UNIVERSITY of York

What is Life Worth?
A Transatlantic Dialogue on Compensation

Joint Event with the 20th NAFE Conference

Centre for Actuarial Compensation and Valuation of Life (CAVOL)
National Association of Forensic Economics (NAFE)

Dates: 8-9 June 2026
Dinner: Monday 8th June 2026, between 19:00 and 21:30 at the York Minster Refectory
Conference Venue: Business Lounge - CL/A/002, School for Business and Society, Church Lane Building, York Science Park, Heslington, York, YO10 5ZF
Organising Committee: Dr. Şule Şahin, Prof. Alexander J. McNeil and Prof. Steven Shapiro

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Transatlantic Dialogue: Now and Then
Professor John Ward (John Ward Economics)

Personal Injury and Wrongful Death Damages Calculations: Transatlantic Dialogue , John O. Ward and Robert J. Thornton, Contemporary Studies in Economic and Financial Analysis, Vol 91, Emerald, JAI Press, UK, 2009

“Personal Injury and Wrongful Death Damages Calculations: Transatlantic Dialogue” is both a book and an ongoing set of National Association of Forensic Economics (NAFE) sponsored meetings beginning in Edinburgh in 2004, designed to compare the U.S. economic-damages methodology with that used in the U.K. and continental Europe to calculate and award economic damages in wrongful injury and death litigation. Subsequent meeting were held in Dublin, Ireland and Florence Italy involving Economists and Actuaries from The U.S., Great Britain, Ireland and Italy. These meeting were followed by meetings in Boston and Chicago in conjunction with NAFE meetings at annual American Economic Association Conferences. That dialogue focused on a comparison of the methodologies for projecting work life expectancies and lost earnings capacity in the U.S., which occurs in an adversarial trial setting, to the system of scheduled damages as represented by the “Ogden Tables” in Great Britain.

The purpose of today’s session is to summarize the results of the “Transatlantic Dialogue” over the past 22 years and to discuss the changes that have taken place in the “Ogden Tables” in recent years, as represented by the work of the Centre for Actuarial Compensation and Valuation of Life (CAVOL) at York University.

Are Stochastic Models any use to Personal Injury Claimants?

Andrew Smith (University College Dublin)

A personal injury claimant faces several financial decisions. Prior to settlement, an insurer may offer a lump sum, which the claimant may either accept or reject, in the latter case possibly leading to further negotiations or a court case. If the claimant accepts a lump sum offer, they must what rate to draw an income and how to invest remaining funds.

Claimants can approach their decisions using deterministic assumptions about the claimant's date of death, the investment returns their assets will earn, and the rate at which they will draw an income. Sensitivity analysis can highlight some good and bad scenarios, including combinations of poor returns and long life in which assets are exhausted.

Andrew Smith shows how stochastic models can better support claimants' decisions, showing the process from the formulation of assumptions to the analysis of outcomes and decision making in the presence of uncertainty.

Investment and the Duration of Lifetime Loss

Richard Cropper (PFP Limited)

This presentation looks at the impact duration of loss has on the ability of achieving full compensation. The duration of loss impacts on the investment risk, mortality risk, inflationary risk, need risk, impact of qualitative change and the need for financial certainty, flexibility and/or portability. These issues drive the decision as the which form of award will best meet a claimant's needs and the post settlement risks and opportunities claimants face.

Using epidemiological research to estimate impaired life expectancy

Jane L Hutton (University of Warwick)

Statisticians, actuaries and medical doctors are all instructed to estimate life expectancy, and various methods are used.

There is a large literature on the effects of illnesses such as cancer, neurological injuries and life style factors such as alcohol consumption, exercise and obesity on mortality rates or life expectancy. A variety of statistics are used, including years of life lost, relative risks, standardardised mortality ratios and hazard ratios. Such statistics might be reported after adjusting for age, sex and other factors, or as averages across the study population.

This talk will consider different approaches to applying research results in order to estimate life expectancy. Statisticians prefer relevant data-sets which allow direct estimation are available for some illnesses or injuries, but these are rare. More commonly, the annual mortality rates published by national statistics offices have to be adjusted to incorporate research risk estimates. Statistical approaches include adding excess death rates, multiplying by constant relative risks of death, multiplying by relative risks which decrease with increasing age. In contrast, medical doctors often simply subtract a number of years for a few selected factors.

