

The Tobacco Damages and Health Care Costs Recovery Act

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Chapter T-14.2 of *The Statutes of Saskatchewan, 2007* (effective May 31, 2012), as amended by the *Statutes of Saskatchewan*, 2014, c.E-13.1; 2017, c.P-30.3; and 2021, c.6.

NOTE:

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER T-14.2

An Act to Recover Damages and Health Care Costs from Manufacturers of Tobacco

Short title

1 This Act may be cited as *The Tobacco Damages and Health Care Costs Recovery Act*.

Interpretation

2(1) In this Act:

- (a) **“cost of health care benefits”** means the sum of:
 - (i) the present value of the total expenditure by the Government for health care benefits provided for insured persons resulting from tobacco-related disease or the risk of tobacco-related disease; and
 - (ii) the present value of the estimated total expenditure by the Government for health care benefits that could reasonably be expected will be provided for those insured persons resulting from tobacco-related disease or the risk of tobacco-related disease;
- (b) **“disease”** includes general deterioration of health;
- (c) **“exposure”** means any contact with, or ingestion, inhalation or assimilation of, a tobacco product, including any smoke or other by-product of the use, consumption or combustion of a tobacco product;
- (d) **“health care benefits”** means:
 - (i) payments made pursuant to *The Saskatchewan Medical Care Insurance Act* or the regulations made pursuant to that Act, on behalf of beneficiaries as defined in that Act;
 - (ii) payments made pursuant to *The Saskatchewan Hospitalization Act*, as that Act existed on or before August 2, 2002, on behalf of beneficiaries as defined in that Act;
 - (iii) expenditures made pursuant to *The Prescription Drugs Act* or the regulations made pursuant to that Act, on behalf of residents as defined in that Act; and

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(iv) other payments or expenditures made for programs, services, benefits or similar matters associated with disease made directly by the Government, or through or by:

(A) regional health authorities and health care organizations as defined in *The Regional Health Services Act*;

(B) district health boards established or deemed to have been established pursuant to *The Health Districts Act* and affiliates as defined in *The Health Districts Act*;

(C) The Saskatchewan Cancer Foundation as defined in *The Cancer Foundation Act*; or

(C.1) the provincial health authority and health care organizations as defined in *The Provincial Health Authority Act*;

(D) one or more agents or other intermediate bodies;

(e) **“insured person”** means:

(i) a person, including a deceased person, for whom health care benefits have been provided; or

(ii) a person for whom health care benefits could reasonably be expected will be provided;

(f) **“joint venture”** means an association of two or more persons, if:

(i) the relationship among the persons does not constitute a corporation, a partnership or a trust; and

(ii) the persons each have an undivided interest in assets of the association;

(g) **“manufacture”** includes, for a tobacco product, the production, assembly or packaging of the tobacco product;

(h) **“manufacturer”** means a person who manufactures or has manufactured a tobacco product and includes a person who currently or in the past:

(i) causes, directly or indirectly, through arrangements with contractors, subcontractors, licensees, franchisees or others, the manufacture of a tobacco product;

(ii) for any fiscal year of the person, derives at least 10% of revenues, determined on a consolidated basis in accordance with generally accepted accounting principles in Canada, from the manufacture or promotion of tobacco products by that person or by other persons;

(iii) engages in, or causes, directly or indirectly, other persons to engage in the promotion of a tobacco product; or

- (iv) is a trade association primarily engaged in:
 - (A) the advancement of the interests of manufacturers;
 - (B) the promotion of a tobacco product; or
 - (C) causing, directly or indirectly, other persons to engage in the promotion of a tobacco product;
- (i) **“person”** includes a partnership, trust, joint venture or trade association;
- (j) **“promote”** or **“promotion”** includes, for a tobacco product, the marketing, distribution or sale of the tobacco product and research with respect to the tobacco product;
- (k) **“tobacco product”** means tobacco and any product that includes tobacco;
- (l) **“tobacco-related disease”** means disease caused or contributed to by exposure to a tobacco product;
- (m) **“tobacco-related wrong”** means:
 - (i) a tort committed in Saskatchewan by a manufacturer which causes or contributes to tobacco-related disease; or
 - (ii) in an action under subsection 3(1), a breach of a common law, equitable or statutory duty or obligation owed by a manufacturer to persons in Saskatchewan who have been exposed or might become exposed to a tobacco product;
- (n) **“type of tobacco product”** means one or a combination of the following tobacco products:
 - (i) cigarettes;
 - (ii) loose tobacco intended for incorporation into cigarettes;
 - (iii) cigars;
 - (iv) cigarillos;
 - (v) pipe tobacco;
 - (vi) chewing tobacco;
 - (vii) nasal snuff;
 - (viii) oral snuff;
 - (ix) a prescribed form of tobacco.

