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Financially empowering doctors



2026

MASTERING THE BUSINESS OF MEDICINE

BUSINESS OF MEDICINE

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Transitioning to Private Practice

Insurance

Protecting your income, family and practice as you move from public to private work

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Insurance Consultant



General information

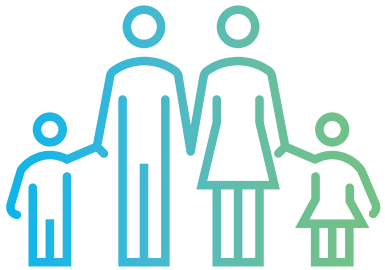
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The information contained in this presentation is of general nature only and is not intended to serve as advice. No warranty is given in relation to the accuracy or reliability of any information

The audience should not act or fail to act on the basis of the information contained herein. The audience are encouraged to contact their DPM Consultant for advice concerning specific matters before making a decision.

When you go private, you are protecting two things at once:



Family & Lifestyle

Support your family



Practice

Support your practice

Why this matters when you go private

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A different risk profile - not just a higher income

Income can become variable

Billings-dependent
Less predictable cashflow

Public safety nets shrink

Less sick leave
Less employer support

Fixed costs rise

Mortgage
Rooms
Staff
Software

You become the engine

If you stop working, revenue can slow quickly

Private practice changes both your personal cashflow risk and your business cashflow risk.

Lump sum cover at a glance

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Match debt, dependents and recovery needs to the right cover type

Life

(if you pass away)

- Supports debt repayment
- Protects dependents
- Helps preserve lifestyle

TPD

(if you become Totally & Permanently Disabled)

- If you cannot work again
- Protects long-term plans
- Supports debt and capital needs

Trauma

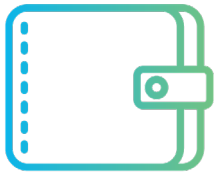
(serious illness e.g. Stroke, heart attack)

- Diagnosis of serious illness
- Funds treatment / recovery
- Buys time and options

Income Protection — review, don’t reinvent

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Most doctors already have it; the question is whether it is still appropriate



Benefit amount

- Match current earnings
- Allow for variable income



Waiting period

- Match sick leave + buffer
- Avoid a cashflow gap



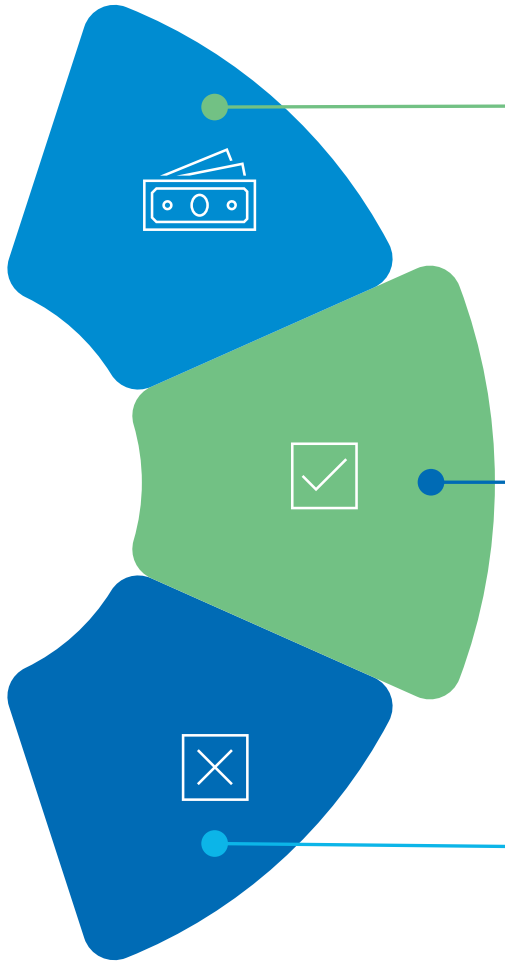
Definitions

- Fit your role and specialty
- Review when work changes

Business expenses cover — what it covers

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The keep-the-lights-on cover for private practice



