



Search Search

Following the Logic, Through the Calculation of Damages

Douglas H. Sell, Jr. / Economic Damages Consultant :::

Case Synopsis: Plaintiff was severely injured in an accident and, as a result of injuries sustained, made a claim for lost earnings and future medical care expenses. Plaintiff's injuries were so severe, medical experts opined that the plaintiff had a reduced life expectancy; only eight additional years from the date of the incident. Plaintiff's economic expert prepared a report calculating an earnings loss of nearly \$1 million from the time of the incident through the plaintiff's anticipated work life, which was an additional 30 years from the date of the incident. Plaintiff's expert also prepared financial adjustments to the proposed future medical care expenses, which were estimated to be incurred for an additional eight years, based on the previously mentioned life expectancy opinion.

Expert Analysis: Plaintiff's economic expert, relying on the life expectancy opinion, did not calculate future medical care expenses beyond the eight-year life expectancy. This is logical because if it is assumed that the plaintiff will die in eight years, the plaintiff will not be requiring any medical care beyond the eighth year. However, the plaintiff's expert did not apply the same rationale and assumption to their calculation of lost earnings. If the plaintiff's expert is assuming the certainty of death at a period in the future, which pre-dates their assumed worklife expectancy, then a reduction needs to be made for the plaintiff's personal maintenance expenditures (the necessary expenses a decedent would incur to sustain life) in the period between the assumed death and the worklife expectancy; a period of 22 years in the example of this matter. Plaintiff's expert should have, beginning in the ninth year of their lost earnings calculation, begun assessing a reduction for personal maintenance expenditures through the remainder of the plaintiff's assumed work life, based on the assumption of a reduced life expectancy. By failing to apply the same assumptions in their calculation of future life care expenses to the earnings loss calculation, plaintiff's expert prepared a calculation that significantly overstated the plaintiff's earnings loss.

Result: After preparing a rebuttal report opining on the flawed logic, a supplemental report was issued by the plaintiff's economic expert, which accounted for personal maintenance and significantly reduced the initial earnings loss claim.

Douglas H. Sell, Jr., is a consultant with DJS Associates and can be reached via email at experts@forensicDJS.com or via phone at 215-659-2010.

Like Tweet

DJS Associates RSS Feeds | What's RSS? :: Site Map | Resource Center