In addition to the choice of statistical methods, there can be a choice between several different estimates of mortality, with estimates adjusted for different combination of factors such as time since diagnosis, severity of illness and life style. I prefer to provide a range of estimates, to reflect uncertainty.

JL Hutton "Forensic Statistics: How to estimate life expectancy after injury" (2020) pages: 564-569. In "Book of short papers - SIS 2020", editors A Pollice, N Salvati and FS Spagnolo; ISBN 9788891910776.

D Strauss and R M Shavelle "Life expectancy of persons with chronic disabilities" (1998) "J. Ins. Med." 30:96-108

Tariff Schemes with Reference to the Infected Blood Inquiry

Alexander McNeil (University of York)

In this talk I will introduce the principles of tariff schemes and illustrate them with reference to the design of the compensation framework that has been developed in response to the Infected Blood Inquiry in the UK. I have been a member of the Technical Expert Group advising on the design of the scheme with respect to actuarial and financial aspects.

The Most Comprehensive Tariff Scheme in the United States History: An Explanation of the Victim Compensation Fund of 9/11

Marc Weinstein (Team Economics)

Established under the Air Transportation Safety and System Stabilization Act, the September 11th Victim Compensation Fund ("VCF") was designed to compensate individuals, and the families of those, who were physically injured or killed as a result of the terrorist attacks on September 11, 2001, as well as those affected by subsequentdebris removal efforts. Eligible Claimants included Individuals injured in New York City, at the Pentagon, and in Shanksville, Pennsylvania, along with the families of those who lost their lives. Participation in the program required claimants to waive their right to pursue litigation against airlines or other potentially liable parties in exchange for compensation based on presumed economic loss. Administered by the United States Department of Justice under the direction of Special Master Kenneth Feinberg, the compensation framework was carefully constructed to achieve fairness across claimants, though it was not without criticism. This presentation evaluates the methodology outlined in the "Explanation of Process for Computing Presumed Economic Loss" (revised August 27, 2002), with particular attention to its assumptions, structure, and implications.

Is the Victim's Compensation Fund beyond September 11 for tort damages in the U.S?

Professor John Ward (John Ward Economics)

The Victim's Compensation Fund (VCF) was a response to the disaster of the September 11, 2001 attacks on the Work Trade Center, the Pentagon and United Flight 93 in Pennsylvania. The core structure of the VCF damages methodology is the same as in 2001–2004, but several important pieces have evolved: the program has moved from a "presumed award grid" heavily driven by age/income bands and budget constraints to a more individualized, documented lost-earnings model with updated work-life assumptions, clarified offsets, and expanded non-economic loss guidance. The VCF was established as a mechanism to avoid litigation against airlines and real estate defendants by establishing a scheduled damages fund, administered by a Special Master (Kenneth Feinberg) using a common methodology for calculating lost earnings, services, benefits and non-economic damages to survivors and families of survivors. The core structure of the VCF damages methodology today is the same as in 2001–2004, but several important pieces have evolved: the program has moved from a "presumed award grid" heavily driven by age/income bands and budget constraints to a more individualized, documented lost-earnings model with updated work-life assumptions, clarified offsets, and expanded non-economic loss guidance.

The purpose of this session is to discuss the evolution of the VCF damages model and to compare it to other scheduled damages models in the U.S and the "Ogden" Tables in Great Britain.

How does the reality of bridge employment mesh with the concept of worklife expectancy?

