

PERSONAL INJURY UPDATE

3 May 2007



The Sixth Edition Ogden Tables were released today and now form the basis for calculating special damages in Personal Injury and Fatal Accident Losses.

The main changes introduced by the Sixth Edition are detailed below:

- New research has been undertaken into the impact of contingencies other than mortality on the working life. The previous controversial contingency factors of occupation, industrial sector, geographical location and levels of economic activity are no longer considered influential and are replaced by gender, age, educational attainment and employment status at date of injury. The new contingency factors will result in higher discounts to loss of earnings calculations and reduce future loss claims.

The Fifth Edition tables gave a range of contingency discounts between 2% and 20%. The Sixth Edition has a contingency discount range of between 8% and 41%.

- There is also a set of adjustment tables for the disabled which will provide discounts to the multipliers for residual earnings capacity however it is still suggested these are flexed to account for the particular disability.
- The Ogden Committee have recommended a method on how to split the multipliers where there are variable future losses and expenses. This advice confirms the appropriateness of the approach that Goldblatt McGuigan have historically taken on this issue.
- The Ogden Committee have recommended a method to be used in the calculation of multipliers for claimants with reduced life expectancy which involves applying a discount to the term certain multiplier. Historically undiscounted term certain multipliers were used.
- Life expectancy for males and females has increased.
 - male life expectancy has increased by between 0.04 and 3.39 years.
 - female life expectancy has increased by between 0.05 and 3.07 years.

The impact of this increase not surprisingly is to extend post retirement losses such as pension.

Copies of the Sixth Edition Ogden Tables are available from TSO and can be downloaded from the Government Actuary's Department website: www.gad.gov.uk.

Should you have any queries in relation to the Sixth Edition Tables, please do not hesitate to contact Gabriel Greene (greeneg@goldmac.com) or Tony Nicholl (nichollt@goldmac.com) on 028 90 311113.