

**FOR IMMEDIATE RELEASE**

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**Insurer Admiral's 'shock' over discount rate is feigned**

Top car insurer Admiral is being criticised for blaming the government's decision to lower the discount rate in personal injury compensation calculations for a 25% reduction in its 2016 pre-tax profits.

Despite knowing it has been underpaying compensation to people with serious injuries for years, Admiral's CEO, David Stevens, referred to the Lord Chancellor's belated move to reduce the 2.5% discount rate (last changed in 2001) to minus 0.75% as a 'shock' and 'an eccentric government decision'.

Campaigning law firm Thompsons Solicitors argues that the insurance industry has long been enjoying inflated profits and salaries at the expense of those with catastrophic and life changing injuries and has no excuse not to have anticipated the changes.

Tom Jones, head of policy at Thompsons said: "Here's another insurer using its financial report to have a dig at the government decision to correct the discount rate which was long overdue and widely anticipated by both claimants and defendants since the interest rate crash of 2008. Did insurers really believe that they could continue to get away with paying out much less in compensation than inflation forever? They have no shame."

Admiral, which has a 13% market share, made a profit of £441m from UK car insurance in 2016, and said in its annual report that profits before tax would have increased yet again - by 3% - had it not been for the change in the discount rate.

"Admiral has been happily using funds owed to people who need care and rehabilitation to instead pay out huge sums in the form of profits, dividends and pay packets. It's about time they took responsibility and provided the service they are meant to provide – fair funding for the catastrophically injured to enable them to rebuild their lives.

"Consumers purchase insurance to provide in case the worst should happen, and when it does injured people should be confident that they will get full compensation. Car insurance is a compulsory purchase for consumers, and fair compensation for the seriously injured shouldn't be optional for insurers.

“The discount rate applied to damages for future loss has been skewed in favour of feeding fat cat insurers for nearly a decade and when the government at last made the decision to correct it the insurers have feigned surprise and shock. The new rate is the only one the Lord Chancellor could legally set and we urge the Treasury and Ministry of Justice to stay firm in the face of aggressive lobbying from the Association of British Insurers, who are crying crocodile tears.”

**ENDS**