Understanding the Master Policy

A Guide for Religious Institutions & Faith-Based Organizations

What Is a Master Policy?

A master policy (also called a blanket policy or group policy) is a single property and casualty insurance contract issued to a primary named insured that extends coverage to multiple affiliated entities under one unified policy framework. Rather than each affiliated entity purchasing its own separate insurance program, all qualifying parties share one policy — simplifying administration, pooling risk, and often reducing overall premium cost.

💡 **Key Benefit for Faith Communities:** A diocese, synod, denomination, or central governing body can hold a master policy that covers all member congregations, schools, and ministries — providing consistent, coordinated protection across the entire faith family.

Common Lines of Coverage in a Religious Master Policy

Property	General Liability	Additional Coverages
• Church buildings & contents • Parsonages & rectories • Religious artifacts & equipment • Loss of income / extra expense	• Bodily injury & property damage • Personal & advertising injury • Medical payments • Hired & non-owned auto	• Directors & Officers (D&O) • Sexual misconduct liability • Umbrella / excess • Volunteer & camp activities

What Must Be True: Eligibility Requirements for a Master Policy

Insurers require that a demonstrable organizational relationship exist among all entities to be covered. Coverage cannot be arbitrarily bundled — insurers evaluate the following criteria:

Eligibility Criterion	What Insurers Look For
☑ **Common Ownership**	Entities are owned by the same parent organization (e.g., a national denomination owns regional properties held in trust for local congregations).
☑ **Common Governance**	Entities share a governing board, constitution, bylaws, or hierarchical authority structure (e.g., a bishop or executive committee with oversight).
☑ **Organizational Affiliation**	Entities are formally chartered, licensed, or recognized members of the primary insured's denominational or ecclesiastical body.
☑ **Operational Control**	The primary named insured exercises meaningful operational oversight, risk management direction, or fiscal accountability over listed entities.

☑ **Common Mission & Purpose**	All entities share the same religious mission and operate within the same faith tradition. Unrelated third-party organizations generally cannot be added.
☑ **Financial Integration**	Some insurers require consolidated financial statements or budget oversight to demonstrate unity of enterprise for underwriting purposes.

Listing Additional Named Insureds

Once the master policy is issued to the primary named insured, affiliated entities are added as Additional Named Insureds (ANIs) by endorsement or schedule. This is distinct from an "Additional Insured" endorsement, which provides more limited rights.

Who Qualifies as an Additional Named Insured?

- Member congregations, parishes, or local churches formally chartered by the denomination
- Church-operated schools, daycares, preschools, and educational ministries
- Affiliated camp and retreat centers, youth organizations, and outreach programs
- Parsonages, rectories, and other clergy residences owned or controlled by the organization
- Mission agencies, relief organizations, or foundations under denominational control

Important Distinctions:

Named Insured vs. **Additional Named Insured:** ANIs have nearly full policy rights (file claims, receive notice of cancellation, trigger coverage). A standard Additional Insured has narrower rights, typically limited to one specific liability exposure.

Scheduled vs. Blanket: ANIs may be listed by name on a schedule attached to the policy (best for stable rosters) or covered on a blanket basis for all qualifying affiliates meeting defined criteria (best for growing organizations).

Key Insurer Underwriting Considerations

Documentation Required

- Articles of incorporation or charter documents
- Current list of all affiliated entities and locations
- Organizational chart showing governance relationships
- Property schedules with values and addresses
- Prior loss runs (typically 3–5 years)

Common Grounds for Denial

- No demonstrable legal or governance connection
- Entity operates an unrelated commercial enterprise
- Prior adverse loss history or unresolved claims
- Entity is independently incorporated with no denominational ties
- Incomplete or inconsistent disclosure of all locations/activities

Work with a broker experienced in faith-based risk to structure your master policy correctly from the outset. Errors in entity listing or eligibility can result in coverage gaps at the time of a claim.