

Insurance 101: Understanding Liability, Conserve-A-Nation, and Terrafirma

October 22, 2024



MASSACHUSETTS
LAND TRUST
COALITION



Land Trust Alliance

Working since 1982 to be the voice of the land trust community and a support system to land trusts nationwide

Capacity building in the form of:

- Training and resources
- Peer learning, networking, and convening
- Grantmaking
- Advocacy
- Leadership development
- Technical assistance and coaching (e.g., land and climate, community-centered conservation)





MASSACHUSETTS LAND TRUST COALITION

MLTC advances land conservation across the Commonwealth by providing education, tools, networking opportunities, and advocacy to over 140 land trusts and their partners.

Resources include:

- Monthly eNews
- Listserv
- Topical networking conversations
- Multi-session learning collaboratives
- Seminars
- Annual conference
- Job Board
- Service provider directory... and more!

Visit <https://massland.org>

2025 Terrafirma Risk Management Discount

- This webinar qualifies your land trust for a complementary risk management discount on the 2025 policy year



Directors & Officers Insurance

- Accredited land trusts that are Alliance members will receive an additional 7% renewal premium credit (subject to the applicable rates filed in each jurisdiction) in addition to the preferred rates already enjoyed by those with standard membership status when they secure Directors & Officers liability insurance from the Chubb Group of Insurance Companies.

Conservation Defense Liability Insurance

- Accredited land trusts are automatically eligible for an annual premium discount of \$11 per insured unit when they enroll in the conservation defense insurance program offered by Terrafirma Risk Retention Group LLC.
- The average accredited land trust has 93 units; if it insures all with Terrafirma over the accredited term it will receive a Terrafirma discount of \$5,115 (\$1,023 annually).

Meet Today's Presenters

- **Meghan Mullee**, Vice President of Alliant's Conserve-A-Nation[®] Insurance Program
- **Tom Kester**, Operations Manager and Secretary for Alliance Risk Management Services



Insurance 101

Risk Management for Land Trusts

presented by

Conserve-A-Nation®

A Program of Alliant Insurance Services, Inc.





Types of Policies & Coverages

General Liability	Property	Auto	Directors & Officers Liability	Cyber Risk	Employment Practices Liability
Crime	Workers Compensation	Umbrella/Excess	Builders Risk	Professional Liability (E&O)	Accident
Abuse Liability	Pollution	Hull and Protection & Indemnity	Fiduciary Liability	Aircraft/Drone Liability	... and more

Approaching Insurance Decisions



Insurance is simply a financial tool that transfers risk away from your land trust.

1

Identify Your Risks

What could occur?
Property vs. Liability

2

Determine Likelihood & Severity

What are the chances?
How bad could it be?

3

Transfer As Necessary

Is insurance available & affordable?
Other options?

Understanding Underwriting



1

Qualification

- Appetite for class of business
 - Underwriting guidelines
(operations, controls, prior losses)

2

Quantification

- Identify exposures & apply rate
- Observe “minimum premiums”

Foundational Coverages

These are “must haves” for any land trust regardless of size, scope, or budget.

General Liability

Responds to third party
Bodily Injury & Property
Damage allegations

Directors & Officers Liability (with Employment Practices Liability)

D&O – responds to claims
related to management
decisions

EPL – responds to claims of
harassment, discrimination, etc.

Additional Coverages for Land Trusts

Property

- Buildings, personal property, mobile equipment

Workers Compensation

- Medical expenses & lost wages

Auto

- Commercial owned auto (liability & physical damage)
- Hired & Non-owned auto (liability)



Additional Coveragescontinued

Pollution

- Defense and/or remediation expenses

Crime

- Employee/volunteer theft

Fiduciary Liability

- Decisions related to employment & retirement benefits



Additional Coveragescontinued

Special Event Coverage

- General liability specific to specific to an event outside the scope of your main policy.

Professional Liability (“E&O”)

- Liability arising from errors and/or omissions in professional services rendered.

Accident Coverage

- Excess medical expense/accidental death payment for volunteers or participants.





