

ECONOMIC LOSSES

Read pages 731-762.

- 1) What are economic losses? Contrast other types of harm. #1, page 746.
- 2) What is the “economic loss rule”? What are the justifications for the rule? Page 737-739.
- 3) Consider the examples:
 - a) A tractor fails and cannot be used for custom planting;
 - b) A tanker hits a reef, spills oil; the fishermen have no fish to catch;
 - c) A railroad car leaks chemicals; a nearby airport has to close for 12 hours;
 - d) A fire alarm system fails, and the building burns;
 - e) A barge knocks out a bridge; customers cannot cross the river to shop.
- 4) Simple example: Clark, page 733 (negligent manufacture of tractor; losses due to down time and repair costs).
- 5) Contrast the following exceptions or different situations:
 - a) Breach of contract claims; warranty claims; Grams, page 739.
 - b) Statutory authority.
 - c) Intentional wrongs.
 - d) Strict products liability claims.
 - e) Special relationship; see People Express, page 753.
 - f) Malpractice; #1, page 758.
 - g) Nuisance; see Stop and Shop, #3, page 379.
 - h) Fraud; Annette Holdings, page 759.
 - i) Exxon Valdez, page 747.
- 6) See Glenn S. Ritter, Comment, Economic Loss Rule in Arkansas, Everyone Else Has it, Why Don't We?, 64 Ark. L. Rev. 455 (2011).