

**1797 DAMAGES: EFFECTS OF INFLATION**

In computing the amount of future economic damages, you may take into account economic conditions, present and future, and the effects of inflation.

**COMMENT**

This instruction was previously numbered Wis JI-Civil 1702. The instruction and comment were initially approved by the Committee in 1978. The comment was updated in 1992.

This instruction is based on the decision in Dabareiner v. Weisflog, 253 Wis. 23, 29-30, 33 N.W.2d 220 (1948). "Inflation may be taken into account by the fact finder as a separate factor to arrive at an amount that will fairly compensate the victim for required future medical expenses." Cords v. Anderson, 80 Wis.2d 525, 551, 259 N.W.2d (1977). See also Maskrey v. Volkswagenwerk Aktiengesellschaft, 126 Wis.2d 267, 376 N.W.2d 89 (Ct. App. 1985).

The instruction would not be proper in a situation where the value of money has stabilized. Kincannon v. National Indem. Co., 5 Wis.2d 231, 92 N.W.2d 884 (1958).

The court of appeals has stated in reviewing Wis JI-Civil 1796 and 1797 that "once a jury has discounted a future loss to present value, taking inflation into account, its task has been accomplished. The jury is not instructed to take into account how much can then be earned with the discounted sum." Herman v. Milwaukee Children's Hosp., 121 Wis.2d 531, 552, 361 N.W.2d 297 (Ct. App. 1984). Thus, it was permissible for the trial judge to exclude testimony on the cost of an annuity. But see Bychinski v. Sentry Ins., 144 Wis.2d 17, 423 N.W.2d 178 (Ct. App. 1988).

Medical Malpractice Cases. For determining future economic damages in medical malpractice claims, see Wis. Stat. § 893.55(4)(e) which provides:

(e) Economic damages recovered under ch. 655 for bodily injury or death, including any action or proceeding based on contribution or indemnification, shall be determined for the period during which the damages are expected to accrue, taking into account the estimated life expectancy of the person, then reduced to present value, taking into account the effects of inflation.