



# Damages Act 1996

## 1996 CHAPTER 48

### **[<sup>F14</sup> Enhanced protection for periodical payments**

- (1) Subsection (2) applies where—
  - (a) a person has a right to receive periodical payments, and
  - (b) his right is protected by a scheme under section 213 of the Financial Services and Markets Act 2000 (compensation), but only as to part of the payments.
- (2) The protection provided by the scheme shall extend by virtue of this section to the whole of the payments.
- (3) Subsection (4) applies where—
  - (a) one person (“the claimant”) has a right to receive periodical payments from another person (“the defendant”),
  - (b) a third person (“the insurer”) is required by or in pursuance of an arrangement entered into with the defendant (whether or not together with other persons and whether before or after the creation of the claimant’s right) to make payments in satisfaction of the claimant’s right or for the purpose of enabling it to be satisfied, and
  - (c) the claimant’s right to receive the payments would be wholly or partly protected by a scheme under section 213 of the Financial Services and Markets Act 2000 if it arose from an arrangement of the same kind as that mentioned in paragraph (b) but made between the claimant and the insurer.
- (4) For the purposes of the scheme under section 213 of that Act—
  - (a) the claimant shall be treated as having a right to receive the payments from the insurer under an arrangement of the same kind as that mentioned in subsection (3)(b),
  - (b) the protection under the scheme in respect of those payments shall extend by virtue of this section to the whole of the payments, and
  - (c) no person other than the claimant shall be entitled to protection under the scheme in respect of the payments.
- (5) In this section “periodical payments” means periodical payments made pursuant to—

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*Changes to legislation: Damages Act 1996, Section 4 is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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- (a) an order of a court in so far as it is made in reliance on section 2 above (including an order as varied), or
  - (b) an agreement in so far as it settles a claim or action for damages in respect of personal injury (including an agreement as varied).
- (6) In subsection (5)(b) the reference to an agreement in so far as it settles a claim or action for damages in respect of personal injury includes a reference to an undertaking given by the Motor Insurers' Bureau (being the company of that name incorporated on 14th June 1946 under the Companies Act 1929), or an Article 75 insurer under the Bureau's Articles of Association, in relation to a claim or action in respect of personal injury.]

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#### **Textual Amendments**

- F1** S. 4 substituted for ss. 4, 5 (1.4.2005) by [Courts Act 2003 \(c. 39\)](#), **ss. 101(1)**, 110(1); S.I. 2005/910, **art. 3(w)**; S.I. 2005/910, **art. 3(w)** (with savings and transitional provisions in S.I. 2005/911, **arts. 1**, 13, 14)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 2(A2) inserted by [2019 asp 4 s. 3\(1\)\(a\)](#)
- s. 2(1A)(1B) inserted by [2019 asp 4 s. 3\(1\)\(c\)](#)
- s. 2C2D inserted by [2019 asp 4 s. 3\(2\)](#)
- s. 2E-2I inserted by [2019 asp 4 s. 4](#)
- s. 2J inserted by [2019 asp 4 s. 5](#)
- s. 4A inserted by [2019 asp 4 s. 6](#)
- s. 4B inserted by [2019 asp 4 s. 7\(1\)](#)