

S. Korea state insurer sues three tobacco makers

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South Korea's state health insurer said Monday it had filed a lawsuit against three domestic and foreign tobacco makers, seeking damages of 53.7 billion won (\$51.6 million) for payouts over smoking-related illnesses.

The National Health Insurance Service (NHIS) said the suit, filed in Seoul's district court, named Philip Morris, British American Tobacco (BAT) and South Korea's largest tobacco firm KT&G.

"Smoking is a serious issue affecting people, particularly the youth and women," the agency said in a statement.

"So we will push ahead with this suit with a strong determination, for the future of our nation and the sustainability of our health insurance."

The damages figure was calculated from the agency's spending on patients who smoked for more than 30 years before being diagnosed with one of three types of cancer—two lung and one throat—most likely to be caused by smoking.

The insurer said earlier it spent about 1.7 trillion won each year to help treat diseases caused by smoking.

"The money could instead have been used to help half of the 1.73 million South Koreans who are not covered by national insurance because their payments are overdue," NHIS chief Kim Jong-Dae wrote

on his blog in December.

"I wonder if it's socially fair that tobacco companies cashing in on smoking—which poses such health hazards—take no responsibility for the consequences," he added.

The NHIS move came days after the Supreme Court rejected a [damages](#) suit filed by 30 lung cancer patients against KT&G.

The court ruled that it was "difficult" to prove a causal relation between smoking and lung cancer based solely on the fact that certain smokers developed the disease.

Around 25 percent of South Korean adults are smokers, with the figure for male adults standing at 43.3 percent and 10 percent for teenagers.

The value of South Korea's tobacco market is estimated at more than \$9.0 billion.

The once state-run KT&G, which was privatised in 2002, has a dominant 64 percent share, followed by Philip Morris and BAT Korea.

In a brief statement on Monday, KT&G said it would respond to the latest lawsuit in the same way it had to previous smoking-related legal rows—but did not elaborate.

After decades of indifference, the government has taken measures in recent years to tackle the high smoking rate, and a total ban on smoking in public places was enforced in July 2013.

But such steps have been opposed by groups like the Korean Smoking Association (KSA), which also took issue with the lawsuit filed on Monday.

"The state insurer is just wasting public money with this," KSA manager Choi Bee-O told AFP.

"We oppose the [lawsuit](#) because it was filed unilaterally without public consensus. We're also worried that this case may lead to an increase in cigarette prices," Choi said.

For all the government's apparent health concerns, cigarettes remain very cheap in South Korea, with a pack of 20 costing between \$2 and \$3 depending on the brand.

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