



# Terrafirma Risk Retention Group LLC

January 25, 2016

**First Three Years**

**Conservation Defense Liability  
Insurance for Land Trusts**

## OVERVIEW

# Terrafirma Overview Agenda

- Five Fast Details
- Results and Trends
- Claims
- Premium and Discounts
- Financial Stability and Oversight
- Discussion



# ***VE DETAILS***



ONE

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

***Terrafirma is a land trust owned  
company.***

A scenic landscape featuring a winding gravel road that curves through lush green hills. The sky is filled with soft, white clouds, and the overall atmosphere is bright and natural. In the distance, a small white house is visible on a hillside.

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.***

# FOUR

Terrafirma is *not* just for precedent-setting cases.

***Terrafirma is liability insurance.***

A scenic view of a canyon with a winding river and rock formations. The canyon walls are reddish-brown, and the river is a deep green color. The sky is blue with some clouds.

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

Subjective Views



**Refuse to Abuse 5K** AT SARECO FIELD  
Saturday, July 19, 2014 7pm  
RefuseToAbuse5k.org

**Island Scene**  
Billboard beckons with can't miss summertime shows, events  
PAGE 9

**Guest Column**  
He seems to know 'em all; find out why the 'Voice' of the annual Friday Harbor Fly-In is in his element  
PAGE 7

**The Journal**  
of the San Juan Islands www.sanjuanjournal.com

75¢  
Wednesday, July 9, 2014  
Vol. 107 Issue 28  
SOUND PUBLISHING INC.

**Trust won't back down**  
Anacortes B & B owner pays \$100K for illegal clearcut  
By Scott Rasmussen  
Journal editor  
It's not the first time that someone treated its protected land with disregard.  
But on this occasion, and largely because of the extent of the transgression, the San Juan Preservation

**Marvel on Main Street**



Journal photo / Scott Rasmussen  
The Friday Harbor Independence Day parade strikes a patriotic tone in even the youngest of spectators. For more photos of the parade and other 4th of July events, see page 8, and visit www.sanjuanjournal.com

**New clash in CAO struggle**  
By Scott Rasmussen  
Journal editor  
San Juan County's controversial update of its critical areas ordinance went into effect at the end of March, but the courtroom battle over the revised set of land-use rules has yet to be resolved.  
And, opponents on either side are less than pleased with a June 19 ruling in San Juan County Superior Court, in which Judge Don Eaton, siding with an earlier decision by the Western Washington Growth Management



# 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%)





# ***RETALIATORY CLAIMS***

***“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.

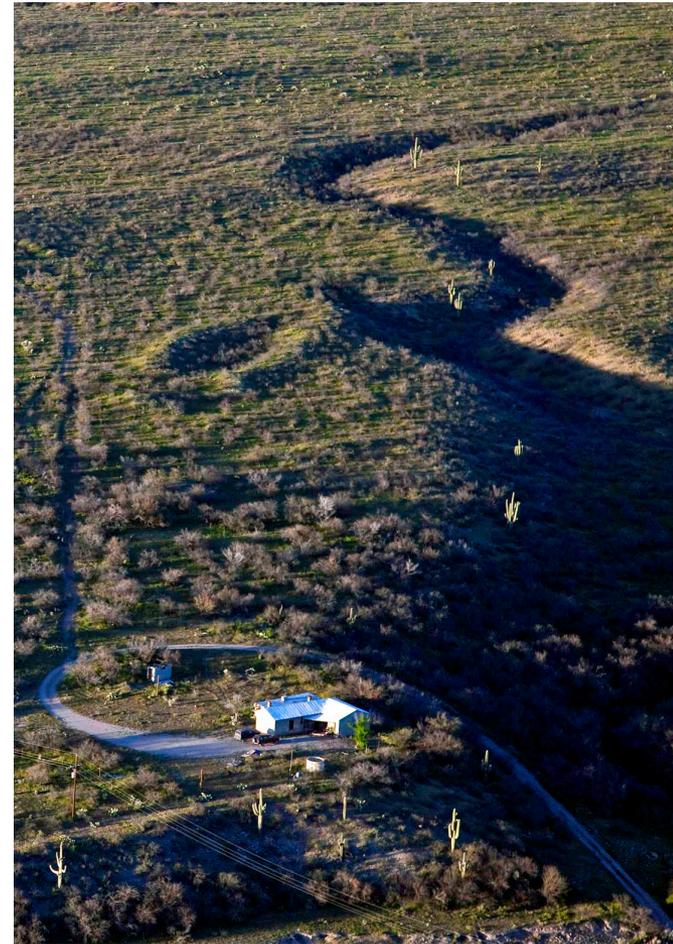
A black and white photograph of a chain-link fence. A rectangular sign with a black border and white background hangs from the fence. The sign has the words "KEEP OUT" in bold, black, sans-serif capital letters. The background shows a blurred landscape with a fence line receding into the distance.

