

AstraZeneca to be exempt from coronavirus-vaccine liability claims in most countries

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A man walks past a sign at an AstraZeneca site in Macclesfield, England, on May 19, 2014.
Phil Noble/Reuters

AstraZeneca has been granted protection from future product liability claims related to its COVID-19 vaccine hopeful by most of the countries with which it has struck supply agreements, a senior executive told Reuters.

With 25 companies testing their vaccine candidates on humans and getting ready to immunise hundred millions of people once the products are shown to work, the question of who pays for any claims for damages in case of side effects has been a tricky point in supply negotiations.

“This is a unique situation where we as a company simply cannot take the risk if in ... four years the vaccine is showing side effects,” Ruud Dobber, a member of Astra’s senior executive team, told Reuters.

“In the contracts we have in place, we are asking for indemnification. For most countries it is acceptable to take that risk on their shoulders because it is in their national interest,” he said, adding that Astra and regulators were making safety and

tolerability a top priority.

Dobber would not name the countries.

EU officials told Reuters this week product liability was among contentious points in European efforts to secure supply deals for potential COVID-19 vaccines from Pfizer, Sanofi and Johnson & Johnson.

The United States, however, already has a law to exclude tort claims from products that help control a public-health crises in the form of the 2005 Public Readiness and Emergency Preparedness, or PREP Act.

AstraZeneca, Britain's second-largest drugmaker, has pledged to supply a total of more than 2 billion doses at no profit in agreements with the United States, Britain and European countries, among other nations and organisations.

Astra's deals differ from most rivals because it has secured government backing for production and development efforts, while competitors such as GlaxoSmithKline are looking to negotiate a price for a finished product, contingent on approval.

To back its claim to forgo profits from the \$1.2 billion collaboration in the United States, Astra has even granted the government access to financial accounts related to the venture, according to Dobber.

“There are very clear milestones before they are going to pay. Because we made the promise to manufacture the vaccine at no profit, auditors of the U.S. administration will get free access to our accounting books,” he said.

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