



9 November 2010

Lord Chancellor agrees to review discount rate for PI claims

Agreement by the Lord Chancellor to review the discount rate, after increasing pressure from lawyers, has been welcomed by the Association of Personal Injury Lawyers (APIL).

The discount rate is used to calculate the amount deducted from an injured person's compensation to account for any income he may receive from investing his damages. The discount rate set by the (then) Lord Chancellor in 2001 was based on yields generated by index-linked government stock (ILGS) and was calculated at 2.5 per cent.

"Since that decision was made, yields on ILGS have gradually declined," said APIL president Muiris Lyons. "Over the last three years the average gross yield has been less than one per cent.

"For years now, injured people have been undercompensated because of the previous Government's failure to review the discount rate in light of economic changes," he went on. "When the current Lord Chancellor did not respond to our request for a review, we had little option left but to indicate that we would judicially review the matter.

"Our hope now is that the Lord Chancellor's review proceeds quickly and redresses this imbalance which has had such an impact on injured people for so long."

-Ends-

Note to editors:

- APIL (Association of Personal Injury Lawyers) has been advised in these proceedings by leading counsel Philip Havers QC and by Hodge Jones & Allen LLP, acting for the association on a pro bono basis.

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- APIL is a not-for-profit organisation, whose members are dedicated to campaigning for improvements in the law to help people who are injured or become ill through no fault of their own.
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