**KEEP OUT**

# 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



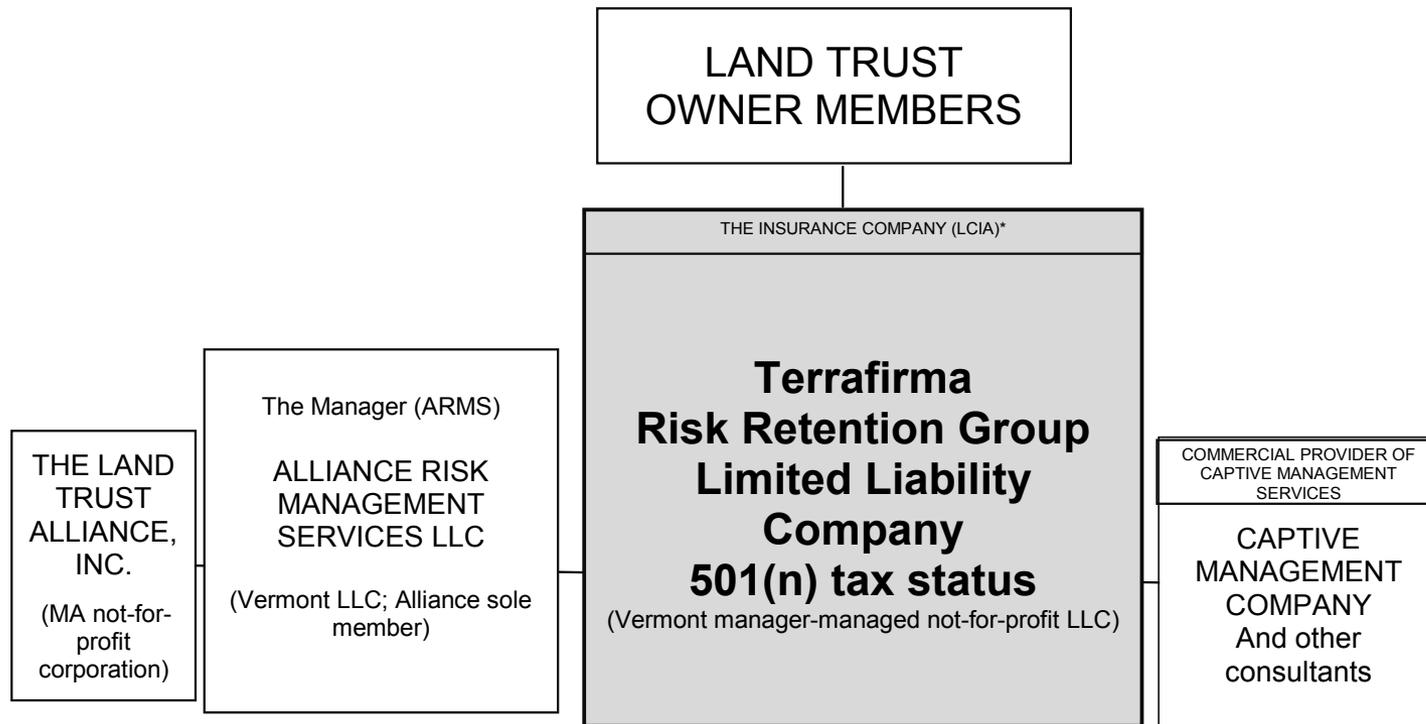
# ***Costs and Stability***



# 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



# 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



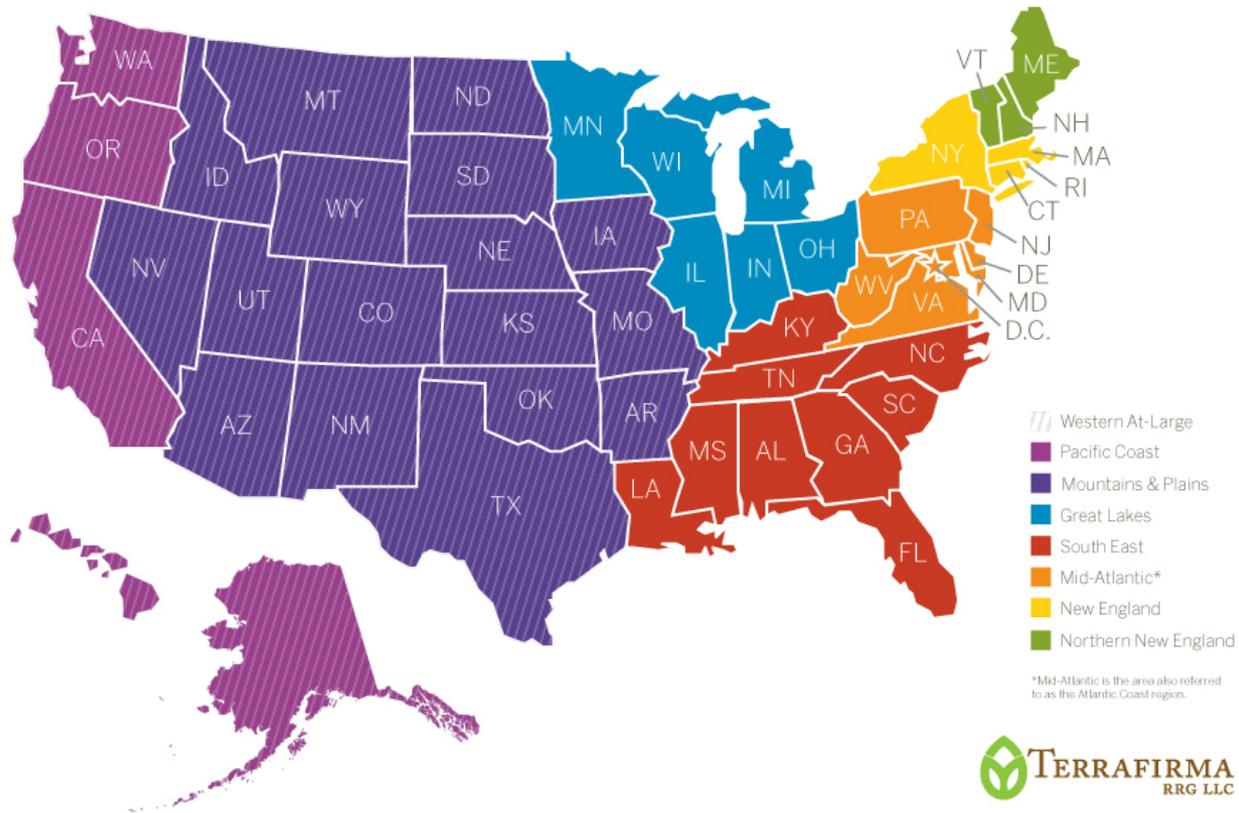
# Financial Stability

- 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



# Questions?



## Contact Information

[help@terrafirma.org](mailto:help@terrafirma.org)

Hannah Flake at 202-800-2248

Lorri Barrett at 202-800-2219

Leslie Ratley-Beach at  
802-262-6051

Website at [www.terrafirma.org](http://www.terrafirma.org)

January 25, 2016