

Abstract: The impact of Behavioural Law and Economics on Accident Law
Michael Faure

On 12 June 2009, Michael Faure accepted the position of Professor in Comparative Private Law and Economics at Erasmus University Rotterdam. In his inaugural speech Faure discusses the importance of behavioural studies for the economic analysis of accident law. The assumptions of traditional economic models of tort and insurance are discussed as well as the main findings of behavioural law and economics. Also, the consequences of the behavioural studies for the economic analysis of tort law and insurance are addressed. Faure claims that as far as the economics of tort is concerned it may be difficult to incorporate the results of the behavioural studies since it could substantially increase the administrative costs of applying tort rules. As far as the area of insurance is concerned cognitive limitations may (e.g. as far as natural disasters are concerned) constitute an argument in favour of mandatory insurance in particular areas.