Guernsey consultation response

Written evidence submitted by:
Mr Richard Cropper, PFP Ltd (richard@pfp.co.uk)
Professor Victoria Wass, Cardiff University (Wass@cardiff.ac.uk)
Date: 13th May 2022

We are independent experts who have provided assistance to the courts in the jurisdictions of the UK in valuing claims for personal injury.

Richard Cropper is an independent financial adviser who has specialised in providing financial advice to recipients of personal injury damages for over 25 years. Along with his colleague, Ian Gunn, he was retained by the Lord Chancellor in 2015 to provide advice in respect of the personal injury discount rate (PIDR). He is a member of the Ogden Working Party.

Victoria Wass holds an Emeritus Chair at Cardiff University following over thirty years' employment there as a labour economist. She continues working as a labour economist in private practice advising on the PIDR, indexation of periodical payments and the application of Ogden Reduction Factors in the assessment of claims for loss of future earnings. She is a member of the Ogden Working Party.

Based on our knowledge and experience our submission offers a critical reflection on the current valuation of future losses, including PIDRs, across the jurisdictions of the UK, including Jersey, and the arguments presented to support differing views.

We confirm that we agree that our joint response may be made public and attributed to us.

Q1. Should the discount rate be set by applying the 100% compensation model? Please give reasons.

This is a question for politicians rather than experts. Experts can provide the information on which politicians can make an informed decision and this is the purpose of the answers we provide in this consultation.

The normal measure of damage is *reasonable* compensation, and that is what the law seeks to provide at 100%. The 100% principle is embedded in the civil law dating back to at least 1880 (*Livingstone v Rawyards Coal*). The principle has been confirmed since on many occasions, including in relation to the discount rate in *Wells v Wells*. As well as confirming the legal principle of 100% compensation, this decision sets out how the principle is operationalised for the recovery of future losses and expenditures.

Current redemption yields on ILGS provide the closest match to a risk-free assumption for the prices-based future expenditures of claimants. These yields allow for the modelling of a series of cash flows to cover prices-based future costs in such a way as to minimise the usual

investment risks of default and inflation. They represent actual future real returns and require no speculation. This is an assumption rather than an expectation that the claimant will invest their entire lump sum in ILGS.

There are two points to note in relation to the ILGS assumption. First, several factors make investment in ILGS difficult and impractical, for example insufficient redemption dates, prices being averaged over three years, rejection of bonds near to redemption. Together with the claimant's need to respond to other risks (detailed in our answer to question 2), it is likely that only a proportion of the lump sum will be invested in ILGS. The impracticality of investment of the lump sum in ILGS does not imply that the assumption of ILGS is invalid. In the absence of a less risky and more workable alternative, rather it strengthens the need for this least risk assumption.

The second point is the argument that current redemption yields are abnormally low and will rise to more normal levels over the medium-term future. Thus, current low yields understate what will be available to the claimant in the future. Indeed, the evidence is that the rise in redemption yields has already begun. This argument fails once it is remembered that each and every claimant is bound to the PIDR that applied at the time their damages were awarded and their award cannot be adjusted in the future for changing, ongoing real return expectations. The assumption is that the ILGS are all purchased at the point of settlement and each then retained until redemption. This overcomes the need to speculate about future returns, which can turn out to be wrong.

A requirement to discount future losses in arriving at a lump sits awkwardly with the 100% principle if the mechanism used to set the discount rate (PIDR) requires speculation about future inflation and investment returns. Any upwards departure from the ILGS redemption yield is not risk-free. It involves the claimant in taking a risk through exposure to risk-assets in a mixed portfolio. It is most appropriately termed 'risk-sharing'. The award of damages is valued in such a way that the claimant shares the risk with the defendant. Risk represents a cost to the bearer. Risk-sharing transfers part of the investment risk from the defendant to the claimant. Since this is a risk which is entirely related to the impact of injury (it is one which in the absence of injury the claimant would not have faced), the claimant now receives less than full financial restitution for the impact of injuries received. As such, risk-sharing must be through legislation, and a decision for the government rather than the courts, because the courts are bound by the 100% principle.

