



Ministry of Justice

Personal Injury Discount Rate (PIDR)

Expert Panel Meeting Minutes

Monday 25 March 2024 12:00 - 15:00

10 South Colonnade, London, E14 5EA

Expert Panel members

Fiona Dunsire (Chair)

Charl Cronje

Dr Rebecca Driver

Edward Tomlinson

Apologies

Donald Taylor

Additional attendees

Rachel Powell, Policy Lead, Ministry of Justice

Harry Chancellor, Senior Policy Advisor, Ministry of Justice

Martha Thompson, 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 attendees to the seventh substantive meeting of the Expert Panel and summarised the outstanding actions from the last meeting. The Panel was reminded to provide their comments on the skeleton analytical report via email.

1.2. The Chair provided an update on the targeted data collection meetings which have continued to progress well.

1.3. The Chair asked Panel members to declare any potential new conflicts of interest arising of which there were none.

1.4. RP provided an update on the Call for Evidence (CfE) which closes on 9 April 2024 and the key timescales for the work that will follow. Once available, the CfE responses and targeted data collection evidence will be shared with the Panel.

ACTION: Panel members to provide their comments on the skeleton analytical report.

2. Shared Understanding Document

2.1. RP introduced the item and the second draft document which has incorporated the comments received since the last meeting. More content is being provided than what strictly falls within the remit of this document and consideration should be given for the best way to record further information that may be of use to the Panel.

ACTION: Panel members to feed back any further specific points on content following the meeting.

3. Heads of loss groupings

3.1. RP introduced the paper which was produced after the January meeting following the Panel's request for some further evidence on possible Heads of Loss groupings in the event of a dual/multiple rate on that basis. The paper has been further revised in light of the Panel's comments.

3.2. In considering this paper, the Panel was not being asked to consider the desirability or feasibility of dual/multi rates by Heads of Loss at this stage, but what the appropriate groupings would be if there were more than one rate on a Heads of Loss basis.

3.3. The Panel agreed groupings (to the extent this was possible on available evidence) on which GAD should base future analysis.

4. Assumptions papers

4.1. RW introduced the item which is a continuation of the discussion held at the 1 March meeting.

Investment fees

4.2. The Panel discussed to what extent a passive vs active investment approach should be assumed when deriving the investment fees assumption, with any allowance for additional fees based on the output from the Call for Evidence.

4.3. They also discussed a reasonable range for financial adviser fees, fund manager fees and other fees, primarily platform costs. This included consideration of costs for alternative claimants.

Investment portfolio

4.4. The Panel discussed wider considerations to what is considered a low risk portfolio and what the suitable components could be. The panel also discussed whether alternative portfolios are required to reflect outcomes for alternative claimants.

5. Representative claimants

5.1. RW introduced the item. GAD have prepared this paper to act as a record of how the representative and alternative claimants are chosen in light of the individual claimant outcome model assumption papers. The information is based on the latest version of the assumption papers. As the evidence gathering is ongoing and the final assumptions have not been chosen, this document will be updated for future meetings.

5.2. A helpful discussion was held in respect of differing investment periods and the impact on award size, award complexity, investment risk and other taxable income levels. The panel agreed a wider range of alternative claimants would be useful for considering outcomes.

6. Economic projections

6.1. The Panel confirmed that they are content to commission the two providers for the March 2024 data calibration and provided a view on the asset classes and inflation indices of interest, alongside the approach to considering the outcomes of the two providers.

7. Next agenda and forward look

7.1. The Chair gave an overview of the agenda for the next meeting on 25 April 2024 when the Panel's final report will be discussed.

7.2. The meeting concluded.