


Personal injury discount rate in England and Wales

11 September 2023  Jonathan Fuggle

Government Response to the Call for Evidence on a Dual/Multiple rate

On 17 January 2023 the Government published a Call for Evidence relating to the personal injury discount rate (PIDR) in order to explore the pros and cons of adopting a dual/multiple PIDR.

At the time of the last PIDR review in 2019, the Government Actuary prepared an analysis to inform the rate-setting decision. Within this, the Government Actuary looked at the potential effects of applying a dual rate to claimant outcomes and whether this might provide fairer outcomes for more Claimants. The Lord Chancellor decided that there was a lack in the quantity and depth of evidence available at that time to conclude that a dual rate was more appropriate than a single rate.

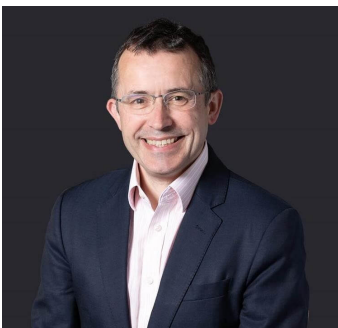
Whilst it was decided that more work was required to understand the impact of such a change, the Lord Chancellor did commit to seeking additional views and evidence ahead of the next review of the PIDR in 2024.

The Ministry of Justice issued a call for evidence on 17 January 2023, seeking additional evidence and views on the introduction of dual or multiple rates. The call for evidence considered alternative models for setting the PIDR in different jurisdictions, such as Hong Kong, the Canadian province of Ontario and Jersey, which set different rates based on the duration of the award. It also considered the heads of loss approach adopted in the Republic of Ireland.

The call for evidence closed on 11 April 2023. The Ministry of Justice has now reviewed all the evidence and opinions received from stakeholders and has produced a high-level summary of responses, which can be accessed [here](#).

Whilst there will be no immediate change, the evidence provided by respondents will be used to inform the options available to the Lord Chancellor as part of the next review of the PIDR, which must be commenced by 15 July 2024.

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