

News Release

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6th Edition of the Ogden Tables

FAIRER DAMAGES IN PERSONAL INJURY AND FATAL ACCIDENT CASES

Today a new edition of the Ogden Tables is published, giving the most detailed guidance yet on how the Courts should assess awards for damages in personal injury and fatal accident cases. A multi-disciplinary group of actuaries, lawyers, accountants and insurers has prepared the 6th edition of these tables, which were first published in 1984 and last updated in 2004.

Previous editions of the Ogden Tables gave guidance on how to calculate an award for damages in personal injury cases and fatal accident cases. These methods offer a reasonable balance between accuracy and simplicity of application. The 6th edition extends this guidance, with the main changes in this edition being as follows:

- > The mortality rates used in calculating the Tables have been updated to those underlying the latest set of national population projections for the United Kingdom.
- > A new methodology, based on the results of recent research by City University, London and Cardiff University, is put forward for assessing appropriate deductions to be made to the working life multiplier for dealing with contingencies other than mortality, including the assessment of a claimant's residual earning capacity after an accident.
- > The Sixth Edition also provides guidance for dealing with variable future losses or expenses.

Chris Daykin, Government Actuary, and member of the group which prepared the Tables, comments:

"Assessing the appropriate amount of damages to pay in personal injury and fatal accident cases is a complex problem which requires lawyers to work together with actuaries and other experts in order to achieve the widely recognised objective of achieving fair levels of compensation to those affected. Actuaries are experts in the evaluation of financial risk and the Ogden Tables have been drawn up by the Government Actuary's Department, following extensive consultation with experienced members of the legal and accounting professions and other experts, cooperating together on the Ogden Working Party.

The 6th edition sets out a new methodology for dealing with deductions for contingencies other than mortality, based on recent research. This methodology replaces that proposed in earlier editions and will provide better guidance to the Courts on how to place a value on losses, having regard to the actual and potential future employment situation of someone injured. It should also assist the Courts to be able to make more accurate assessments of possible mitigation of loss arising from residual earnings capacity after an accident.

In a great many cases the Courts will find the necessary figures in our Tables to assess appropriate multipliers. For more complex cases specific actuarial advice should be sought. The Ogden Tables have been endorsed by the House of Lords and through guidance from the Department for Constitutional Affairs and represent an important practical tool for the Courts to use in order to ensure that awards provide fair and adequate compensation."

Notes:

1. The Actuarial Tables with explanatory notes for use in Personal Injury and Fatal Accident cases (the Ogden Tables) are prepared by the Government Actuary's Department and published by The Stationery Office (ISBN 978 0 11 560125 5, Price £18. An electronic version of this edition will also be available on the Government Actuary's Department website at http://www.gad.gov.uk/Publications/docs/Ogden_Tables_6th_edition.pdf

2. The Sixth Edition of the Ogden Tables contains multipliers at rates of return from 0% up to 5% based on the projected mortality rates expected for each generation of people in the United Kingdom, as assumed in the 2004-based official national population projections prepared by the Government Actuary's Department, based on the estimated population at 30 June 2004 (National Population Projections, 2004-based, Office of National Statistics Series PP2 No 25, The Stationery Office).

3. Following the death in 2003 of Sir Michael Ogden QC, who was a leading advocate of the use of actuarial evidence by the Courts, the multi-disciplinary working party has been chaired by Robin de Wilde QC. Membership of the working party includes the Government Actuary, representatives of the Faculty and Institute of Actuaries, the Bar, the Faculty of Advocates, the Bar of Northern Ireland, the Law Society of Scotland, the Law Society of Northern Ireland, the Association of Personal Injury Lawyers, the Personal Injuries Bar Association, the Professional Negligence Bar Association, the Family Law Bar Association, the NHS Litigation Authority, and the Forum of Insurance Lawyers.

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