

ABSTRACT

In this paper, we report results of experiments testing the behavioral consequences and efficiency of different legal rules governing two-actor accidents. Our results may be briefly summarized.

Though rules of negligence and of negligence with contributory negligence are roughly comparable when the relevant standards of care are set optimally, the liability-bearing subject under negligence is overly careful at the outset and too reckless as she gains "experience." Consequently, in terms of efficiency, a rule of negligence with contributory negligence clearly dominates a rule of negligence when the intensity with which subjects engage in activities is fixed exogeneously.

Second, when subjects must choose both levels of care and levels of activity neither class of rule performs very well in terms of efficiency.

Third, the theory of accident law predicts quite well subjects' behavior when the standard of care is set non-optimally.

Fourth, the amount of information held by subjects when they make their care level choice (i.e., what they know others care levels) does not seem to increase the efficiency of any rule.