Kevin E. Cahill, PhD (FTI Consulting)

One stylized fact from the retirement literature in the United States, dating back to the 1970s, is that retirement is best viewed as a process rather than a one-time permanent event. Further, a framework has solidified over the years in which gradual retirement includes different types of transitions: 1) bridge employment, a job that takes place between career employment and complete labor force withdrawal; 2) phased retirement, a reduction in hours in career employment later in life; and 3) reentry or unretirement, a return to the labor force following an initial retirement. Bridge employment is the most common pathway to retirement in America among career workers, even more prevalent than direct exits. Still, despite this reality, many forensic economists treat retirement as a zero-one, permanent event, and the courts are generally willing to accept this simplified depiction of reality. This acceptance is even more remarkable because bridge employment entails not only changes in employers and changes in hours worked, but also voluntary changes in occupation, or "recareering." The retirement process entails a variety of combinations between bridge employment, phased retirement, and reentry as well. What is clear is that simplifications of the retirement process based on worklife expectancy overlook the diverse ways in which older workers exit the labor force. At a minimum, forensic economists should be aware of the reality of retirement transitions and be prepared to explain to a trier of fact why a simplification is both justified and valid.

The purpose of this session is to provide an overview of the retirement process and to discuss the extent to which simplifications of this process leave forensic economists vulnerable to criticism and potential exclusion in a litigation setting.

A New Estimation of Worklife Expectancy for Loss of Future Earnings: Redefining Disability and Distributional Results

Şule Şahin (University of York) and Victoria Wass (Cardiff University)

The paper provides updated "third-generation" reduction factors for use in UK personal injury loss-of-earnings calculations, using recent longitudinal UK Labour Force Survey data and calibrating results to contemporary Ogden Tables settings. We estimate worklife expectancies and resulting reduction factors by sex, education, and disability status (including sensitivity to alternative activity-limitation definitions). We also present distributional results intended to support transparent communication of uncertainty in practice.

Inflationary Pressures in Social Care

Prof. Victoria Wass (Cardiff University)

This presentation looks at the growing pressures in the market for social care in terms of recruitment, retention and wages. Wages in care, as reflected in ASHE 6115, are below the level which clears the market. This is reflected in 111,000 vacant posts in 2024-2025 and a vacancy rate of 7%, compared to 2% nationally. The shortfall was lower than 10.5% in 2021-2022 which prompted the introduction of the health and social care visa after which an estimated 180,000 carers were recruited from outside the UK between 2022 and 2024. Following the removal of dependents from the care worker visa in March 2024 and the care worker visa itself in July 2025, the fear is that labour shortages will return. The Migration Advisory Committee (2022) report on adult social care in relation to the end of free movement of labour cautioned that migration offered at best an imperfect and temporary fix and that it was a symptom of problems in the care market rather than a solution to them. The problem was and is that wages are held below the market clearing level by local authority monopsony and its persistent underfunding of social care. Governments have been responding to a 'latent' crisis in social care with reviews and promises since the 1990s (Royal Commission1998, Dilnot Report 2011) with the latest proposal being the Fair Wages Agreement 2026 and the Dame Louise Casey Independent Review of Adult Social Care 2028. As long as ASHE 6115 captures the claimant market for social care, the care needs of those on an ASHE-linked PPO are more or less protected. But what of those whose care damages are paid by a lump sum or of insurers wanting to price for future care cost inflation? Care cost inflation in the USA provides perhaps the best insight into private sector care cost inflation in the presence of tightening immigration controls. The CPI item for home care costs increased by an average of 6.4% pa between 2019 and 2025 (2.8 percentage points above all-items CPI inflation) and 8.5% pa between 2023 and 2025 (5.7 percentage points above all-items CPI inflation).

Challenges of Managing Lifetime Budgets – A Financial Deputy's Perspective

Stacey Bryant (Professional Deputy Forum, Apricity Law)

This seminar offers a concise, practical insight into the challenges of managing lifetime compensation awards from a Financial Deputy's perspective. Although settlements are designed to meet an individual's lifelong needs, Deputies must navigate the widening gap between projected budgets and the realities of rising care costs, inflation, workforce shortages, and unpredictable life circumstances.

Using real case examples, the session highlights how assumptions made at settlement often diverge from actual expenditure—particularly in care, case management, accommodation, and capital spending. It also explores the systemic pressures affecting sustainability, including recruitment crises in social care and escalating costs across essential goods and services.

The seminar concludes with practical strategies for bridging financial gaps through income maximisation, investment management, PPO considerations, and responsible cost control, while ensuring decisions remain firmly rooted in the individual's best interests.

