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MOJ Call for Evidence on the Personal Injury Discount Rate: Exploring the option of a dual/multiple rate

The MOJ has today launched its call for evidence in advance of setting a new Discount Rate (DR). The call for evidence closes in 12 weeks, on 11th April. The full paper may be found at: [Personal Injury Discount Rate: Exploring the option of a dual/multiple rate - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/personal-injury-discount-rate-exploring-the-option-of-a-dual-multiple-rate)

This exercise arises from work carried out by the Government Actuary at the time of the last review in 2019. In addition to the advice given in relation to the DR then set, the Government Actuary provided an analysis and developed a working model for the Lord Chancellor to consider in relation to prescribing dual rates. If adopted, this would involve setting a lower short-term rate and then moving to a higher long-term rate following an appropriate switchover period (15-years was suggested in the analysis). It is recognised, however, that there are other possible approaches, such as separate rates for different heads of loss, such as care costs or future lost earnings.

This Call for Evidence examines the issues related to the introduction and use of a dual and/or multiple rates in greater depth. It explores a variety of issues including whether different rates could be set for 'heads of loss' or by 'duration of injury,' and looks at several alternative dual/multiple rate models currently in operation in other jurisdictions.

FOIL will be responding to the call for evidence. It is setting up a DR working group and will also consider this issue at future meetings of the SFTs that are affected. It will also liaise with other interested parties.

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