

Economists put much higher value on loss of loved ones than Courts

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Researchers at the University of Warwick and the University of London's Institute of Education have produced new research that shows the UK court system considerably undervalues the impact of the loss of a loved one when deciding financial compensation for surviving family members.

Professor Andrew Oswald from the University of Warwick said: "Many of the valuable things in life -- love, friendship, health -- come without price-tags attached. Sadly, there can come a time of loss when a value has to be ascertained, but judges who set damages are left to use crude rules-of-thumb and financial settlements can in practice be amazingly small. Our new methods can change that." "In the case of fatal accidents the "Fatal Accidents Act 1976" provides a lump sum currently set at only £10,000 damages for bereavement and this is only available to the husband or wife of the deceased, or, if the deceased was unmarried and a minor, to the parents. It does not give children a claim for the death of a parent."

The researchers used the British Household Panel Survey (BHPS). This is a nationally representative sample of households, which contains over 10,000 adult individuals, and which provided them with information on more than 2000 bereavements.

They applied the latest statistical tools in happiness research. They compared the shift in mental well-being levels recorded by bereaved people in the survey with the shift in levels of happiness when British Household Panel Survey report various levels of changes in income. By

doing so, they gain a financial figure for that loss of a loved one that is rooted in the real loss felt rather than the ad hoc approach produced by the courts. For a typical person, that level of unhappiness equated to the following necessary financial amounts in compensation for bereavement.

Necessary annual damages for pain and suffering from:

Loss of a Partner £312,000

Loss of a Child 126,000

Loss of a Mother 22,000

Loss of a Father 21,000

Loss of a Friend 8,000

Loss of a Sibling 1,000

This is the level loss felt on average by one person. Courts should also note that two people or more could be feeling significant loss - for instance two parents for the loss of child.

The amounts given are average amounts. The researchers also found some significant gender differences – for example, typically women were much more deeply affected by the loss of a child than were men.

Source: University of Warwick

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