Although full restitution is deeply embedded within the tort system, it is not an intrinsic feature of that system. These are arguments raised by Professor Atiyah in the 1970s and later in *The Damages Lottery* (1997). Compensation at 100% is a judicial choice and there are arguments that the actual outcomes of a fault-based judicial system may sometimes provide *unreasonable* compensation, the costs of which fall on taxpayers or insurance premiums. The opportunity costs of the 100% principle are observed through money not spent on new hospitals or front-line care, higher insurance premiums, more uninsured drivers or, on occasions, a shrinkage or withdrawal of insurance cover from the market. The Civil Liability Act (2018) in the UK

provided for a risk-based PIDR with the Bill supported by the negative effects of the 100% principle.

It should be clear from the above that any retreat from the risk-free assumption is also a retreat from the 100% principle. Further explanation on this statement is available in Gunn and Wass (2018).

The full implications of a risk-sharing PIDR were confused by the Westminster and Jersey governments. Neither was prepared to challenge the 100% principle and admit that it was undermined by legislation setting a risk-sharing PIDR. Instead, a specious argument that awards based on investment in ILGS over-compensated the claimant was forwarded such that a lower award, based on the claimant bearing investment risk, would achieve the 100% principle.

The level of compromise is clear from the GAD advice in Northern Ireland. The report sets out that the *Wells* approach would have given rise to a PIDR of -2.25%, rather than -1.5%. Over a 43-year duration (i.e. that modelled), the 'risk-free' multiplier is 72.97 and the 'shared-risk' multiplier is 60.56. As a result, the 100% principle has been compromised to 83% (as 60.56 is 83% of 72.97).

There may well be justification for reducing the measure of damages from the 100% level but it is not that claimants are over-compensated. Setting a risk-sharing PIDR is a political decision which will overturn the established legal principle of 100% compensation. It should be made by politicians with honesty and transparency and with full information.

Even over the short history of setting the PIDR with reference to model portfolios in UK jurisdictions, the estimates of future investment returns have changed significantly making earlier predictions negatively biased from a claimant's perspective. For example, the reduction in expected investment returns in GAD's latest report which sets the PIDR in Northern Ireland (March 2022) at -1.5% leaves claimants in Scotland who face a PIDR of -0.75 but who are investing on the same basis, under-compensated (see our response to question 2).

This shift suggests that reassessment of the PIDR should be more regular than five years. Additionally, changes to the calculation of the RPI could well negatively impact claimants being compensated in Scotland and Northern Ireland in the future, if the methodology of the RPI is aligned with CPIH. Whilst the PIDR can be adjusted for future claimants to take this into account, those being awarded damages now will simply be under-compensated in the future, or forced to accept even more investment risk.

Atiyah P (1997) *The Damages Lottery*. Hart Publishing.

Government Actuary's Department (2022) The Personal Injury Discount Rate: Review and Determination of the rate in Northern Ireland by the Government Actuary 15th March 2022.

Gunn, I. and Wass, V. (2018) "Full restitution and the risk-free discount rate", *Journal of Personal Injury Law,* 4, pp. 242-256.

Q2. Do you consider that the correct investment risk profile of the typical claimant has been chosen? If not, what do you consider is the correct risk profile, should it be assumed to be:
(a) Very risk averse or "risk free" (Wells v Wells)?
(b) Low risk (a mixed portfolio balancing low risk investments)?
(c) An ordinary prudent investor?
(d) Other?

Please give reasons.

It is not clear on what basis (including the portfolio mix) the Jersey PIDR was determined. The GAD reports which accompany each new PIDR in other UK jurisdictions provides a good model for the transparency needed to evaluate a PIDR, and its associated portfolio mix and answer such a question as question 2.

In addition, it is not possible to be reasonably certain that any fixed portfolio mix will achieve a real rate of return (net of charges) of 0.5% pa in the short term and 1.8% pa in the long term?

If we compare the Jersey PIDR with those set elsewhere in the UK and use the GAD reports which accompany the other PIDRs to consider whether the implied Jersey portfolio is reasonable for a low-risk claimant investor, then the answer is no.

