

Insurance Partially Covers Merck's \$830 Million Vioxx Settlement

U.S. drugmaker Merck & Co. on Friday said it would pay \$830 million to settle a federal class action lawsuit involving allegations the company failed to adequately inform investors about heart risks from its now-recalled Vioxx pain medication, according to a **report** on the *Business Insurance* website.

"The drug was approved by U.S. regulators in 1999 as a new type of treatment for pain and quickly became a blockbuster product, ultimately used by an estimated 20 million Americans," according to a Reuters report. "But the company in 2004 recalled Vioxx from the market after a colon-polyp prevention study showed it more than doubled the risk of heart attacks or stroke after 18 months of use."

The company's cash payment for the settlement and fees will be about \$680 million after reimbursement from insurance policies, Merck said.

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