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NEW ZEALAND / COVID-19

# Government grants vaccine suppliers indemnity against claims

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The government has granted the Covid-19 vaccine suppliers Pfizer and BioNTech indemnity from any claims that may arise from use of the vaccine.

Pharmaceutical companies often seek indemnities when developing a pandemic vaccine, because of the need to speed up the clinical trial process.

Indemnities may also be granted to the other suppliers of Covid-19 vaccines that New Zealand has secured.

The finance minister makes the final decision on whether indemnity should be granted, and did so in October last year.

Under Section 65ZD of the Public Finance Act, Grant Robertson also had to notify the House of the move "as soon as practicable after giving the guarantee or indemnity", because the liability is more than \$10m.

He notified the House of the Pfizer and BioNTech Indemnity on 22 November, after granting it on 5 October.

Pfizer and BioNTech are supplying 750,000 courses of their Covid-19 vaccine.

The vaccine went through a full, albeit fast-tracked approvals process, including trials involving about 40,000 people.

It has a 95 percent effectiveness.

"It is common for pharmaceutical companies to seek indemnities in relation to pandemic vaccines that they need to develop in accelerated clinical trials," the Ministry of Health and Treasury said in a statement.

"The decision on whether to grant indemnity to a specific pharmaceutical company distributing vaccines in New Zealand is ultimately made by the Minister of Finance, after advice from officials."

There is precedent for offering indemnity to pharmaceutical companies over the supply of a vaccine.

In 2007 the then Labour government gave Baxter Healthcare Indemnity from all claims arising from the use of a bird flu vaccine.

It's understood the vaccine never had to be used.

Treasury said the indemnity shields Pfizer and BioNTech from any potential legal action over use of the vaccine.

The government would take on that liability.

Indemnity may also be granted to the other suppliers of Covid-19 vaccines, although that has not happened yet.

The Janssen, Novavax, and the combined University of Oxford and AstraZeneca vaccines have also been secured by the government, and each could see indemnities granted to protect the suppliers.

Treasury said they would be considered on a case-by-case basis, and the final call would be made by Robertson.

The United Kingdom has also granted indemnity to Pfizer and BioNTech, and their vaccination campaign is well underway.