

Hepatitis C Tainted Blood Class Action

News

Prime Minister Harper announces agreement to compensate pre-1986/post-1990 hepatitis C victims

25 July 2006

Cambridge, Ontario

Prime Minister Stephen Harper announced today that the federal government has reached an agreement on the elements of a settlement for those Canadians who contracted hepatitis C from the blood system before January 1, 1986 and after July 1, 1990. Prior to the Prime Minister's announcement, only those victims who were infected between 1986 and 1990 were eligible for compensation.

"All should be compensated equally, because all of the victims have endured pain and suffering. Our party has long agreed with this conclusion. And now, as government, we're acting upon it," said the Prime Minister.

Under the terms of the agreement announced today, Canada's new government will set aside nearly \$1 billion in a special settlement fund, the sole purpose of which will be to provide compensation to those who were infected prior to January 1, 1986 and after July 1, 1990. The level of compensation will be based on the principle of parity with compensation already provided by the federal government for those who were infected between 1986 and 1990.

The Prime Minister added that the agreement announced today provides the foundation for a detailed final agreement. Once this is completed and approved by the courts in four provinces, an application and review process will be established to ensure that compensation is provided as quickly and effectively as possible.

"Because these victims have waited long enough for what is due to them, our

government is going to do everything in its power to ensure that matters are moved ahead as quickly as possible,” added the Prime Minister.

Further details on the agreement and other issues related to compensation for those infected with hepatitis C through the blood system can be found in the backgrounder attached to this news release.

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Backgrounder

1986-1990 Class

In 1998, federal, provincial and territorial governments agreed to offer financial assistance to Canadians infected with hepatitis C through the blood system between January 1, 1986, and July 1, 1990. The estimated value of the settlement was approximately \$1.118 billion. The settlement included persons with hemophilia and thalassemia who are hepatitis C positive and received blood products between 1986 and 1990, regardless of when they became infected with hepatitis C

Individuals infected before January 1, 1986 and after July 1, 1990 (the pre-1986/post-1990 class) were not included in this settlement. At that time, the Government of Canada committed \$525 million for a comprehensive package to support treatment for people infected before January 1, 1986, and after July 1, 1990, to improve blood regulation, as well as surveillance, prevention, support and research

Pre-1986/Post-1990 Class

Subsequent to the 1986-1990 agreement, some members of the pre-1986/post-1990 class received compensation from the Red Cross Settlement, and several provinces have provided compensation to individuals in the group.

The Government of Canada announced the launch of discussions on options for compensation for the pre-1986/post-1990 class on November 22, 2004.

On April 20, 2005, the House of Commons unanimously supported a motion to concur in the seventh report of the Standing Committee on Health, calling for the immediate compensation of the pre-1986/post-1990 class.

In November 2005, the government entered into a Memorandum of Understanding with the legal representatives of those Canadians infected with hepatitis C through the blood system before January 1, 1986 and after July 1,

1990, committing the federal government to compensate the class, with the amounts and categories of compensation to be negotiated.

Negotiations have resulted in an agreement on the fundamental elements of a settlement for the pre-1986/post-1990 class. The federal government will place nearly \$1 billion into a trust fund to provide compensation to class members under the settlement.

Compensation will be provided to eligible members of the pre-1986/post-1990 class based on the principle of parity with the federal government's compensation to the 1986-1990 class. Benefits will be paid on a present-value basis, meaning that class members will receive the entire sum of their compensation up front, based on such factors as current disease level and probability of disease progression. This will also serve to minimize administrative costs.

There are still a number of steps to be completed before the class begins to receive the compensation payments. The final agreement must be completed, be approved by Courts in four jurisdictions, and an administrative structure must be set-up to evaluate applications and forward payments. While some of these steps are outside of the federal government's control, it will be working as quickly as possible to provide compensation to the class.