



TERRAFIRMA
RRG LLC
Annual Report to Land Trust Members
March 1, 2019 to March 1, 2020

On March 1, 2019 TerraFirma issued its seventh year of conservation defense liability insurance policies to 528 land trusts from 48 states and the District of Columbia covering over 8.9 million acres of conservation land. In its seventh 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 2019. An independent actuary certified the reserves of \$2,497,595 as adequate and reasonable to meet TerraFirma's unpaid claims liabilities. Total market value of all TerraFirma assets as of December 31, 2019 was \$8,864,692.14 compared to \$7,539,996.50 for 2018 including positive cash flow from operations and capital of over \$5 million. Gross written premium increased approximately 6% 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, \$1,529,892 in 2018 and \$1,626,242 in 2019.

TerraFirma fulfilled its charitable mission of helping land trusts defend their public liability for conservation lands by handling 218 claims during the 2019 policy year (22 covered and active, 9 denied, 42 successfully resolved, and 145 on hold). With 29 days remaining in the 2019 policy year grace period, the final numbers will increase. Combined with the 684 claims handled in 2013 through 2018, TerraFirma has addressed 906 claims over the seven policy years with 508 cases successfully resolved including 22 with favorable court decisions. TerraFirma has only one unfavorable result in a declaratory judgment defining the extent of use of a pre-existing right of way.

Covered claims frequency is slightly higher than the 2010 feasibility projections. Covered claims severity is less; however, 53 covered 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 \$26,120 in discounted premium for 331 who participated in risk management training for 2020. Of the total 443 accredited land trusts, 380 (86%) are TerraFirma members up slightly one percent over 2019.

Mergers are increasing member strength. Mergers are occurring among TerraFirma member land trusts decreasing the total number of land trust members but not affecting land insured or income.

For 2020, TerraFirma land trust member-owners increased to 538 and acres insured increased to 9,352,180 and parcels increased to 33,087 (93% easement, 6% fee land, and 1% access and

trail easements plus deed restrictions), comprising 64% of all land trusts who are members of the Land Trust Alliance with a conservation portfolio. All of the 527 TerraFirma 2019 policy year member-owners confirmed eligibility and participation for 2020.

TerraFirma started operations in 2013 insuring 20,568 properties covering 6,354,434 acres from 420 land trusts in 46 states and the District of Columbia. The 2020 membership represents an increase of 32% in insured acres, 38% increase in insured parcels, and a 22% increase in insured land trusts not counting mergers over seven years.

In 2020 conservation easements continue to comprise the most insured rights with 28,269 (85%) of the enrolled 33,087 parcels from 48 states and D.C. The remainder are land owned (4,547), access easements (58), and trail easements (134) and deed restrictions (79).

Extrapolating the 2015 census data for the current TerraFirma member land trusts shows that their portfolios plus those of self-insured organizations constitutes 83% of all conservation easements and 91% of all easement acres. They also own 50% of fee parcels and 86% of fee acres.

TerraFirma Risk Retention Group LLC now has 538 land trust members, operates in 48 states plus D.C., and insures over 9.3 million acres — that's bigger than the state of Maryland with growth in acres being the size of Lake Pontchartrain! Connect with TerraFirma on [LinkedIn](#). Subscribe to [TerraBite](#), complimentary risk balancing quick and simple pointers.



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