



# NEW PROPOSAL TO ALTER DAMAGES IN PERSONAL INJURY CLAIMS

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APRIL 2019

In a recent meeting of the States of Guernsey, the assembly was asked to consider the content of a new Policy Letter regarding the method of payment of damages following personal injury claims. At present, the system sees injured parties compensated for their loss in one lump sum, however as the letter highlights, it is not always possible to accurately determine an injured party's damages in such a way.

The letter, dated 8 February 2019 and titled "Insurance – Statutory Discount Rate and Other Matters" proposes the following key points:

- the adoption of a **statutory discount rate for damages**, similar to that used in the UK;
- enable the Court to order for damages **payments to be made by installments**, instead of a lump sum;
- the introduction of a scheme allowing the **States of Guernsey to reclaim costs incurred by them** from the patient; and
- create a **limit on the sum that can be awarded** as damages

A review of these points will take place in the 2<sup>nd</sup> quarter of 2019 and we will keep you up to date on the developments. In the meantime, should you have any questions, please don't hesitate to ask.

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