

FORMULA

UD = Uncompensated Damages
 SI = Subrogation interest
 NAR = Net Amount Recovered = Award - Fees/Costs
 CS = Claimant's Share
 SS = Subrogee's Share

$$CS = \frac{UD}{SI+UD} \times NAR$$

$$SS = \frac{SI}{SI+UD} \times NAR$$

EXAMPLES:

1. Recovery \$100,000
 SI \$ 20,000
 Attorney Fee & Costs \$ 40,000

$$UD = RECOVERY - SI = \$100,000.00 - \$20,000.00 = \$80,000.00$$

$$NAR = RECOVERY - FEES/COSTS = \$100,000.00 - \$40,000.00 = \$60,000.00$$

$$CS = \frac{\$80,000.00}{\$20,000.00 + \$80,000.00} \times \$60,000.00 = \$48,000.00$$

$$SS = \frac{\$20,000.00}{\$20,000.00 + \$80,000.00} \times \$60,000.00 = \$12,000.00$$

2. Assume serious injury where only \$100,000.00 in limits with SI = \$50,000.00, and case is settled for limits of coverage, but parties agree proven damages = \$500,000.00.

$$CS = \frac{UD (\$450,000.00)}{SI(\$50,000.00)+UD (\$450,000.00)} \times \$60,000.00 = \$54,000.00$$

$$SS = \frac{SI (\$50,000.00)}{SI (\$50,000.00)+UD(\$450,000.00)} \times \$60,000.00 = \$6,000.00$$