- (2) The definition of “**manufacturer**” in clause (1)(h) does not include:
- (a) an individual;
 - (b) a person who:
 - (i) is a manufacturer only because it is a wholesaler or retailer of tobacco products; and
 - (ii) is not related to:
 - (A) a person who manufactures a tobacco product; or
 - (B) a person described in subclause (1)(h)(i); or
 - (c) a person who:
 - (i) is a manufacturer only because subclause (1)(h)(ii) or (iii) applies to the person; and
 - (ii) is not related to:
 - (A) a person who manufactures a tobacco product; or
 - (B) a person described in subclause (1)(h)(i) or (iv).
- (3) For the purposes of subsection (2), a person is related to another person if, directly or indirectly, the person is:
- (a) an affiliate, as defined in *The Business Corporations Act, 2021*, of the other person; or
 - (b) an affiliate of the other person or an affiliate of an affiliate of the other person.
- (4) For the purposes of clause (3)(b), a person is deemed to be an affiliate of another person if the person:
- (a) is a corporation and the other person, or a group of persons not dealing with each other at arm’s length of which the other person is a member, owns a beneficial interest in shares of the corporation:
 - (i) carrying at least 50% of the votes for the election of directors of the corporation and the votes carried by the shares are sufficient, if exercised, to elect a director of the corporation; or
 - (ii) having a fair market value, including a premium for control if applicable, of at least 50% of the fair market value of all the issued and outstanding shares of the corporation; or
 - (b) is a partnership, trust or joint venture and the other person, or a group of persons not dealing with each other at arm’s length of which the other person is a member, has an ownership interest in the assets of that person that entitles the other person or group to receive at least 50% of the profits or at least 50% of the assets on dissolution, winding up or termination of the partnership, trust or joint venture.

- (5) For the purposes of clause (3)(b), a person is deemed to be an affiliate of another person if the other person, or a group of persons not dealing with each other at arm's length of which the other person is a member, has any direct or indirect influence that, if exercised, would result in control in fact of that person except if the other person deals at arm's length with that person and derives influence solely as a lender.
- (6) For the purposes of determining the market share of a defendant for a type of tobacco product sold in Saskatchewan, the court must calculate the defendant's market share for the type of tobacco product by the following formula:

$$\text{DMS} = \frac{\text{DM}}{\text{MM}} \times 100\%$$

where:

DMS is the defendant's market share for the type of tobacco product from the date of the earliest tobacco-related wrong committed by that defendant to the date of trial;

DM is the quantity of the type of tobacco product manufactured or promoted by the defendant that is sold within Saskatchewan from the date of the earliest tobacco-related wrong committed by that defendant to the date of trial;

MM is the quantity of the type of tobacco product manufactured or promoted by all manufacturers that is sold within Saskatchewan from the date of the earliest tobacco-related wrong committed by the defendant to the date of trial.

2007, c.T-14.2, s.2; 2017, cP-30.3, s.11-30; 2021, c6, s.23-26.

Direct action by Government

- 3(1)** The Government has a direct and distinct action against a manufacturer to recover the cost of health care benefits caused or contributed to by a tobacco-related wrong.
- (2) An action under subsection (1) is brought by the Government in its own right and not on the basis of a subrogated claim.
- (3) In an action under subsection (1), the Government may recover the cost of health care benefits whether or not there has been any recovery by other persons who have suffered damage caused or contributed to by the tobacco-related wrong committed by the defendant.
- (4) In an action under subsection (1), the Government may recover the cost of health care benefits:
- (a) for particular individual insured persons; or

