Provisions for Wheat (27 MCO PP-0011)
- Supplemental Coverage Option (SCO) Endorsement (27-SCO)

Approved insurance providers must notify producers of these changes at least 30 days prior to the cancellation date, as required by the policy. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/Tools-Reports/Agent-Locator.

DISPOSAL DATE:
December 31, 2027