Typical costs

- Rooms or service fees
- Utilities / software
- Staff and admin costs

What it does

- Supports fixed overheads
- Protects business cash reserves

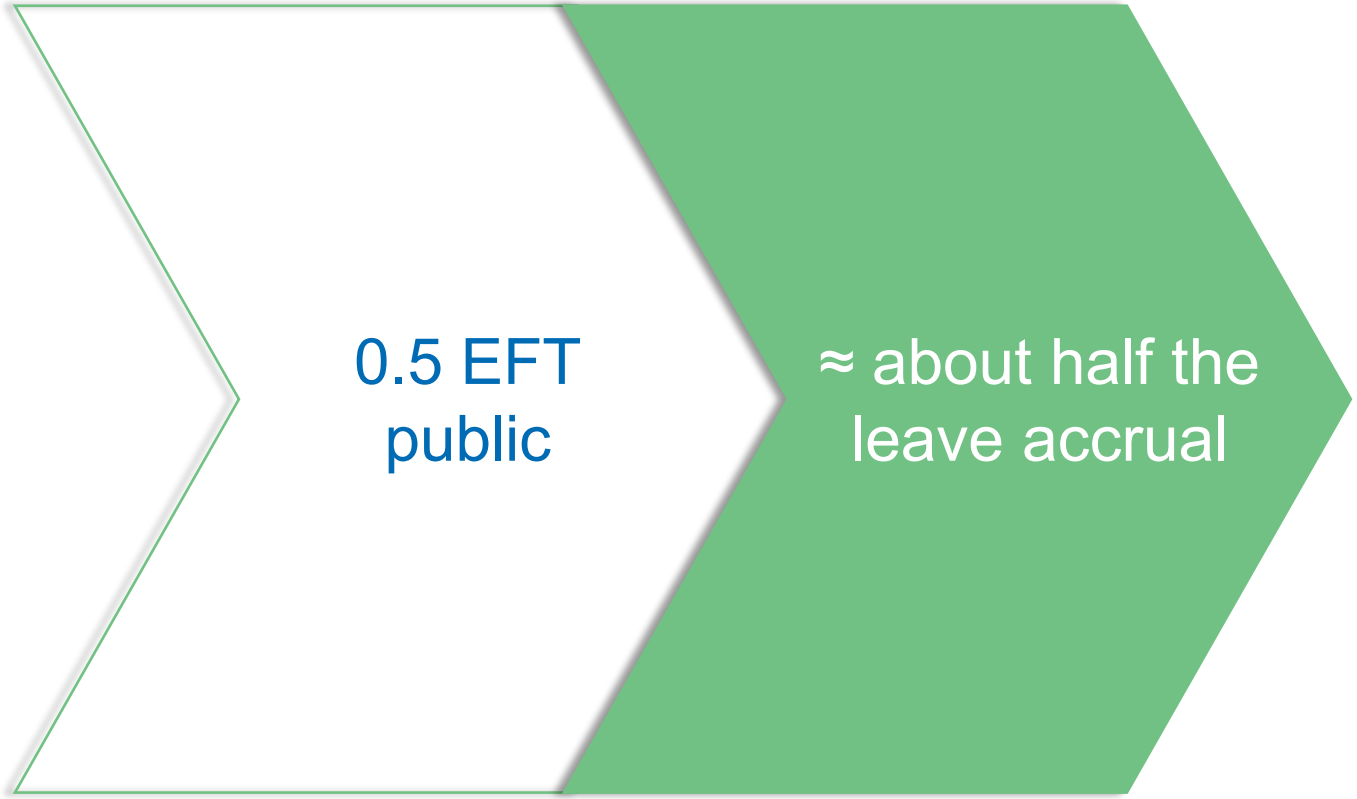
What it does not do

- Does not replace personal income
- That remains the job of Income Protection

Public + private mix: sick leave is pro-rata

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Your public leave accrues on your public work — not your private billings