The discount rate recently set in Northern Ireland (GAD March 2022) estimates a real rate of return of -0.25% pa from a portfolio invested in 35% 'risk assets' (before an adjustment for tax, management charges and a margin) over a 43-year duration. When the PIDR was set in Scotland in 2019, the same portfolio (but over a 30-year duration), was expected to achieve +0.5% pa.

As a result, Scottish claimants compensated at -0.75% (having adjusted the rate for taxation, investment charges and a margin) over the past three years will now have to expose their capital to more investment risk, as the Government Actuary now predicts that their 'low risk' portfolio will fall short by 0.75 percentage points. This might sound like a small margin, however damages awarded over 43 years on a -0.75% PIDR will only sustain a claimant's needs for 37.68 years if a -1.5% PIDR is achieved. In other words, the changing economic environment (as the allowance for taxation, investment charges and margin have remained constant), that was not predicted by the Government Actuary in 2019, has created 5.32 years of under-compensation, unless the claimant now exposes their capital to more investment risk.

Given that the Jersey PIDRs are much higher than in Northern Ireland, we must assume that the portfolio on which the Jersey PIDR is determined is one that is more heavily invested in 'risk assets' than in England, Wales, Scotland or Northern Ireland (even if no adjustment has

been made for taxation, investment charges or any margin). As a result, the assumed portfolio must be above 'low risk' in nature and, currently, probably in excess of that of an 'ordinary investor'. This is perverse and clearly not what was intended by the courts.

This implied Jersey portfolio is not suitable for an injured claimant seeking to fund future care. Claimants are in the unique position of being unable to bear downside risk. Their lump sum is calculated to exactly equal the cash flows estimated to be needed until their estimated end of life. Their cash flows are needed for non-discretionary consumption. A stock market collapse in the early stages of the award (which generates capital depletion) would mean that there would be a shortfall in the award. The difficulty for the claimant, and the distinction between the claimant and an ordinary investor, is that the claimant's expenditure on care is not discretionary. The claimant cannot forgo cash flows on care in the bad times in the stock market and resume when the stock market recovers. In finance terms, their future liabilities are fixed. There is no means of deferring the drawdowns either from earnings from elsewhere or foregoing the care. For ordinary investors, expenditure is at least partly discretionary.

If adopting a risk-sharing low risk approach to the PIDR, a money-weighted approach to withdrawals rather than a time-weighted approach is recommended when determining the rate. This is the approach adopted by the Government Actuary's Department (GAD) in setting the PIDR in Northern Ireland (see GAD 2022, Appendix B).

A further consideration when setting a risk-sharing PIDR is that claimants are starting from a position of risk and shortfall from factors other than the PIDR, for the reasons set out below.

1. Longevity risk - out-living the predicted life expectancy so the claimant would need to fall back on state or family provision for social care. The complex nature of their care needs makes this very unattractive and very likely unfeasible.
2. Assumed PIDR exceeds actual PIDR. Yields at the level set in *Wells*, and even in *Helmot,* are only achievable with exposure to risk-assets.
3. Insufficient/no allowance for real wage growth/damages inflation in excess of price inflation. A PIDR based on ILGS returns provides protection against price inflation. The claimant must meet the difference between care cost inflation and price inflation from their damages and therefore requires investment return. The PIDR in Scotland and Northern Ireland is also set by reference to the RPI, which is now set to be revised in a manner that will create a lower escalation rate by around 1% pa, which was not taken into account when the rate was set.
4. Claimants often take a discount on the full value of the claim in order to avoid the risks associated with a trial.

Two implications follow from these sources of under-compensation and risk of a shortfall.

First, the risks above are an important driver of observed investment behaviour by claimants and those investing on their behalf, including the Office of the Public Guardian. They require that claimants invest in risk-bearing assets. An undercompensated claimant is a risk-bearing

claimant and is forced to become a risk-seeking claimant. The point is that claimants facing any of these risks/sources of under-compensation would likely seek to make up part of the shortfall by investing in risk-assets. Finding risk-seeking investment behaviour among claimants, or their trustees, and using it to justify a risk-sharing approach to the PIDR, is a misrepresentation based on backwards logic. It is the under-compensation from upward bias in the PIDR (and the other factors set out above), and the consequent risk of a shortfall in meeting care needs, that drives a claimant into risk-seeking investment behaviour. Without any adjustment for these sources of under-compensation, a claimant will have to bear even more risk than that assumed in setting the PIDR.