Long Term Care and Medical Cost Trends

Steven J. Shapiro, Professor Emeritus of Finance, New York Institute of Technology and Analytic Resources, LLC

Over the last 20 years, the Affordable Care Act (ACA), regulatory change, technological developments, and the labor market have impacted the costs associated with long term care and medical treatment in the United States. This is of particular concern to damages experts in the United States who are tasked with the valuation of life care plans for injured individuals. This presentation will review recent trends in medical care cost inflation. In particular, there will be a discussion of whether it is realistic to assume that these trends will continue in light of:

- The removal of Federal subsidies under the ACA;
- Changes to Medicaid under the "One Big Beautiful Bill Act";
- Changes in Medicare reimbursement policies;
- Immigration enforcement policy in the United States;
- Demographic change; and
- New technology.

What rate of increase in adult social care pay should be expected in the future?

Raphael Wittenberg (Care Policy and Evaluation Centre (CPEC), London School of Economics)

The Care Policy and Evaluation Centre (CPEC) at the London School of Economics (LSE) has developed a set of models to produce projections of future demand for adult social care and associated expenditure. These projections are used by the Department of Health and Social Care for spending reviews and reviews of the social care financing system. Base case projections are produced on the basis of a set of assumptions which are varied in sensitivity analyses. One of the key assumptions to which the projections are sensitive is future increases in adult social care pay rates. The presentation will explain the assumption that the research team uses in their base case projections and the reasons underlying their assumption.

Unpacking the Personal Injury Discount Rate for International Travel

William H. Rogers (John Ward Economics), Cheryl Palmer-Hughes (Stewarts Law) and Julian Chamberlayne (Stewarts Law)

Standardized personal injury discount rates (PIDR) are designed for specific labor and financial markets. One should not expect a national PIDR to travel beyond the national borders without adjustments. To account for differences across national markets, one must unpack the PIDR as designed by the jurisdiction, adjust the relevant components to the non-jurisdictional state where the injured party is expected to live, and repack the PIDR for use in the damage calculation. This session will consider the legal and economic issues in determining the PIDR:

- *default position in most US states (WR)*
- *British claimant to US proceedings (WR)*
- *default position in British proceedings (CPH)*
- *overseas resident claimants in British proceedings (CPH)*

- *case study of a Polish Claimant in Jersey proceedings (JC)*
- *case study of a British claimant in Bermuda proceedings (JC)*

AI Panel Session:

Weighing the Tradeoffs of AI

Kevin Cahill

AI presents clear opportunities for forensic economists and clear challenges. AI can greatly improve efficiency when writing computer code, conducting literature reviews, producing invoices, and verifying results. AI also presents challenges with respect to replicability and reliability, and can lead to inadvertent disclosures of confidential information. The first step in weighing these tradeoffs is to properly identify the opportunities and challenges of using AI in FE work and to understand the relevance, importance, and risks of each one.

Socio-economic variation in neighbourhood mortality and life expectancy

Andrew J.G. Cairns

We will discuss how statistical machine learning methods can be used to model socio-economic variation in mortality rates at the small neighbourhood level.

In Scotland, life expectancy for males from age 41 is found to vary from 28.4 to 45.5 years (females: 34.3 to 47.3 years) from the most to the least deprived areas. Mortality rates at the same age are up to 14 times higher (females: 9 times) in the most deprived areas relative to the least deprived. Web-based apps are available for Scotland and England to visualise these differences.

"Double Edged Sword"

Michael J. O'Hara, J.D., Ph.D.

For good and for ill, AI triggers action. Efficiency and liability need not be in equal measures. For law, and thus also for AI, jurisdiction matters. Can do is not the same as may do; and may do is not the same as should do.   Abbreviated version the detail of and the unambiguous consumer protection bias embedded in regulations governing AI array on the continuum as EU > CA > UK > USA. Exercise caution and seek to avoid hubris.

Generative AI and Forensic Economic Practice

Steven J. Shapiro, Ph.D.

This presentation will outline one user's experiences with using AI for research during engagements. The presentation will also discuss ethical challenges to forensic economics practice posed by AI. Lastly, the presentation will present one observer's analysis of the impact of AI, if any, on the employment of forensic economists in the United States.