



**2015 Annual Report to Land Trust Members
March 1, 2015 to March 1, 2016**

On March 1, 2015 TerraFirma issued its third year of conservation defense liability insurance policies to 476 land trusts from 46 states and the District of Columbia covering over 7.26 million acres of conservation land. In its third full year of operations, TerraFirma maintained good standing with all regulators. All financial and regulatory annual filings for TerraFirma are on the [website home page](#).

TerraFirma enhanced its financial stability in 2015. An independent actuary certified the reserves of \$1,119,646 as adequate and reasonable to meet TerraFirma's unpaid claims liabilities. Total market value of all TerraFirma assets as of December 31, 2015 was \$5,995,068 compared to \$5,527,890 for 2014 including positive cash flow from operations and capital of over \$4 million. Gross written premium increased approximately 8% from \$1,030,699 in 2013 to \$1,110,912 in 2014 and to \$1,204,684 in 2015.

TerraFirma fulfilled its charitable mission of helping land trusts defend their public liability for conservation lands by handling 79 claims during the 2015 policy year (14 covered and active, 3 denied, 10 successfully resolved, and 44 on hold). Combined with the 99 claims handled in 2013 and 2014 combined, TerraFirma has addressed 178 claims over the three policy years with 68 cases successfully resolved including 7 with favorable court decisions and the remainder successfully settled. Covered claims frequency is slightly higher than the 2010 feasibility projections. Covered claims severity is less, however, 27 claims remain active with one highly contested matter now appealed by the losing successor landowner. Claims follow historical trends including fee land and conservation easement trespass, vegetation removal, topography changes, minor unpermitted structures, unpermitted land divisions, and technical legal challenges such as partition proceedings and bankruptcy.

Risk balancing education and training, in collaboration with the Land Trust Alliance, is an essential part of helping all land trusts with lasting conservation. TerraFirma land trusts claimed \$22,554 in discounted premium for 342 who participated in risk management training for 2016 or 11% more land trusts than in 2015 and 8% more in total premium discounts. Of accredited land trusts, 281 (82%) are TerraFirma members.

For 2016, TerraFirma land trust member-owners increased to 493 and acres insured increased to 7,652,442 (95% easement and 5% land). Of the 476 TerraFirma 2015 policy year member-owners, 100% confirmed eligibility and participation. Mergers are occurring among TerraFirma member land trusts which will decrease the number of land trust members but will not affect land insured or income and will increase member strength.

In 2016 conservation easements comprise the most insured rights with 23,276 (89%) of the enrolled 26,282 parcels from 48 states and D.C. The remainder (11%) are land owned (2,846), access easements (21), and trail easements (98). Extrapolating the 2010 census data for the current TerraFirma member land trusts shows that their portfolios plus those of self-insured organizations constitute 90% of all easement acres and 83% of all conservation easements. They also own 43% of fee parcels and 81% of fee acres. By the end of 2016, we will have new 2015 census data available to reevaluate these numbers.