



Ministry
of Justice

Lord Bellamy KC

Parliamentary Under-Secretary of State
for Justice

Steve Brine MP
Chair, Health and Social Care Committee
House of Commons
London
SW1A 0AA

MoJ Ref: SUB111665

16 January 2024

Dear Steve,

PERSONAL INJURY DISCOUNT RATE: PUBLICATION OF A CALL FOR EVIDENCE

I am writing to inform you that I have today made a Written Ministerial Statement announcing the publication of a Call for Evidence to inform the upcoming review of the Personal Injury Discount Rate (PIDR)

The PIDR is important in supporting the principle that claimants who suffer serious, life-changing personal injuries receive full damages, including for their future financial needs. Compensation is designed to ensure that claimants are, as far as is possible, put back in the same position they would have been before their accident.

The PIDR is the percentage figure used to help calculate how much a compensator (usually an insurer or body such as the NHS) pays to a claimant in the form of a lump sum, and it is assumed that claimants will invest the lump sum and accrue a return on that investment. The PIDR represents what the real rate of return on this investment is expected to be.

The Civil Liability Act 2018 introduced changes to the way the PIDR is reviewed and set, and this is the second review under that methodology. It is also the first where the Lord Chancellor will consult with the Expert Panel he has appointed as well as His Majesty's Treasury.

The attached Call for Evidence is being issued to obtain evidence on claimants, awards of damages, investments and relevant deductions, to inform the analysis which supports the Lord Chancellor's review. It will run for 12 weeks, closing on 9 April 2023. The responses will be considered by the Expert Panel and HM Treasury and will inform their advice to the Lord Chancellor. I will write to you again at this time.

Kind Regards,

LORD BELLAMY KC