Land Trust Alliance Members
receive a complimentary
insurance evaluation
through
Conserve-A-Nation[®]

Conserve-A-Nation® is the
Endorsed Insurance Program
of the Land Trust Alliance.



Meghan Mullee

First Vice President

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Alliant Insurance Services, Inc.

December 07, 2023



Terrafirma Risk Retention Group LLC

Insurance 101

Terrafirma: helping land trusts defend their conserved lands from legal challenge

October 22, 2024

www.terrafirma.org

Greetings and introduction



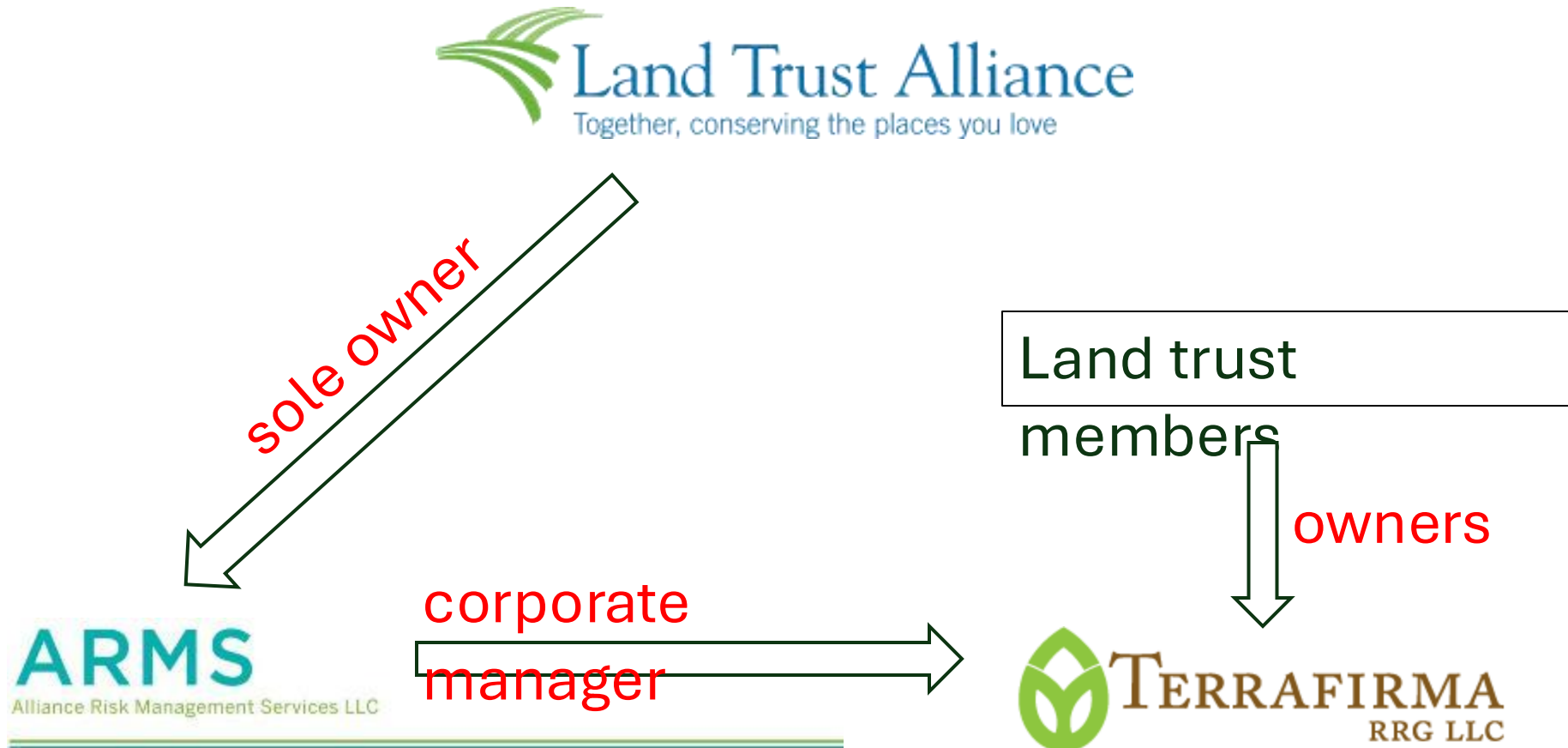
Terrafirma Overview

- Formed in 2011 to help land trusts defend their conserved lands from legal challenge
- Issued first policy in March 2013
- Issue policies to 554 land trust members in 48 states and D.C.
- Insure over 11.2 million acres
- Since 2013, > 2,800 claims filed and paid out > \$7.4M
- Land trusts helped conceive, create, and design Terrafirma
- Terrafirma is also owned and governed by its land trust members for its land trust members