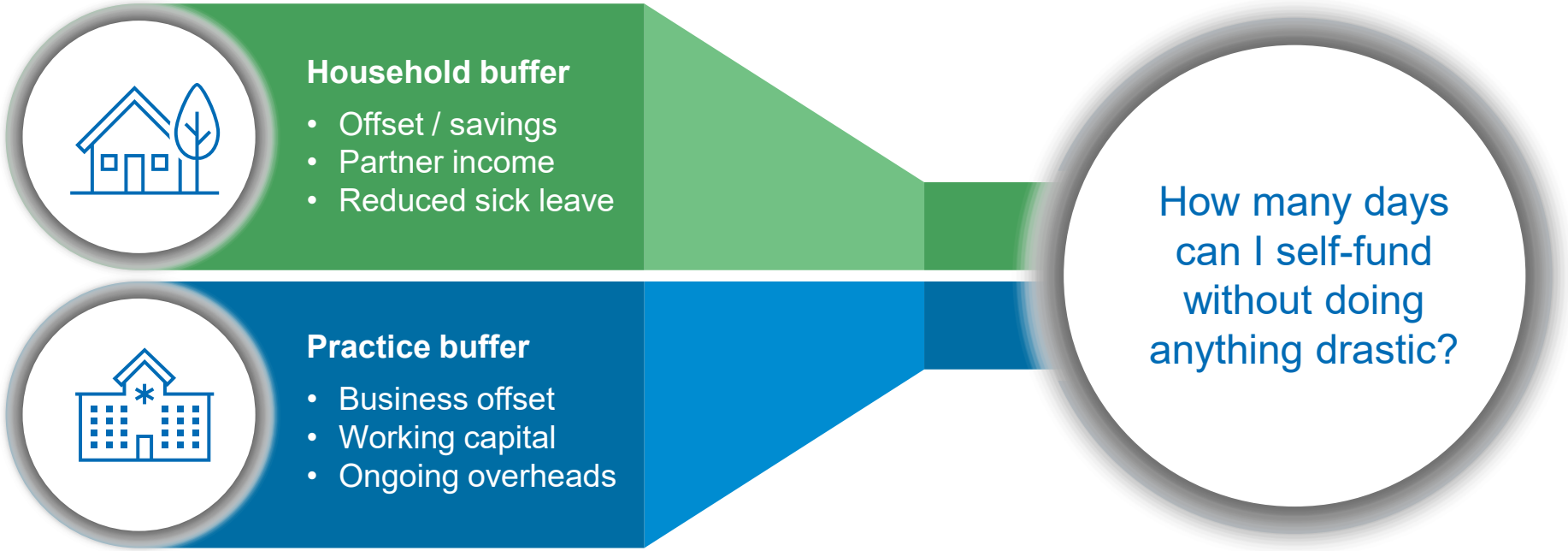


- Covers your public roster
- Does not replace private income
- Review waiting periods as public hours fall

Waiting periods should match buffers

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This is a cash-buffer decision, not a guess

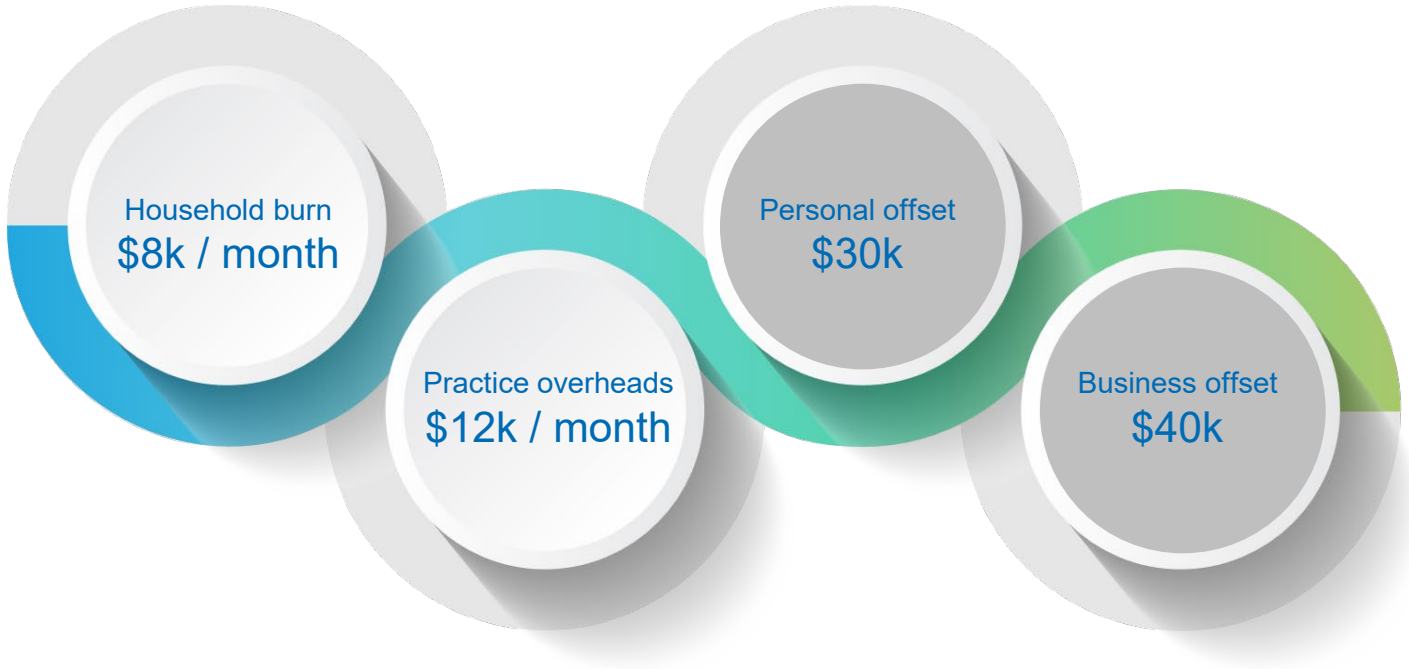


Design waiting periods around reality not optimism

Example: cash buffers in action

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A simple private-practice scenario





