OVERVIEW
Terrafirma Overview Agenda

• Five Fast Details
• Results and Trends
• Claims
• Premium and Discounts
• Financial Stability and Oversight
• Discussion
FIVE DETAILS
ONE

Terrafrica
is not the same as Terra Firma
Or even TerraFirma.

Terrafrica is a land trust owned company.
TWO
Terrafirma is not owned by the Land Trust Alliance.

Terrafirma is a Risk Retention Group.
Three

TerraFirma is **not** property insurance.

TerraFirma is **liability** insurance.
TerraFirma is not just for precedent-setting cases.

TerraFirma is liability insurance.
FIVE

Terrafirma is not just for easements.

Terrafirma covers all conservation.
Terrafirma Also

- Is a Safety net
- Not substitute for sufficient reserves
- Helps meet liability of legal challenges
- Funds defense costs
- Provides early effective expert assistance
- Minimizes disputes with wide array of problem solving
Terrafirma Delivers Confidence in Perpetuity

- Funds expert costs
- Pays for mediators and negotiators
- Covers attorney fees and costs
- Provides early effective expert assistance
- Acts as a sounding board to test ideas
Claims Trends
Current Claims

• March 1, 2013 to January 25, 2016
  – 166 total claims
• One in 4 insured land trusts had a claim
  – (166 claims by 128 land trusts or 26%)
“I’ll sue anyone and everyone who tells me otherwise”

“I will do everything in my power to harm you.”

• Defamation claims against Boards and Staff
• Wrongful eviction/denial of property right claims against Land Trusts
• Slander of title claims against all
The Deed/Easement was Defective in its Adoption

- Person holding record title didn’t sign document
- Public meeting act requirements weren’t met
- Legal description didn’t restrict what was expected
- Name incorrect
Get Off My Land!

- Denial of annual monitoring access.
- Denial of public use access.
- Trespass claims against land trust.
Claims Process

*Service to Land Trusts is guiding principle*

- Land trust files *online simple* form to start process
- Receive reply email with next steps within 24 hours excluding weekends and holidays
- At land trust election claim heard on monthly Claims Committee conference call with land trust participation
- Appointed volunteer Claims Committee determines coverage based on policy form
- Reviews land trust choice of counsel for rate and qualifications in line with guides
- $5000 deductible and continuing involvement of Claims Committee in case
Costs and Stability
Terrafirma Statistics

- 20,411 parcels of conserved land currently enrolled by 476 land trusts in 47 states
- 18,557 conservation easements currently enrolled; 1854 fee land parcels enrolled
- Not counting large national organizations (which can self-insure) 79% of Alliance members’ 24,415 conservation easements enrolled
- Capitalization of $4 million from foundations and major donors
- Available only to private tax-exempt 501(c)(3) conservation organizations
Terrafirma
Structure & Governance

- LAND TRUST OWNER MEMBERS

- THE INSURANCE COMPANY (LCIA)*

- Terrafirma Risk Retention Group Limited Liability Company
  501(n) tax status
  (Vermont manager-managed not-for-profit LLC)

- THE LAND TRUST ALLIANCE, INC.
  (MA not-for-profit corporation)

- The Manager (ARMS)
  ALLIANCE RISK MANAGEMENT SERVICES LLC
  (Vermont LLC; Alliance sole member)

- COMMERCIAL PROVIDER OF CAPTIVE MANAGEMENT SERVICES
  CAPTIVE MANAGEMENT COMPANY
  And other consultants
Basic Numbers

- Covers both conservation easement and preserves
- Defends and enforces conservation rights
- Base premium of $60 per year per property
- Maximum limit of $500,000 per claim
- Some higher aggregate limits for large portfolios
- $5,000 deductible per claim
- Discounts available
- No coinsurance (co-payment) except in unusual situations
Financial Stability

• Maintained good standing.
• Positive cash flow from operations.
• Gross written premium increased 7%.
• Actuary certified the reserves of $701,558.
• Total market value all assets increased.
• Exemplary management collaboration.
• Members and acres insured increased.
• Premium revenue 14% greater than assumed.
• Increasing ability for lasting conservation.
Land Trust Representatives

TerraFirma Members Committee Regions

Western At-Large
Pacific Coast
Mountains & Plains
Great Lakes
South East
Mid-Atlantic*
New England
Northern New England

*Mid-Atlantic is the association referred to as the Atlantic Coast region.