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CONTACT: Samantha Fisher
615.741.5860
Samantha.Fisher@ag.tn.gov

ATTORNEY GENERAL SLATERY ANNOUNCES AGREEMENT WITH FORMER OPIOID MAKER ALLERGAN

Company agrees to pay up to \$2.37 billion to settle opioid claims

Nashville – Attorney General Herbert H. Slatery III and a bipartisan group of attorneys general announced an agreement in principle to address the opioid crisis for the second time this week. 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 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 agreement in its earnings announcement Friday.

Both settlements remain contingent on 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.

“You can see how the opioid playbook got passed around,” said General Slatery. “Deceptive marketing, the downplay of addiction risk, the encouragement of doctors to prescribe those showing signs of addiction...more opioids. We will continue to hold manufacturers responsible for their part and get much needed funding to abate the 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 part in the opioid crisis. The Teva agreement in principle is contingent, in part, on Allergan reaching its own settlement with the states.

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; and
- Failed to maintain effective controls to prevent diversion of opioids.



Herbert H. Slatery III Attorney General & Reporter

The \$2.37 billion figure includes money that Allergan has already agreed to pay under settlements with individual states.

The negotiations are being led by California, Iowa, Illinois, 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.

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