Common mistakes in the transition

The errors that cause the most pain later

Set & forget

- Leave Income Protection as is
- No review as income changes

No BE plan

- Rooms or staff costs
- No overhead strategy

Buffer mismatch

- Waiting period too long/short
- Cash gap too wide

Old lump sums

- Mortgage / kids changed
- Cover stayed the same

Private practice checklist

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A 60-second review before you begin private

- ❑ Do I know my household burn + practice burn?
- ❑ Does Income Protection still match how I earn today?
- ❑ Does my waiting period match sick leave + savings?
- ❑ If overheads continue, do I have a plan for them?
- ❑ Have lump sum covers been reviewed for life changes?

Review triggers

- Moving private
- Signing a lease / hiring staff
- Taking on debt
- Marriage / home purchase / children

Life insurance fundamentals

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172
New cancer diagnoses each day (average) under age 65

95
New TPD claims received each day (industry average)

Sources: APRA life insurance claims and disputes data 2024/25 | AIHW Deaths in Australia, 2023



111
New disability income claims received each day (industry average)

82
Young lives lost each day (average) under age 65

Higher incomes: IP may not replace full income

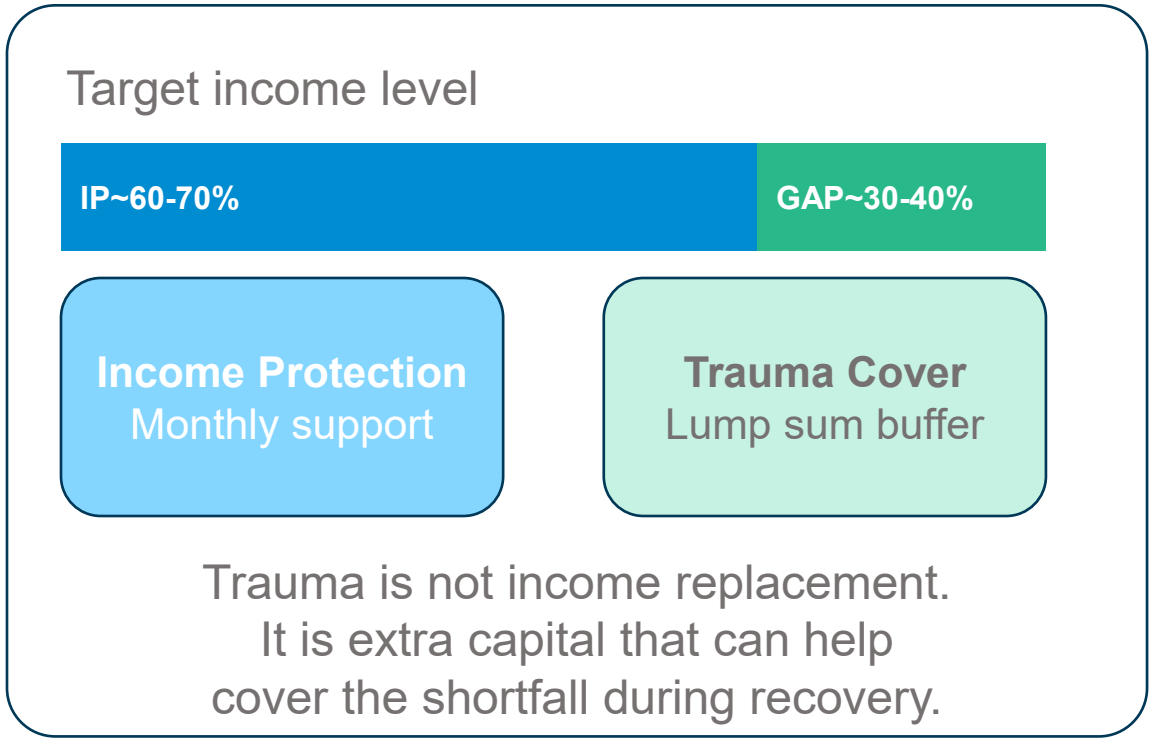
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A practical point for higher-earning specialists

Modern IP benefits can reduce on a sliding scale at higher incomes

That means higher earners may only protect part of total income

Trauma can provide a lump sum buffer if a defined serious event occurs



IP protects part of income.
Trauma Cover can help fund the gap.

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Questions

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