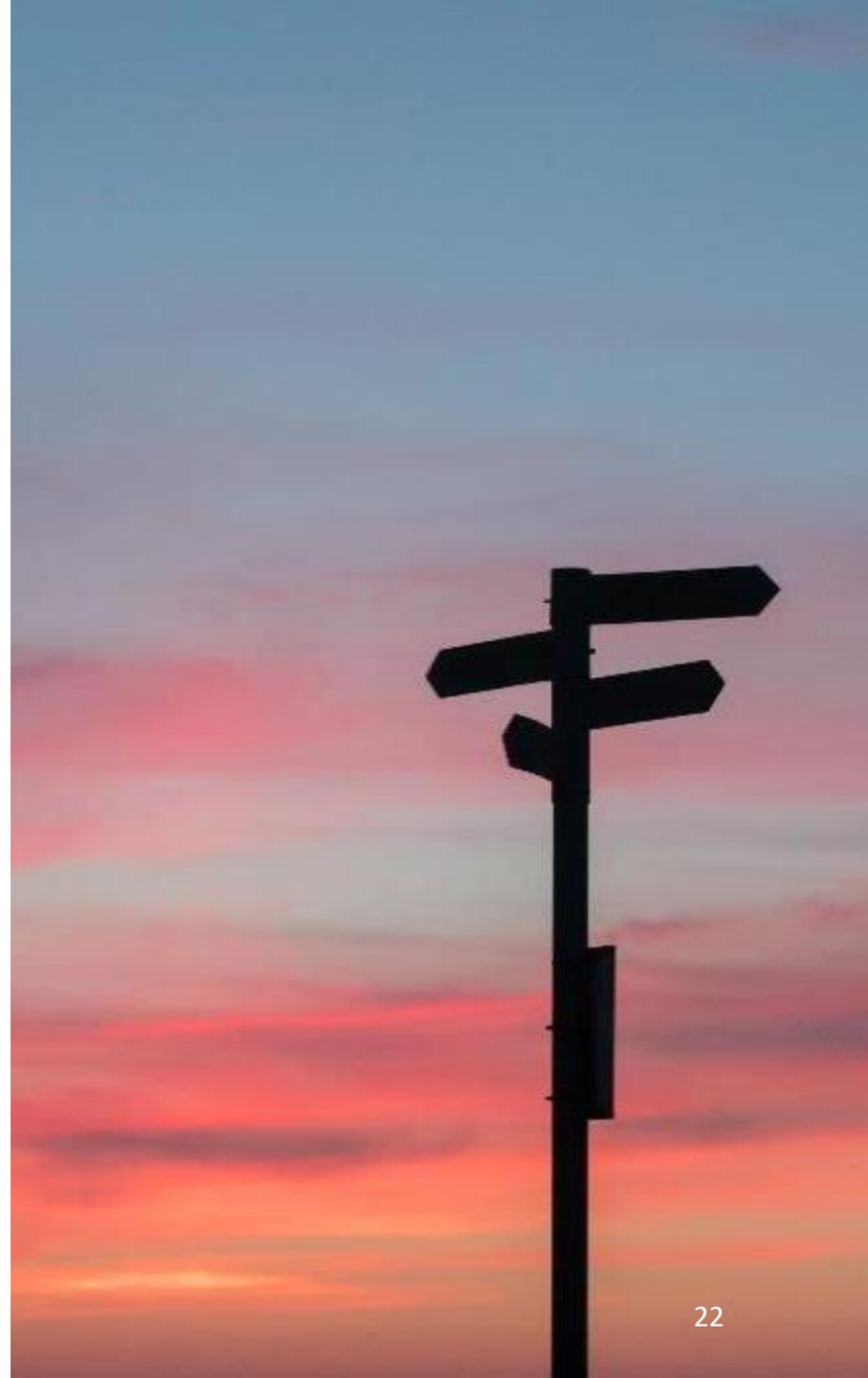
Corporate Relationships

- Land Trust Alliance, Alliance Risk Management Services, and Terrafirma RRG are all legally separate corporate entities
- Neither Land Trust Alliance nor Alliance Risk Management Services owns or controls Terrafirma RRG



What makes Terrafirma different than typical liability insurers

- No filing penalties
- Low premium
- Member equality
- Unique coverage



Additional Membership Benefits

- ARMS staff available to discuss conservation defense topics, and access to ARMS' collective knowledge on conservation defense (issue spotting, ways to reduce exposure, resolution strategies, etc.)
- Access to the Nonprofit Risk Management Center website and resources
- You are one of the owners of Terrafirma and get a say in electing its governing board
- Demonstrate to donors, staff, foundations, governmental entities, etc., that you have an ability to protect conservation rights



Joining Terrafirma

1. Must self-attest to meeting **13 eligibility criteria** ([link](#)) at initial application as well as at each annual renewal

A few eligibility criteria to be aware of:

- **be a Land Trust Alliance member**
 - **have complete baseline documentation on the parcels you are looking to insure**
 - **conduct annual monitoring on the parcels you are looking to insure and annually document parcel conditions**
 - **have general liability insurance** (no D&O required)
2. Can only apply during Terrafirma's annual enrollment period: **December 1st to February 1st each year** (mark your calendars!)

Policy Coverage

