



**2017 Annual Report to Land Trust Members
March 1, 2017 to March 1, 2018**

On March 1, 2017 Terrafirma issued its fifth year of conservation defense liability insurance policies to 510 land trusts from 48 states and the District of Columbia covering over 8 million acres of conservation land. In its fifth 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 2017. An independent actuary certified the reserves of \$1,550,947 as adequate and reasonable to meet Terrafirma's unpaid claims liabilities. Total market value of all Terrafirma assets as of December 31, 2017 was \$6,789,797.38 compared to \$6,486,217.34 for 2016 including positive cash flow from operations and capital of over \$4 million. Gross written earned premium increased approximately 11% from the previous year. It grew from \$1,030,699 in 2013 to \$1,110,912 in 2014, \$1,204,684 in 2015, \$1,302,595 in 2016, \$1,368,340 in 2017, and \$1,531,274 in 2018.

Terrafirma fulfilled its charitable mission of helping land trusts defend their public liability for conservation lands by handling 145 claims during the 2017 policy year (11 covered and active, 6 denied, 25 successfully resolved, and 96 on hold). Combined with the 297 claims handled in 2013 through 2016, Terrafirma has addressed 442 claims over the five policy years with 217 cases successfully resolved including 13 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, 35 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 \$23,239 in discounted premium for 311 who participated in risk management training for 2018. Of accredited land trusts, 330 (83%) are Terrafirma members.

For 2018, Terrafirma land trust member-owners increased to 511 and acres insured increased to 8,592,224 (94.5% easement and 5.5% fee land), comprising 44% of all land trusts who are members of the Land Trust Alliance with a conservation portfolio. Of the 511 Terrafirma 2018 policy year member-owners, 99.8% confirmed eligibility and participation, excluding mergers. Mergers are occurring among Terrafirma member land trusts decreasing the number of land trust members but not affecting land insured or income. Mergers are increasing member strength.

In 2018 conservation easements continue to comprise the most insured rights with 25,581 (87.1%) of the enrolled 29,360 parcels from 48 states and D.C. The remainder (12.9%) are land owned (3,610), access easements (37), and trail easements (118). Extrapolating the 2015 census data for the current TerraFirma member land trusts shows that their portfolios plus those of self-insured organizations constitute 91.5% of all conservation easements and 95% of all easement acres. They also own 37.4% of fee parcels and 91% of fee acres.

TerraFirma Risk Retention Group LLC now has 511 land trust members, operates in 48 states plus D.C., and insures over 8.58 million acres — that's bigger than the state of Maryland with growth in acres being bigger than O'ahu! Connect with TerraFirma on [LinkedIn](#). Subscribe to [TerraBite](#), complimentary risk balancing quick and simple pointers.



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