- (b) on an aggregate basis, for a population of insured persons as a result of exposure to a type of tobacco product.
- (5) If the Government seeks in an action under subsection (1) to recover the cost of health care benefits on an aggregate basis:
 - (a) it is not necessary:
 - (i) to identify particular individual insured persons;
 - (ii) to prove the cause of tobacco-related disease in any particular individual insured person; or
 - (iii) to prove the cost of health care benefits for any particular individual insured person;
 - (b) the health care records and documents of particular individual insured persons or the documents relating to the provision of health care benefits for particular individual insured persons are not compellable except as provided under a rule of law, practice or procedure that requires the production of documents relied on by an expert witness;
 - (c) a person is not compellable to answer questions with respect to the health of, or the provision of health care benefits for, particular individual insured persons;
 - (d) notwithstanding clauses (b) and (c), on application by a defendant, the court may order discovery of a statistically meaningful sample of the documents referred to in clause (b) and the order must include directions concerning the nature, level of detail and type of information to be disclosed; and
 - (e) if an order is made under clause (d), the identity of particular individual insured persons must not be disclosed and all identifiers that disclose or may be used to trace the names or identities of any particular individual insured persons must be deleted from any documents before the documents are disclosed.

2007, c.T-14.2, s.3.

Recovery of cost of health care benefits on aggregate basis

- 4(1) In an action under subsection 3(1) for the recovery of the cost of health care benefits on an aggregate basis, subsection (2) applies if the Government proves, on a balance of probabilities, that, in respect of a type of tobacco product:
- (a) the defendant breached a common law, equitable or statutory duty or obligation owed to persons in Saskatchewan who have been exposed or might become exposed to the type of tobacco product;
 - (b) exposure to the type of tobacco product can cause or contribute to disease; and

- (c) during all or part of the period of the breach referred to in clause (a), the type of tobacco product, manufactured or promoted by the defendant, was offered for sale in Saskatchewan.
- (2) Subject to subsections (1) and (4), the court must presume that:
 - (a) the population of insured persons who were exposed to the type of tobacco product, manufactured or promoted by the defendant, would not have been exposed to the product but for the breach referred to in clause (1)(a); and
 - (b) the exposure described in clause (a) caused or contributed to disease or the risk of disease in a portion of the population described in clause (a).
- (3) If the presumptions under clauses (2)(a) and (b) apply:
 - (a) the court must determine on an aggregate basis the cost of health care benefits provided after the date of the breach referred to in clause (1)(a) resulting from exposure to the type of tobacco product; and
 - (b) each defendant to which the presumptions apply is liable for the proportion of the aggregate cost referred to in clause (a) equal to its market share in the type of tobacco product.
- (4) The amount of a defendant's liability assessed under clause (3)(b) may be reduced, or the proportions of liability assessed under clause (3)(b) readjusted amongst the defendants, to the extent that a defendant proves, on a balance of probabilities, that the breach referred to in clause (1)(a) did not cause or contribute to the exposure referred to in clause (2)(a) or to the disease or risk of disease referred to in clause (2)(b).

2007, c.T-14.2, s.4.

Joint and several liability in an action under subsection 3(1)

- 5(1)** Two or more defendants in an action under subsection 3(1) are jointly and severally liable for the cost of health care benefits if:
- (a) those defendants jointly breached a duty or obligation described in the definition of “tobacco-related wrong” in clause 2(1)(m); and
 - (b) as a consequence of the breach described in clause (a), at least one of those defendants is held liable in the action under subsection 3(1) for the cost of those health care benefits.
- (2) For the purposes of an action under subsection 3(1), two or more manufacturers, whether or not they are defendants in the action, are deemed to have jointly breached a duty or obligation described in the definition of “tobacco-related wrong” in clause 2(1)(m) if:
- (a) one or more of those manufacturers are held to have breached the duty or obligation; and

(b) at common law, in equity or under an enactment those manufacturers would be held:

- (i) to have conspired or acted in concert with respect to the breach;
- (ii) to have acted in a principal and agent relationship with each other with respect to the breach; or
- (iii) to be jointly or vicariously liable for the breach if damages would have been awarded to a person who suffered as a consequence of the breach.

2007, c.T-14.2, s.5.

Population-based evidence to establish causation and quantify damages or cost

6 Statistical information and information derived from epidemiological, sociological and other relevant studies, including information derived from sampling, is admissible as evidence for the purposes of establishing causation and quantifying damages or the cost of health care benefits respecting a tobacco-related wrong in an action brought:

- (a) by or on behalf of a person in the person's own name or as a member of a class of persons under *The Class Actions Act*; or
- (b) by the Government under subsection 3(1).

2007, c.T-14.2, s.6.

