



Supplemental Coverage Option (SCO)

Supplemental Coverage Option overview

Supplemental Coverage Option (SCO) is an area-based* crop insurance endorsement designed to provide additional protection for a portion of the deductible on your underlying crop insurance policy. SCO helps strengthen your risk management strategy by offering coverage above your individual policy coverage level when the county-level yield or revenue declines. Since SCO is area-based, payments may not reflect your individual farm experience.

**Supplemental Coverage Option is based on Production Area, which many times is equivalent to the county. However, it is important to remember that they can differ.*

How does SCO work?

As an endorsement, SCO provides area-based coverage from your underlying policy coverage level up to 90% of expected county revenue or yield for the 2027 Crop Year. SCO must be purchased with an eligible individual crop insurance policy and follows the protection type of the underlying policy.

- Revenue Protection policies receive area-based revenue coverage.
- Revenue Protection with Harvest Price Exclusion policies receive area-based revenue coverage.
- Yield Protection and Actual Production History policies receive area-based yield coverage.
- SCO uses the Risk Management Agency (RMA) area yield and revenue data to determine losses.

Coverage details

- SCO offers up to 90% coverage and follows the underlying policy.

- You have the ability to reduce your SCO liability by a "coverage percentage" elected on or before the Sales Closing Date. The range is 50%-100%.
- If allowed by actuarial, separate supplemental protection is available for each practice, type, and coverage level.

Example: SCO Coverage

Uninsured portion	100% - 90%
SCO coverage range	90% - 80%
Underlying coverage	Up to 80%

Eligible Insurance Plans

SCO may be purchased with:

- Actual Production History (APH)
- Yield Protection (YP)
- Yield Based Dollar Amount of Insurance
- Revenue Protection (RP)
- Revenue Protection with Harvest Price Exclusion (RP-HPE)

Important Dates

Sales Closing Date:

- Follows the underlying policy.
- SCO is considered continuous until it is canceled.

Indemnity Payments:

Indemnity payments are issued after the Final County Yields are published in the summer of the following year.



Eligibility requirements

- SCO is available for crops and counties where authorized by the actuarial documents.
- SCO may be selected when the Price Loss Coverage (PLC) or Area Risk Coverage (ARC) is elected at the Farm Service Agency (FSA).
- High-Risk land insured under the underlying policy is insured under the SCO endorsement.

Administrative Fees and Premium

SCO uses its own Administrative Fee (\$30), as well as premium (subsidized at 80%).

Loss Payments

SCO payments are determined solely on area-level yield or revenue results and are not affected by individual farm losses. As a result:

- You may receive an SCO payment even if your farm does not experience a loss.
- You may experience an individual loss and not receive an SCO payment if the county does not trigger a loss.

The SCO liability is based on the Expected Crop Value from your underlying policy and applies to all insured planted acres of the crop within the county.

SCO example with a Revenue Protection Policy

Suppose a grower's corn crop has an expected value of \$765.00 per acre (170 bushels at \$4.50 per bushel). Assume the grower buys a Revenue Protection policy with an 80% coverage level (this is the underlying policy). The underlying policy coverage 80% (or \$612.00) of the Expected Crop Value and leaves 20% (or \$153.00) uncovered as a deductible.

At this point, the grower has the option to buy SCO coverage. Since the underlying policy is Revenue Protection, SCO will also provide revenue protection, except that payment will be determined at an area-level, in this example the area is equivalent to the county.

The SCO endorsement begins to pay when the county average revenue falls below 90% of its expected level. The full amount of the SCO coverage is paid out when the county average revenue falls to the coverage level of the underlying policy. In this example, it is 80%.

SCO payments are determined only by county average revenue or yield and are not affected by whether you receive a payment from your underlying policy.

This fact sheet is only an overview of these described products. It does not include all features, exclusions, or limitations. Consult your agent or the policy provisions for further details.

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