- Terrafirma provides “conservation defense liability insurance”
- Pays for certain litigation expenses when there are actual or threatened violations of a land trust’s conservation rights in insured parcels
- Not a substitute for your land trust’s own conservation defense fund
- Exclusions

Note: The policy, not this document, governs the coverage terms provided by Terrafirma.



Some “challenge categories”

- **Boundary and access** (Ex: boundary line disputes, not allowing land trust access to property for monitoring, etc.)
- **Vegetation cutting** (Ex: removing trees/shrubs/plants, illegal timber harvests, etc.)
- **Structures or improvements** (Ex: building outside permitted building envelopes or greater sq. ft., building unpermitted structures, etc.)
- **Division or partition** (interfamilial trust/LLC disputes, divorce, landowner wanting to subdivide for economic gains, etc.)
- **Condemnation** (*usually excluded from coverage*)
- **Extinguishment** (challenging the validity of a CE or deeded restriction, challenging title, etc.)
- **Topography changes** (Ex: moving earth, grading, etc.)
- **Dumping, Water rights, business disputes, wildlife**



Property Coverage Availability

- Coverage for
 - Conservation Easements
 - Preserves/Fee-owned
 - Trails and Access Easements
 - Deeded Restrictions
 - Must insure “**all or nothing**” w/ each above category
- Interests in land
 - Primary
 - Co-holder
 - Back-up holder
 - 3rd party enforcer
 - Other interests possible – contact Terrafirma



Premium, Registration, Discounts

- One-time, sliding scale registration fee
- Gross premium:
\$67 per parcel

BUT.....

