

# The 'Personal Injury Discount Rate' – the Government Actuary's advice to the Lord Chancellor

The Government Actuary has published his [advice to the Lord Chancellor on the Personal Injury Discount Rate](#) (the Rate).

The report provides advice and analysis to the Lord Chancellor to assist his judgement when setting the Rate. This Rate is used to determine lump sum damage awards to claimants who suffer a personal injury.

A key part of the report's findings centres on illustrating the risk to claimants, under different Rates, of having sufficient funds to meet their future needs.

In formulating his advice, the Government Actuary:

- reviewed the responses from stakeholders as part of the call for evidence, which was issued to gather information relating to matters that may influence the Rate
- used this evidence to inform assumptions on claimant characteristics, representative investment portfolios, level of expenses and tax and claimant cost inflation
- modelled claimants' possible future returns using these assumptions and sensitivities
- analysed a range of possible outcomes in terms of claimants being compensated for their loss
- provided analysis on the risks emerging from this modelling, to assist the Lord Chancellor in making a decision on the Rate to be introduced

The report has been prepared in accordance with the requirements of the Civil Liability Act 2018 and the terms of reference received from the Lord Chancellor.