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RAC comments on proposal to get experts to set rate used to calculate personal injury payouts

Experts may be called in to set a rate used to calculate personal injury payouts following a backlash over surging costs for motorists and the NHS.

RAC Insurance director Mark Godfrey said: “The current way the discount rate is calculated is flawed and the recent government change to it was ill-advised as it’s already caused insurance premiums to increase by 10% or more as well as adding a £6bn bill to the running of the NHS.

“Young drivers who pay the most for car insurance are even worse affected as their premiums are going up by 20%, increasing already high premiums by more than £200 a year.

“It is good news a consultation is now taking place on the discount rate, but we would urge the Government to carry this out as fast as possible. An independent body setting it could be a very sensible way forward as it may help to avoid costly mistakes such as the one we’ve just witnessed.

“In the meantime we would urgently like to see the recent change to the discount rate being reversed or moderated until a new methodology is agreed. It has become yet another punishing cost the motorist has to bear along with the new Vehicle Excise Duty increases and, come June, a doubling of Insurance Premium Tax in under two years.”

The press office email address is press.office@rac.co.uk and media centre is at media.rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC’s breakdown service is electric-ready with mobile EV charging technology and can be called on using [myRAC](#) – the all-in-one route planner, fuel finder and breakdown reporting app.

Visit the [RAC website](#).

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request