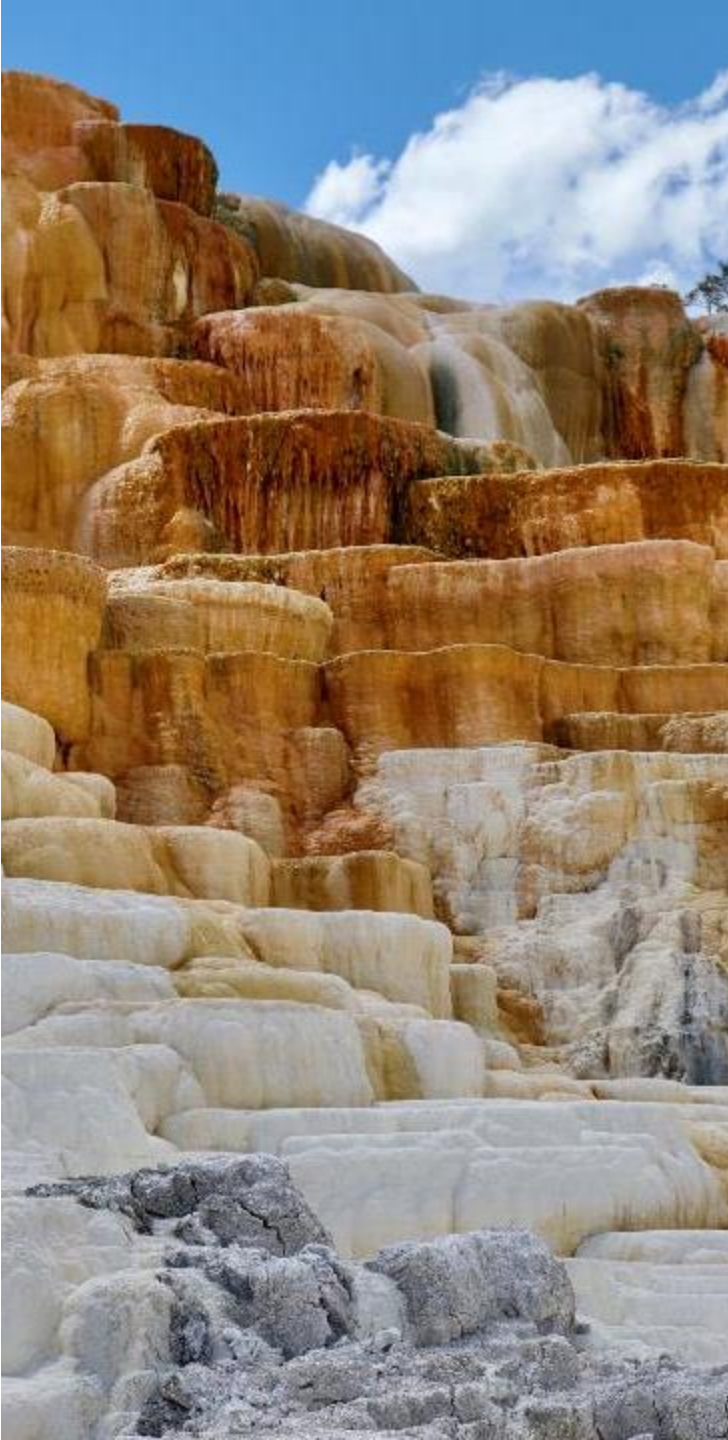
- Special counting rules!
- Various discounts!

Cost-Sharing and Policy Limits

Cost-Sharing: \$5,000 deductible for each covered claim must be paid by the land trust before Terrafirma pays

