



**The Times**

**RE: Cost of car insurance to increase by 8%**

**21 April 2017**

Sir,

We should remember that it is the responsibility of insurance companies to set their premiums. It is for them to decide who is to pay for years of mismanagement - hard-hit motorists or insurance company shareholders.

For many years the compensation paid by liable insurers has failed to meet the needs of severely injured people, including disabled children who need support for the rest of their lives. This is because the discount applied to offset the interest the payments are assumed to earn has not reflected the economic environment. Meanwhile, insurers have enjoyed a windfall in unpaid damages.

A change in the discount rate was long overdue. The backlash has been little short of hysterical. It is scandalous to suggest that people with life-changing injuries should continue to struggle on inadequate compensation just to make sure insurance companies don't put up everyone else's premiums.

Neil Sugarman

President

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