The 9-Point Income Protection Audit

Test how income may be defined, triggered and paid when work is interrupted.

OPERATING RULE

If the answer is not visible in the actual policy, certificate, riders, amendments or plan document, choose Not sure or Review. Uncertainty is the purpose of the audit.

REVIEW SNAPSHOT

Name (optional)		**Review date**	
Occupation / specialty		**Employer / practice**	
Work arrangement		**Primary concern**	

DOCUMENTS GATHERED

- ☐ Employer benefits summary
- ☐ Group LTD / STD certificate
- ☐ Current benefit statement
- ☐ Expense / reserve snapshot
- ☐ Summary Plan Description
- ☐ Individual policy + riders
- ☐ Compensation snapshot
- ☐ Business overhead details

Documents still needed

PRIVACY

Do not enter Social Security numbers, medical records, prescriptions, claim files or private account information.

IMPORTANT

Educational and planning worksheet only. Not tax, legal, financial, medical, employment, underwriting, claims or official plan advice. Policy and plan terms control. Insurance products are subject to eligibility, underwriting, carrier approval, state availability, limitations and exclusions.

Points 1-2 | Definition & Actual Duties

1 | DEFINITION OF DISABILITY

Marketing labels are not substitutes for the full contract wording.

I located the exact total-disability definition.	○ Clear	○ Not sure	○ Review
I know whether the definition focuses on my own job, regular occupation, specialty or another standard.	○ Clear	○ Not sure	○ Review
I know whether working in another occupation could reduce or end a total-disability benefit.	○ Clear	○ Not sure	○ Review
I know whether the definition changes after 24 months or another stated period.	○ Clear	○ Not sure	○ Review

Definition notes / controlling wording

2 | ACTUAL OCCUPATIONAL DUTIES

Record the duties that actually produce income - not only the job title.

Duty 1		**% time**		**Skill / function**	
Duty 2		**% time**		**Skill / function**	
Duty 3		**% time**		**Skill / function**	
Duty 4		**% time**		**Skill / function**	

Duties most responsible for income

Points 3-4 | Reduced Capacity & Covered Income

3 | TOTAL, PARTIAL AND RESIDUAL DISABILITY

The policy or plan includes partial or residual disability provisions.	○ Clear	○ Not sure	○ Review
I know whether a loss of duties, time, income or a combination is required.	○ Clear	○ Not sure	○ Review
I know the minimum income-loss threshold and how earnings are measured.	○ Clear	○ Not sure	○ Review
I know whether recovery benefits may continue after return to work with reduced income.	○ Clear	○ Not sure	○ Review

Reduced-capacity notes

4 | COVERED INCOME

Base salary / W-2 wages		**Counted? / notes**	
Bonus / commission / overtime		**Counted? / notes**	
RSUs / equity / incentive		**Counted? / notes**	
1099 / practice / business income		**Counted? / notes**	
Other recurring earned income		**Counted? / notes**	

Points 5-6 | Benefit Math & Tax Treatment

5 | BENEFIT AMOUNT AND MONTHLY MAXIMUM

Stated benefit percentage		**Maximum monthly benefit**	
Estimated covered monthly income		**Other DI / offsets**	
Estimated benefit before tax		**Estimated benefit after tax**	
Monthly household income need		**Preliminary monthly exposure**	

Benefit math notes / assumptions

6 | TAX TREATMENT

I know who pays the premium: employer, employee or both.	○ Clear	○ Not sure	○ Review
I know whether employee contributions are before tax or after tax.	○ Clear	○ Not sure	○ Review
I estimated the benefit after potential federal income tax.	○ Clear	○ Not sure	○ Review

Tax-treatment notes

CURRENT REFERENCE

IRS: Life insurance & disability insurance proceeds. Tax treatment depends on who paid premiums and whether contributions were pre-tax or after-tax. Confirm with qualified tax guidance.

Points 7-8 | Cash-Flow Bridge & Benefit Duration

7 | ELIMINATION PERIOD AND PAYMENT TIMING

Elimination period		**Consecutive / cumulative**	
Expected first payment		**Short-term disability**	
PTO / sick leave		**Emergency runway (months)**	

Could essential household and business obligations be met through the expected first payment without high-cost debt?	○ Yes	○ No	○ Unsure

Cash-flow bridge notes

8 | BENEFIT PERIOD AND DEFINITION CHANGES

I know the maximum benefit period.	○ Clear	○ Not sure	○ Review
I know whether the occupation definition changes during the benefit period.	○ Clear	○ Not sure	○ Review
I reviewed condition-specific limitations, including mental/nervous or substance-use limitations.	○ Clear	○ Not sure	○ Review
I know how recurrent disability is treated after return to work.	○ Clear	○ Not sure	○ Review

Duration / limitation notes

Point 9 | Durability, Fine Print & Business Risk

COVERAGE DURABILITY

I know whether coverage is portable after a job change, reduced hours or self-employment.	○ Clear	○ Not sure	○ Review
I identified noncancelable / guaranteed-renewable language and premium-change rights.	○ Clear	○ Not sure	○ Review
I reviewed exclusions, limitations, amendments and condition-specific riders.	○ Clear	○ Not sure	○ Review
I know whether future benefit increases are available and what evidence may be required.	○ Clear	○ Not sure	○ Review
I reviewed COLA, presumptive disability, waiver, rehabilitation and survivor provisions.	○ Clear	○ Not sure	○ Review

Durability / fine-print notes

BUSINESS-OWNER OVERLAY

I know how rent, payroll, debt, software and other fixed expenses would continue.	○ Clear	○ Not sure	○ Review
Personal DI is separate from business overhead expense coverage.	○ Clear	○ Not sure	○ Review
I considered key-person, partner, loan and succession exposure.	○ Clear	○ Not sure	○ Review

Business-risk notes

Private Audit Summary

Do not total the boxes into false precision. One material uncertainty can justify a closer document review.

Three strengths verified

Three gaps or uncertainties

Documents, definitions or questions still needed

RECOMMENDED NEXT STEP

- ☐ No immediate action
- ☐ Complete 90-Day Stress Test
- ☐ Consult tax / legal / HR / claims professional
- ☐ Request missing documents
- ☐ Compare possible supplemental options
- ☐ Request complimentary private review

Plain-English next-step notes

Follow-up date / owner

IMPORTANT

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