Secondly, and importantly for the setter of the PIDR, it is also an argument for keeping a risk-sharing PIDR close to the risk-free PIDR. Claimants ought not to be required to take on too much additional risk, in the form of investment risk in the PIDR. Indeed, one of the risks for government is that rather than accept even more investment risk than that assumed, claimants will supplement their award by maximising entitlements to statutory funding and care. As a result, the public purse might well be simply supplementing the insurance industry by setting a higher PIDR.

Q 3. Do you agree with the proposed adoption of spilt rates? If not, please give reasons.

Yes, we agree that the duration of loss has a significant impact on portfolio make-up and investment risk. Therefore, adopting split rates is appropriate.

Q 4. Do you agree with the proposed adoption of split rates based on the period damages are awarded for? If not, please give reasons.

The current proposed short-term rate of 0.5% pa over less than 20 years is not easy to justify in the present investment climate for a low-risk investor (see answer to question 2). We would welcome sight as to how this rate has been arrived at.

Q 5. Do you consider that different rates should be set for different types of personal injury or losses? Please give reasons.

We consider that there must be an appropriate adjustment for predominantly earnings-based future losses. Applying a separate discount rate for earnings-related needs would overcome the need to estimate what proportion of the average claim is earnings-related (as is part of the PIDR calculation in England and Wales, with 50% being used to estimate 'damages inflation').

Such estimates can under-estimate the proportion of earnings-related need, particularly in high care need and/or short-life cases.

Q 6. Where future costs of care are included in a lump sum payment, should they attract a separate discount rate?

For the reasons set out above in answer to question 5, we agree that where future costs of care are included in a lump sum payment, they should attract a separate discount rate.

Q7. Do you agree with the proposed adoption of the Jersey rates? If not, what should the rate(s) be? Please give reasons.

It would be helpful to see the risk profile and the make-up of the portfolio from which the Jersey PIDRs have been generated (as is available for other UK jurisdictions). As explained in our answer to question 2, on the basis of the GAD Report for Northern Ireland (GAD, 2022), it appears that the portfolio is overly risky for a low-risk claimant investor.

Q8. Do you consider that the Committee should consult on a public, ad hoc basis or with a particular panel of experts when reviewing the rate? If the latter,
(a) do you consider the use of a formal panel would be appropriate?
(b) of whom should the panel comprise?
(c) should such a panel be unique to the Bailiwick or operate on a pan-Channel-Islands basis?

It seems to us that there is a need for consistency in approach to estimating future investment returns from a portfolio of assets across the UK. The only way to achieve this is for the Government Actuary to model the appropriate portfolio and publish its report.

As previously set out, the level of risk assets to be included in that/those portfolios is a matter for government, as it dictates the level of risk-sharing. It is a matter for government to decide whether it requires expert opinion with regard to prudent portfolio make-up.

Q 12:   What factors should be taken into account when determining if a PPO is secure?
We consider that a PPO is only secure in the event that there is certainty that statutory 100%, unlimited protection would apply in the event of default by the Defendant.

Q13. Should there be a rebuttable presumption that a PPO will be used in all cases for pecuniary loss? Please given reasons.

We consider that there should not be a presumption that a PPO will be used in all cases for pecuniary loss, as each claimant's circumstances will be different. The Court could require the parties to set out their preference in respect of 'form of award' at the earliest reasonable basis (usually upon the serving of a final Schedule of Loss). The Court then gives an indication to the parties as to what the most appropriate form of award is likely to be.

That said, the determination of the most appropriate form of award that best meets a claimant's needs can only be determined during the compromise of those needs following quantum judgment, i.e. when the overall level of recovery is known.

