

July 29, 2022

ATTORNEY GENERAL RAOUL ANNOUNCES AGREEMENT WITH FORMER OPIOID MAKER ALLERGAN
Company Agrees to Pay Up to \$2.37 Billion to Settle Opioid Claims

Chicago — Attorney General Kwame Raoul and a bipartisan group of attorneys general for the second time this week announced an agreement in principle to address the opioid crisis. The proposed settlement on important financial terms would require former opioid maker Allergan to pay up to \$2.37 billion to participating states and local governments.

If finalized, the Allergan settlement, together with the Teva Pharmaceuticals settlement announced earlier this week, would provide as much as \$6.6 billion nationwide, including for abatement of the crisis. Abbvie, which acquired Allergan in 2020, disclosed the settlement in its earnings announcement Friday.

Both settlements remain contingent on the resolution of key issues, including details regarding the settlement structure, which is expected to build on the framework developed in prior nationwide opioid settlements. The parties are also negotiating terms requiring business practice changes and transparency.

“This agreement is another step in the right direction. We continue to make it a priority to hold manufacturers accountable for their part in the opioid crisis, while ensuring resources Illinois receives through settlements are distributed equitably so that victims of this epidemic receive the help they need,” Raoul said. “I will continue to work across state lines and on a bipartisan basis to make sure Illinois receives funding to help us abate the opioid crisis.”

Raoul also plans to join Gov. JB Pritzker today for another announcement about the state’s ongoing efforts to combat the opioid crisis.

Ireland-based Allergan formerly made Norco- and Kadian-branded and generic opioids. The company sold its generics portfolio, including opioid products, to Teva in 2016. Teva and the attorneys general announced Tuesday that they had reached an agreement in principle to provide up \$4.25 billion to address its role in the opioid crisis. The Teva agreement in principle is contingent, in part, on Allergan reaching its own settlement with the states.

Raoul and the coalition of states alleged that Allergan:

- Deceptively marketed opioids by downplaying the risk of addiction, overstating their benefits, and encouraging doctors to treat patients showing signs of addiction by prescribing them more opioids.
- Failed to maintain effective controls to prevent diversion of opioids.

The \$2.37 billion includes money that Allergan has already agreed to pay under settlements with individual states. Exact allocation amounts for participating states will be finalized once a settlement is reached on all terms.

Joining Attorney General Raoul in leading the negotiations are the attorneys general of California, Iowa, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, Tennessee, Texas, Vermont, Virginia and Wisconsin. While New York was among the 13 states integral to negotiating this settlement, New York settled separately with Allergan in December 2021 as a part of its trial.

