



**TERRAFIRMA**  
RRG LLC  
**2018 Annual Report to Land Trust Members**  
**March 1, 2018 to March 1, 2019**

On March 1, 2018 TerraFirma issued its sixth year of conservation defense liability insurance policies to 511 land trusts from 48 states and the District of Columbia covering over 8.5 million acres of conservation land. In its sixth 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 2018. An independent actuary certified the reserves of \$2,197,417 as adequate and reasonable to meet TerraFirma's unpaid claims liabilities. Total market value of all TerraFirma assets as of December 31, 2018 was \$7,539,994 compared to \$6,800,478 for 2017 including positive cash flow from operations and capital of over \$4 million. Gross written earned premium increased approximately 21% from the previous year. It grew from \$1,030,699 in 2013 to \$1,110,912 in 2014, \$1,207,059 in 2015, \$1,300,220 in 2016, \$1,381,474 in 2017, and \$1,753,199 in 2018.

TerraFirma fulfilled its charitable mission of helping land trusts defend their public liability for conservation lands by handling 154 claims during the 2018 policy year (7 covered and active, 4 denied, 26 successfully resolved, and 115 on hold). Combined with the 481 claims handled in 2013 through 2017, TerraFirma has addressed 639 claims over the six policy years with 352 cases successfully resolved including 20 with favorable court decisions. TerraFirma has only one unfavorable result in a declaratory judgment defining the extent of use of a right of way.

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 \$25,007 in discounted premium for 317 who participated in risk management training for 2019. Of the 422 accredited land trusts, 358 (85%) are TerraFirma members.

For 2019, TerraFirma land trust member-owners increased to 528 and acres insured increased to 8,868,450 (94% easement and 6% fee land), comprising 45% 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 only one did not confirm eligibility and participation due to financial difficulties for 2019. 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. TerraFirma started operations in 2013 insuring 20,568 properties covering 6,354,434 acres from 420 land trusts in 46 states plus D.C. This represents an increase of 30% in insured acres and a 21% increase in insured land trusts not counting mergers over six years.

In 2019 conservation easements continue to comprise the most insured rights with 26,746 (85.9%) of the enrolled 31,139 parcels from 48 states and D.C. The remainder (14.1%) are land owned (4,148), access easements (42), and trail easements (122) and conservation restrictions (72). 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 528 land trust members, operates in 48 states plus D.C., and insures almost 9 million acres — that’s bigger than the state of Maryland with growth in acres being bigger than Canyonlands National Park! Connect with TerraFirma on [LinkedIn](#). Subscribe to [TerraBite](#), complimentary risk balancing quick and simple pointers.



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