

## Calculating Future Loss

In a spinal cord injury claim the majority of losses are for future losses, for example, care, equipment, therapies, loss of earnings. Most losses are provided by way of a lump sum, although for certain heads of loss, such as care, they will normally be provided by way of a Periodical Payment (i.e. an annualised payment). Please see our [separate fact sheet](#).

The multiplier is the figure representing the number of years by which the annual loss ('the multiplicand') is multiplied to reflect the period over which the loss is likely to be suffered. The multiplier to be applied will always be less than the number of years because it is reduced to reflect the fact that damages will be paid by way of a lump sum earlier than the loss or expense will be incurred and, in the case of loss of earnings (and other items not being claimed for life), the mortality of the Claimant.

The aim of the multiplier is to provide the claimant with a lump sum which, as closely as possible meets the predicted future loss. The multiplier estimates when the capital loss and interest will be used up.

The multipliers that are to be applied in Personal Injury and Clinical Negligence cases are worked out by a committee called the Ogden Working Party (set up by the government). They review actuarial evidence to enable them to calculate things such as mortality risks, periods of unemployment etc. Accordingly different multipliers are applied for loss of earnings and pensions compared to other losses which will be incurred for the rest of a Claimant's life, such as care and equipment (known as the life multiplier). Where different levels of care or types of equipment, for example, are required at different stages, the multiplier will be split to reflect those different periods of loss.

To take into account the fact that the Claimants will have the opportunity to invest their lump sum award, multipliers assume that Claimants will receive a 2.5% rate of return on investment are discounted accordingly. We will put you in touch with expert financial advisors once you are in receipt of your compensation to advise you on how to achieve the best return on your compensation.

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