

1 that apply economic principles to social and political
2 issues.

3 Q A moment ago you mentioned the term forensic
4 economics.

5 Can you just briefly expand on that?

6 A Sure. Well, one of the things that we
7 develop in economic theory is a set of principles
8 about how decisions get made, how things in society
9 get valued. And when we are dealing with cases like
10 personal injury or wrongful death, we take those
11 principles and we try to estimate what the losses that
12 are alleged to have occurred as a result of the
13 alleged injury.

14 So forensic economics is the application of
15 economic principles to estimating damages in legal and
16 civil proceedings or the application of economic
17 principles to the design or policy such as in terms of
18 telephone rate design, insurance rate regulation.

19 So we develop theoretical tools, statistical
20 tools, methodological principles, and we seek to use
21 those to help understand, measure, and predict