

## *Periodical Payments*

Michael Hardman  
Partner, BLM, Liverpool



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## *Case Study 1: Jimmy*

- Life Expectancy
- Funding
- Contributory Negligence



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## *Life Expectancy*

- If in doubt, a positive indication in favour of PPO
- But NB contributory negligence



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## *Funding*

- Identity of paying party
- General Insurer
- Lloyds Syndicate
- Government Department
- MIB



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## *Funding - General Insurer*

### **Annuity**

Product available? - "Close matching" - 2035

### **Self Funding**

Reserving

FSA regulation



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## *Funding – Lloyds/MIB*

"Reasonably secure"

Annuity only option?



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## *Funding – Government Department*

Problem? What problem?



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## *Contributory Negligence*

Is PPO appropriate at all?

If so, on what basis?



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## *Case Study 2: Kylie*

Lump sum equally (more?) appropriate?

Increase/decrease in future (not necessarily  
variation)

New insurer. Own life arm.



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### *Case Study 3: Beryl*

Will she want lump sum? Residue for family.

Or would she prefer PPO? No worries about investment/money running out.

Is life expectancy significant?

Funding – “Reasonably secure”.



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### *Indexation*

RPI

RPI +

AEI

PCI

Is this really a question for the courts?



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### *Variation*

Serious disease/deterioration or significant improvement

Duty on claimants? Continuing surveillance?

Annuities



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## *Tactics*

Playing poker  
Part 36



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## *Reinsurers*

Chasing the retention  
Everyone joins the party



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## *Politics*

It'll be all right on the night.  
Shades of the costs trench warfare?



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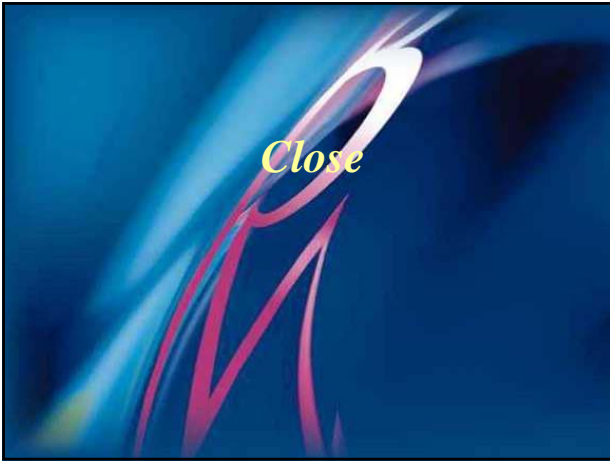
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