If there is to be any presumption, then the presumption should be given in favour of the claimant's preferred form of award, assuming that it is supported by appropriate independent financial advice.

Q15. Should PPOs be the default when the losses are expected to continue for long lengths of time? If so, what length of time do you believe is appropriate? Please give reasons.

The longer the duration of future loss, the greater the uncertainty that today's best estimate of future needs will present in that manner. Given the inflexible nature of periodical payments, for that form of award to best-meet lifetime annual needs, the assessment of the needs must also be certain, or at least reasonably so.

This certainty is also reduced where needs are compromised or based on assumptions that are not certain or materially reduced by liability/causation deductions.

As a result and as set out in answer to question 13, we consider that there should not be any presumption of suitability of periodical payments.

Q17. How should damages awarded via PPO be indexed in the Islands? Please give reasons.

PPOs are most appropriate to cover future care costs. The majority of care costs are earnings. There are no suitable earnings statistics for Guernsey because the economy is small. The closest match to Guernsey is the larger Channel Island economy of Jersey. Professor Wass has previously provided advice on the indexation of care costs in Jersey. That advice forms the basis of the answer here.

Indexation for periodical payments for care in Jersey/Guernsey should be approached on the same basis as was undertaken in the UK where suitable candidates were compared. There are two suitable candidate measures for Jersey/Guernsey:

    (i)   UK ASHE 6115 at the appropriate percentile; and
    (ii)   Jersey average earnings index (AEI).

The decision between the two distils down to the relative importance of the distortion that arises from each measure: of a future difference in earnings inflation between carers in Guernsey and the aggregate earnings in Jersey and a future difference in price inflation between Guernsey and the UK.

While UK earnings statistics are more reliable and allow greater detail (for example an occupational disaggregation for earnings), their use as indicators of wage inflation in Jersey/Guernsey depends on the closeness of the economies, specifically on the likely size and duration of any inflation differentials between the two jurisdictions.

The use of ASHE 6115 as a means of escalating a PPO for care would certainly be convenient. It is 'tried and tested' in the award of periodical payments in the UK. Indexation measures which use UK statistics have the advantage of greater statistical reliability and an occupational match. Earnings statistics for Jersey do not provide an occupational match to carers and a PPO would need to rely on a measure of aggregate, the Jersey AEI.

Table 1 reports annualised earnings growth for the Jersey AEI, an aggregate earnings index for the UK (ASHE aggregate) and ASHE 6115, the measure of carers' earnings. Two time periods are chosen, the first is the time over which all the statistics are available 1997-2020 and the second is the period over which comparable price inflation statistics are available for Jersey and the UK (1998-2016).

Table 1 Earnings growth in Jersey and the UK

	Jersey AEI	UK ASHE aggregate mean	UK ASHE 6115 80th
1997-2020	3.63%	3.00%	3.16%
1998-2016	3.74%	2.91%	3.04%

Source: ONS ASHE, Jersey States Statistical Unit (SJSU)

Nominal earnings growth was higher in Jersey than in the UK on both UK measures and for both time periods. The difference is more likely to reflect differential price inflation than differences in real earnings growth. This is confirmed in Table 2 below. Herein lies the drawback in using ASHE 6115: UK statistics do not reflect Jersey price inflation.

A Jersey-based earnings measure will reflect Jersey price inflation but does not provide an occupational match and is statistically weaker because it is based on a smaller sample. A UK-based measure provides an occupational match but not an inflation match. The choice is between Jersey AEI or UK ASHE 6115 and there is no means of combining or compromising between the two. It is a clear 'either / or' situation.

The excess of Jersey price inflation over UK price inflation is reported in Table 2. It is greater than is assumed by the straight-forward comparison of Jersey RPI and UK RPI because of the 'formula effect' the result of which UK RPI overstates UK price inflation. For Jersey, the price inflation differential with the UK RPI was greater than was measured for Guernsey in *Helmot* (0.5 percentage points).