Limitation periods

7(1) No action that is commenced within two years after the coming into force of this section by:

- (a) the Government;
- (b) a person, on his or her own behalf or on behalf of a class of persons; or
- (c) any person entitled to bring an action under *The Fatal Accidents Act* on behalf of a spouse, parent or child as defined in that Act;

for damages, or the cost of health care benefits, alleged to have been caused or contributed to by a tobacco-related wrong is barred pursuant to a limitation period established under an Act or former Act.

(2) Any action described in subsection (1) for damages alleged to have been caused or contributed to by a tobacco-related wrong is revived if the action was dismissed before the coming into force of this section merely because it was held by a court to be barred or extinguished by a limitation period established under an Act or former Act.

2007, c.T-14.2, s.7.

Liability based on risk contribution

8(1) This section applies to an action for damages, or the cost of health care benefits, alleged to have been caused or contributed to by a tobacco-related wrong other than an action for the recovery of the cost of health care benefits on an aggregate basis.

(2) If a plaintiff is unable to establish which defendant caused or contributed to the exposure described in clause (b) and, as a result of a breach of a common law, equitable or statutory duty or obligation:

(a) one or more defendants causes or contributes to a risk of disease by exposing persons to a type of tobacco product; and

(b) the plaintiff has been exposed to the type of tobacco product referred to in clause (a) and suffers disease as a result of the exposure;

the court may find each defendant that caused or contributed to the risk of disease liable for a proportion of the damages or cost of health care benefits incurred equal to the proportion of its contribution to that risk of disease.

(3) The court may consider the following in apportioning liability under subsection (2):

(a) the length of time a defendant engaged in the conduct that caused or contributed to the risk of disease;

(b) the market share the defendant had in the type of tobacco product that caused or contributed to the risk of disease;

(c) the degree of toxicity of any toxic substance in the type of tobacco product manufactured or promoted by a defendant;

(d) the amount spent by a defendant on promoting the type of tobacco product that caused or contributed to the risk of disease;

(e) the degree to which a defendant collaborated or acted in concert with other manufacturers in any conduct that caused, contributed to or aggravated the risk of disease;

(f) the extent to which a defendant conducted tests and studies to determine the risk of disease resulting from exposure to the type of tobacco product;

(g) the extent to which a defendant assumed a leadership role in manufacturing the type of tobacco product;

(h) the efforts a defendant made to warn the public about the risk of disease resulting from exposure to the type of tobacco product;

(i) the extent to which a defendant continued manufacture or promotion of the type of tobacco product after it knew or ought to have known of the risk of disease resulting from exposure to the type of tobacco product;

- (j) affirmative steps that a defendant took to reduce the risk of disease to the public;
 - (k) other considerations considered relevant by the court.
- (4) Notwithstanding *The Health Administration Act*, no person who brings an action to which this section applies shall include in his or her claim a claim as referred to in subsection 19(5) of that Act to recover the cost of health services provided by the Minister of Health.

2007, c.T-14.2, s.8; 2014, c.E-13.1, s.62.

Apportionment of liability in tobacco-related wrongs

- 9(1)** This section does not apply to a defendant in respect of whom the court has made a finding of liability under section 8.
- (2) A defendant who is found liable for a tobacco-related wrong may commence, against one or more of the defendants found liable for that wrong in the same action, an action or proceeding for contribution toward payment of the damages or the cost of health care benefits caused or contributed to by that wrong.
- (3) Subsection (2) applies whether or not the defendant commencing an action or proceeding under that subsection has paid all or any of the damages or the cost of health care benefits caused or contributed to by the tobacco-related wrong.
- (4) In an action or proceeding described in subsection (2), the court may apportion liability and order contribution among each of the defendants in accordance with the considerations listed in clauses 8(3)(a) to (k).

2007, c.T-14.2, s.9.

Regulations

10 The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
- (b) for the purposes of clause 2(1)(n), prescribing forms of tobacco;
- (c) prescribing any other matter or thing required or authorized by this Act to be prescribed in the regulations;
- (d) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

2007, c.T-14.2, s.10.

Retroactive effect

11 When brought into force under section 12, a provision of this Act has the retroactive effect necessary to give the provision full effect for all purposes including allowing an action to be brought under subsection 3(1) arising from a tobacco-related wrong, whenever the tobacco-related wrong occurred.

2007, c.T-14.2, s.11.

Coming into force

12 This Act comes into force on proclamation.

2007, c.T-14.2, s.12.

