



**2016 Annual Report to Land Trust  
Members March 1, 2016 to March 1, 2017**

On March 1, 2016 Terrafirma issued its fourth year of conservation defense liability insurance policies to 493 land trusts from 48 states and the District of Columbia covering over 7.65 million acres of conservation land. In its fourth 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 2016. An independent actuary certified the reserves of \$1,544,253 as adequate and reasonable to meet Terrafirma's unpaid claims liabilities. Total market value of all Terrafirma assets as of December 31, 2016 was \$6,486,611 compared to \$5,995,068 for 2015 including positive cash flow from operations and capital of over \$4 million. Gross written premium increased approximately 8% from the previous year. It grew from \$1,030,526 in 2013 to \$1,110,646 in 2014, \$1,206,891 in 2015, and \$1,301,229 in 2016.

Terrafirma fulfilled its charitable mission of helping land trusts defend their public liability for conservation lands by handling 93 claims during the 2016 policy year (5 covered and active, 3 denied, 26 successfully resolved, and 56 on hold). Combined with the 193 claims handled in 2013 through 2015, Terrafirma has addressed 288 claims over the four policy years with 141 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, 26 claims remain active. 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 \$16,926 in discounted premium for 271 who participated in risk management training for 2017. Of accredited land trusts, 304 (81%) are Terrafirma members.

For 2017, Terrafirma land trust member-owners increased to 510 and acres insured increased to 8,126,690 (94% easement and 6% land), comprising 40.8% of all land trusts in the Land Trust Alliance with a conservation portfolio. Of the 493 Terrafirma 2016 policy year member-owners, 99.6% 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 2017 conservation easements comprise the most insured rights with 24,568 (87.5%) of the enrolled 28,067 parcels from 48 states and D.C. The remainder (12.5%) are land owned (3307), access easements (34), and trail easements (112). Extrapolating the 2015 census data for the current Terrafirma member land trusts shows that their portfolios plus those of self-insured

organizations constitute 84.5% of all conservation easements and 87% of all easement acres. They also own 20% of fee parcels and 35% of fee acres.

Terrafirma Risk Retention Group LLC now has 510 land trust members, operates in 48 states plus D.C., and insures over 8.15 million acres — that's bigger than the state of Maryland! Connect with Terrafirma on [LinkedIn](#). Subscribe to [TerraBite](#), complimentary risk balancing quick and simple pointers.

**ALLIANCE RISK MANAGEMENT SERVICES LLC (ARMS)**

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