Table 2 reports total and annualised growth for four measures of price inflation: UK RPI using the Carli formula, UK RPI using the Jevons formula, Jersey RPI using the Jevons formula and Guernsey RPI using the Dutot formula. The two middle columns report the comparable series, both measured using the Jevons formula. All four measures (with base year 1998=100) are tracked in Figure 1. Price inflation in Jersey exceeded price inflation in the UK by an annualised average of 0.91 percentage points (1998-2016). A UK measure would expose the claimant to the risk of not recovering the higher rate of Jersey/Guernsey inflation.

Table 2 Differential Inflation Rates 1998-2016

	UK RPI	UK RPI (J)	Jersey RPI	Guernsey RPI
1998-2016	61.51%	48.70%	74.60%	67.30%
ann average	2.70%	2.23%	3.14%	2.90%

Source: UK ONS, States of Jersey Statistical Unit, States of Guernsey
Notes: UK RPI uses Carli formula, UK RPI (J) uses the Jevons formula, Jersey RPI uses the Jevons formula and Guernsey RPI uses the Dutot formula.
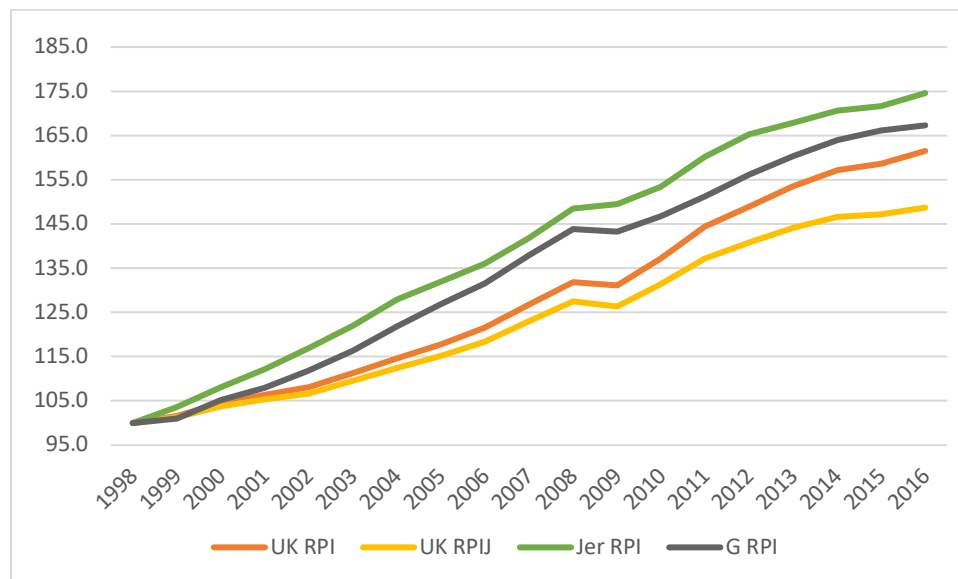
Figure 1 RPI Inflation UK, Jersey, Guernsey 1998-2016 (1998=100)

There are no comparable inflation series for Guernsey and the UK. The Dutot formula generates inflation rates between the Carli and the Jevons approaches. Therefore the Guernsey:UK differential of 0.20 on the Carli basis is under-stated and on the Jevons basis, 0.67, is overstated. The allowance of 0.5 percentage points in *Helmot* looks about right. This compares to the distortion arising from the use of an aggregate series for carers (in the UK). As measured in Table 1 this amounts to 0.13 and 0.16 percentage points in favour of carers.

The greater statistical precision afforded by the UK statistics and the ability to match to an appropriate occupational group favours the UK measures. This minimises the risk to the claimant that earnings growth for carers will grow at a faster rate than average earnings. It uses a measure which has been shown to be workable in the UK. The benefits of a large sample size also favour use of UK statistics.

Neither of the two measures has a clear overall advantage. Economic theory predicts that, barring major structural change or market friction, inflation divergence will be limited and on this basis UK statistics are preferred. The population size of Jersey compares with that of a few small UK cities and Guernsey with a small town. There are wide regional disparities in levels of prosperity, different inflation rates and different cost of living levels within the UK. It is hardly conceivable that differential inflation rates would prompt differential indexation in PPOs (or differential benefit increases) in any of these cities.

