



# Personal Injury Discount Rate (PIDR)

## Expert Panel Meeting Minutes

Thursday 16 November 2023 09:30 - 13:00

10 South Colonnade, London, E14 5EA

### Expert Panel members

Fiona Dunsire (Chair)

Charl Cronje

Donald Taylor

Dr Rebecca Driver

Edward Tomlinson

### Additional attendees

Rachel Powell, Policy Lead, Ministry of Justice

Scott Tubbritt, Senior Policy Advisor, Ministry of Justice

Leanne McAughey, Senior Policy Advisor, Ministry of Justice

Andrew Meads, Deputy Chief Economist, Ministry of Justice

Paul Butcher, Government Actuary's Department

Robert Williamson, Government Actuary's Department

## 1. Welcome and introduction

1.1 The Chair welcomed all to the third substantive meeting of the Expert Panel and began with a round of refreshed introductions.

1.2 The Chair asked panel members to declare any potential new conflicts of interest arising.

1.3 RP summarised the outstanding actions from September's meeting, and in particular that the shared workspace is now up and running and will be used going forward for sharing papers and discussion amongst the panel.

## 2. Ways of working and forward look

2.1 RP outlined the upcoming work programme for 2023/2024, setting out key decisions and dates to serve as a forward look.

## 3. Claimant outcome analytical approach

- 3.1 RW gave an overview of an accompanying analytical approach paper, and set out the decisions required in order for the Panel to agree the key aspects of the analytical framework for the claimant outcome modelling work which GAD will undertake for the panel.
- 3.2 The panel agreed, at a high level, the analytical approach underpinning the analysis to be commissioned from GAD. The intention is to produce claimant outcome measures which consider the adequacy of compensation under a range of discount rates. The claimant outcomes are determined by considering the following components:
- Investment portfolio: specified portfolio of assets the claimant is expected to invest in over the damage period
  - Damages profile: claimant analysis based on a specified damages payment profile and period
  - Stochastic economic projections: simulations of future investment returns for the specified asset portfolio and inflationary measures for the specified damage profile
  - Standard adjustments: beyond modelling investments and damages, the claimant outcome analysis will depend on other costs of tax and investment fees. Flat annual deductions for tax costs and investment fees will be assumed, as fixed percentages of the fund value
- 3.3 RW noted that the analytical approach paper is a living document that will be returned to in future meetings when future decisions are required.
- 3.4 The Panel discussed the paper, noting where further analysis may be required.

## **4. Dual/multi rates**

- 4.1 ST provided an overview of an accompanying paper which set out a more detailed analysis of responses to the Dual/Multi rate Call for Evidence.
- 4.2 RW outlined an additional paper which set out the high-level analytical options available to the Panel, reflecting the varying degrees to which the concept of dual or multiple discount rates could be incorporated into the Panel's analysis.
- 4.3 The panel discussed the overall approach to dual or multiple discount rates, and considered whether there is additional data and evidence they would like to gather as part of this work.
- 4.4 It was agreed that there would be a further paper at the December meeting, setting out the next tranche of dual/multi analytical decisions for the panel.

## **5. Research, evidence and analysis**

- 5.1. This agenda item followed the panel's high-level decisions to take forward certain research and analysis options to explore further at their September meeting,

and focused on the planned Call for Evidence. It was acknowledged that the Call for Evidence did not represent the full scope of research, evidence and analysis that the panel will consider as part of their work, and that there would be future discussions about additional data and evidence.

### *Call for Evidence*

5.1 In advance of the meeting, the panel provided feedback and suggested topics for inclusion in the Call for Evidence which informed a paper with potential questions.

5.2 The panel provided feedback on the paper, and noted where certain data would be better gathered through a targeted data collection exercise.

5.3 The Chair proposed holding engagement sessions with respondents where further probing of responses may be required, and this was agreed by the panel.

5.4 The Chair requested that the panel review the Call for Evidence outside of the meeting.

**ACTION:** MoJ officials to update the Call for Evidence questions to reflect the discussion and circulate the Call for Evidence document for review and comment.

5.5 In light of discussions at the September meeting, RP outlined that a pre-Call for Evidence stakeholder roundtable session would take place on Tuesday 28 November. The session would allow stakeholders to hear about the areas that are likely to be included in the upcoming Call for Evidence and provide an opportunity to meet with the Expert Panel. It was agreed that the Panel members would attend in a listening capacity.

5.6 The panel discussed the general approach to stakeholder engagement going forward, and agreed that requests should be centrally coordinated by Ministry of Justice via the Personal Injury email address (*personal-injury-discount-rate@justice.gov.uk*) who will act as a conduit. The panel also agreed the general principle that they would not meet organisations on behalf of the Expert Panel individually.

5.7 It was noted that when the review formally begins there may be strict guidelines on external engagement due to commercial sensitivity.

## **6. Longevity risk**

6.1 RW gave an overview of an accompanying paper which focused on longevity risk.

6.2. The panel considered the paper and discussed to what extent they may wish to incorporate longevity risk analysis into their review, noting the basis on which the Lord Chancellor must make the rate determination under s4(2) of the Civil Liability Act 2018.

## **7. AOB and next agenda**

7.1 The Chair gave an overview of the agenda for the December meeting.

7.2 The panel agreed to schedule a fall-back meeting in January to cover off any additional discussion if necessary.

7.3 The meeting concluded.