



**Northern Ireland Assembly
Committee for Justice**

David Graham
DALO
Department of Justice
Castle Buildings
Stormont Estate
Belfast
BT4 3SQ

31 May 2024

Dear David

SL1: The Damages (Process for Setting Rate of Return) Regulations (Northern Ireland) 2024

At its meeting on 30 May 2024, the Committee for Justice considered the Department of Justice's proposal to make a Statutory Rule that will make changes to the statutory methodology by which the Government Actuary has to set the personal injury discount rate for Northern Ireland.

The Committee agreed that it was content with the proposal for the Statutory Rule. It emphasised that it fully supports the principle of 100% compensation. However, the Committee requested that a number of its concerns about this proposed Rule be notified to the Department.

The Committee highlighted that everybody wanted CPI+ but acknowledged that that cannot be done at this time. The Committee did note, however, that the Department has stated that it will consider moving to CPI+ in future and that it would legislate for that accordingly.

The Committee noted the move to the average weekly earnings measure instead of RPI.

The Committee noted the modification of the standard adjustment for the impact of taxation and the cost of investment and management advice from 0.75% to 1.25%; that the Government Actuary's Department (GAD) considers that that is appropriate; that GAD is content with the assumed investment period of 43 years; that the Department and GAD are unable to consider anything beyond the principle of 100% compensation; and that GAD said that the 0.5% margin was appropriate.

The Committee noted that the increase is because tax paid has increased and wished to highlight that a number of concerns have been expressed about insurance premiums and the potential impact on policyholders and defendants. Concerns were also expressed about the potential implications for public bodies. It was also pointed out that Northern Ireland has the highest insurance costs compared with other parts of the United Kingdom and Ireland.

Yours sincerely

Caroline Perry

Caroline Perry
Clerk to the Committee for Justice