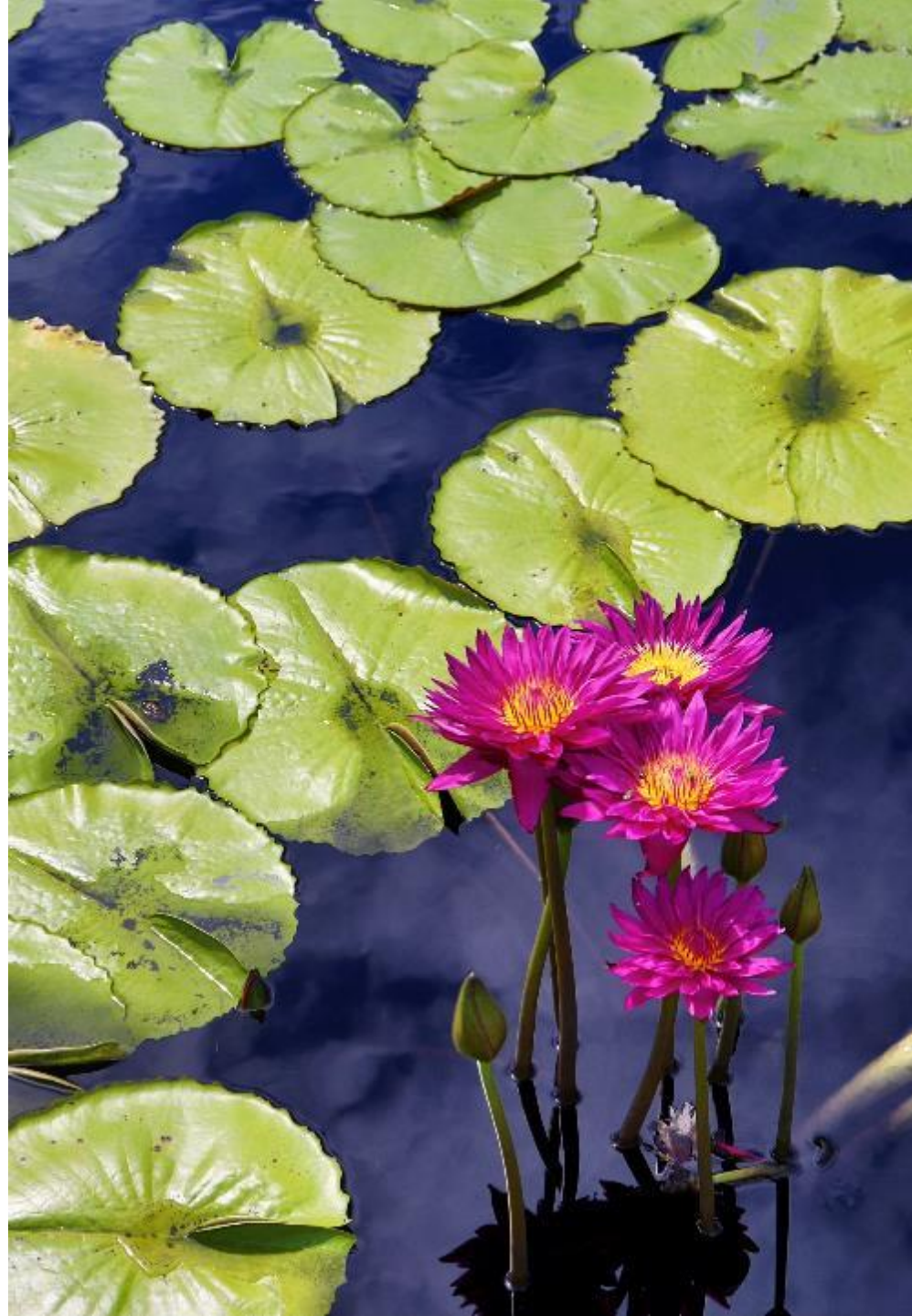
Policy Limits:

# of covered parcels	Single claim policy limit	Aggregate claim policy limit
1-249	\$500,000	\$500,000
250-399	\$500,000	\$750,000
≥ 400	\$500,000	\$1,000,000



Financial Stability

- Premium
- Reserves
- Assets
- Payouts



**Thank you for your
dedication to
lasting
conservation!**

Questions?

The ARMS Team

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Contact

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Resources

- Practical Pointers on Commonly Purchased Insurance
 - <https://tlc.lta.org/topclass/topclass.do?expand-OfferingDetails-Offeringid=1057480>
- Commonly Purchased Insurance Comparison Chart
 - <https://tlc.lta.org/topclass/topclass.do?expand-OfferingDetails-Offeringid=1751001>
- More information about Conserve-A-Nation
 - Alliant.com/ConserveANation
- Read Practice Element 6E2: Risk Management and Insurance
 - <https://tlc.lta.org/topclass/topclass.do?expand-OfferingDetails-Offeringid=228461>
- Nonprofit Risk Management Center
 - <https://nonprofitrisk.org/>
- Terrafirma
 - <https://terrafirma.org/>
- Terrafirma Reserves Calculator
 - <https://terrafirma.org/calculator/start>
- [The Practical Pointer for Filing Timely Terrafirma Claims](#)