Economics is concerned with large scale (the economy), broad brush (major forces and not detail) and with long term trends. The context here is different. The courts are concerned with fairness and accuracy to an individual claimant in the award of damages for care costs. The consequence of a shortfall means insufficient care. As such the situation requires the judicious application of economics.

Professor Wass's preference, as an economist, is to use the UK statistics. However, this is a legal decision and economics should be used to assist the selection of the measure and not to determine it. The risk to the claimant of using ASHE 6115 is higher inflation in Guernsey leading to higher nominal wage growth. The empirical evidence for the period 1997 to 2020 indicates that while the inflation differential between Jersey and the UK exceeds the aggregate to carers earnings differential (in the UK), they are probably quite close for Guernsey. It is also relevant that Guernsey and Jersey would likely wish to use a common indexation measure for care costs.

Q20. *Do you consider that awards of damages should be capped? If so, please explain how and please provide reasons.*

The legal principle is 100%. Both capping and risk-sharing are a retreat from this principle. As set out in our response to Q1, retreat is a political decision. There are circumstances in which it can be justified politically, e.g. collapse in insurance market. As set out in our answer to Q1 and summarised in the following table, in Northern Ireland there is effectively a cap on damages when compared to the 100% principle; in that the 'risk-sharing' PIDR provides for only 83% of the 'risk-free' level of damages.

When the discount rate was set in Scotland, the PIDR only provided for 85.11%, but now, based on the current risk-free rate, this has reduced to 78.22%.

When the discount rate was set in England and Wales, the PIDR only provided for 70.53%, but now, based on the current risk-free rate, this has reduced to just 62.27%.

Given the implications of retreat for 100% for claimants, any retreat (whether by capping or setting a risk-sharing PIDR) would need good evidential support for the likely costs that full compensation imposes on society.

	Northern Ireland	Scotland	Northern Ireland Grouped for Comparison	England & Wales 'Central'	
Cash	10.00%	10.00%	10.00%	10.00%	Cash
Nominal Gilts	15.00%	15.00%	25.00%	30.00%	Gilts
ILGs	10.00%	10.00%			
UK Equities	7.50%	7.50%	20.00%	32.50%	Equities
Overseas Equities	12.50%	12.50%			
Corporate Bonds	30.00%	30.00%	30.00%	17.50%	Corporate Bonds
High Yield Bonds	5.00%	5.00%	15.00%	10.00%	Alternatives
Property	5.00%	5.00%			
Others	5.00%	5.00%			

Lower Risk / Matching Assets	65.00%	65.00%	65.00%	57.50%	
Higher Risk / Growth Assets	35.00%	35.00%	35.00%	42.50%	

	Northern Ireland	Scotland		England & Wales
Duration	43 years	30 years		43 years
Inflation	RPI	RPI		CPI +1%
Real Return	-0.25%	0.50%		1.00%
Adjustments				
Tax and charges	-0.75%	-0.75%		-0.75%
Margin	-0.50%	-0.50%		-0.50%
Discount Rate	-1.50%	-0.75%		-0.25%
Risk-Free *Wells* Rate When Set	-2.25%	-1.75%		-1.75%
Multiplier at set rate for duration	60.56	33.66		45.40
Multiplier at *Wells*-rate for duration	72.97	39.55		64.37
Percentage of 100% compensation	82.99%	85.11%		70.53%
Risk-Free *Wells* Rate Now	-2.25%	-2.25%		-2.25%
Multiplier at set rate for duration	60.56	33.66		45.40
Multiplier at *Wells*-rate for duration	72.97	43.03		72.91
Percentage of 100% compensation	82.99%	78.22%		62.27%

Notes:

- The Government Actuary did not calculate the risk-free, *Wells*, rate of return when the PIDR was set in England and Wales (report dated 25th June 2019), so we have applied the rate disclosed in the Scotland Report (dated 27th September 2019).
- The duration for Scotland is 30 years and 43 years in England & Wales and Northern Ireland.
- The current risk-free, *Wells*, rate of return is as set out in the Government Actuary's advice in respect of Northern Ireland (dated 15th March 2022).