



Personal Injury Discount Rate Change: Ensuring Fair and Accurate Compensation for Our Customers

We want to inform our partners about an important change to the Personal Injury Discount Rate (PIDR) in England & Wales that took effect on 11th January 2025. The PIDR has increased from -0.25% to +0.5%.

This means that the PIDR's across England, Wales, Scotland & Northern Ireland will be identical at +0.5%, for the first time since 2017.

Understanding the Personal Injury Discount Rate

The PIDR is a rate that is applied to the compensation awarded to a person who has suffered a personal injury. It is used to adjust the compensation to reflect the fact that the person will receive the money as a lump sum, rather than in instalments over time. The idea behind the PIDR is to ensure that the injured person is not overcompensated or undercompensated for their losses.

If the PIDR is set too high, the injured person may not receive enough compensation to cover their future expenses. If the PIDR is set too low, the injured person may receive more compensation than they need, which could result in higher insurance premiums for everyone.

What the New PIDR Means for Insurers, our Customers and Claimants

It's important for us to stay up to date with changes to the PIDR, as they can have an impact on our customers and our business.

We always aim to be transparent and clear with our customers about how changes to the PIDR might affect their insurance policies. For insurers, the new rate could potentially lead to lower payouts for personal injury claims, which could help to reduce premiums for customers. The increased certainty provided by the new rate could also lead to more efficient settlements and reduced litigation costs.

For claimants, the new rate means that future losses will be calculated using a higher assumed rate of return on investments, which could result in lower compensation payments.



AXA's Response to the New PIDR

Effective immediately, AXA will be using the new Personal Injury Discount Rate (PIDR) of +0.5% for all new claims in England and Wales that are estimated using the Ogden approach to future losses.

We've completed a comprehensive review of all outstanding claims where the Ogden approach was used to calculate estimates. As a result, we've applied the new discount rate to all affected claims to ensure our reserves remain accurate and up-to-date.

At AXA, we are committed to providing our customers with fair and accurate compensation for their injuries, and we will continue to monitor developments in the PIDR and make adjustments, as necessary.

Get in Touch

For more information, please reach out to your Claims Relationship Manager or AXA Representative.

Need to make a Liability Claim?

New claim notification (Injury): liabilityclaims.ins@axa-insurance.co.uk

Existing Claims: boltonliabilityclaims.ins@axa-insurance.co.uk

Telephone Number: 0370 900 0867

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