



# Making Claims Clear General Damages and Special Damages

Third party personal injury claims can be complicated and drawn out. They're certainly not the easiest claims to settle quickly but AXA will do everything possible to settle these as swiftly and fairly as we can.

The bulk of personal injury claims revolve around the assessment and settlement of damages and we're often asked what the difference between general and special damages is. This guide will help explain the difference and give you a much clearer view of which applies to your case.

## **General Damages – awarded for pain, suffering and the impact on the claimant's life and livelihood.**

This is the agreed award that reflects the nature and extent of past, present and future physical and psychological symptoms suffered by a claimant because of the incident. In other words, it is a valuation of the financial award required to compensate the claimant for the impact on their life and livelihood.

It's a subjective evaluation, which largely depends upon factors such as the type of injury, how severe it is and how long the impact of the injury is likely to last. We also consider any complications that result from the injury.

A back injury where the claimant fully recovers after three months will attract a lower general damages compensation amount than another that largely recovers after nine months and has lingering ongoing symptoms. The severity of the impact on a person's life is reflected in the damages awarded.

Within this general damages award, there may be an amount to reflect loss of amenity. This compensates for an inability or restriction in carrying out day to day tasks e.g. shopping, housework, hobbies.

## **Examples**

An injury may make it difficult for the claimant to find work, or they may find it harder to secure a similar job if they were to become unemployed.

A claimant may have experienced time off work leading to a reduction in earnings. The actual financial loss can usually be calculated by reviewing the claimant's earnings prior to the loss and adjusting it proportionately to reflect the time off work due to the injury.





**Special damages are more measurable losses that are often more straightforward and less subjective than general damages. They can be more easily evidenced and, in some instances, mathematically calculated.**

**Special damages include losses such as:**

- Damage to clothing
- Loss of earnings
- Medical treatment costs arising due to the injury
- Insurance excesses
- Car hire

**Special damages can be both Past or Future**

Past losses refer to the financial losses that occurred between the date of the accident and the date of the trial or an assumed trial date, as not all claims necessarily lead to a trial. On the other hand, future losses are those that are projected to occur after the trial date, and their extent depends on the severity of the injury.

### **In Summary**

In their simplest definitions, special damages are financial awards that can be calculated with greater accuracy and reflect specific losses that can be measured.

When there are little or no specific measurements of what impact the injury has had on a person these are called general damages.

General damages is a compensation award for pain and suffering. A judgement is not necessary for these damages to be awarded as claims handlers will make these assessments and offers of settlement pre-litigation.



### **Get in touch**

If you have any questions about this document, please get in touch with your usual AXA contact or your insurance broker.

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