



Attorney General Jon Bruning

News Release

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AG Bruning: Tobacco Settlement Good Deal for Nebraskans

LINCOLN – Attorney General Jon Bruning today announced a multi-state agreement with four major tobacco companies that settles a 10-year dispute regarding payments under the 1998 Master Settlement Agreement (MSA). Today’s agreement will provide Nebraska approximately \$18 million in 2013 and ensures continued payments in the future.

“This settlement is important for Nebraska and essential to the future of our public health funding from the Health Care Cash Fund,” said Bruning. “The Legislature has utilized the state’s MSA fund wisely by supporting much-needed health care programs. Our office is focused on maintaining the integrity of that fund. Under the terms of the settlement, we avoid the significant uncertainty of costly litigation and the potential loss of the entire annual MSA payment.”

In 1998, the major tobacco companies agreed to pay states more than \$200 billion over 25 years to settle lawsuits over the health care costs related to smoking. For the past ten years, there has been a dispute between the tobacco companies and the states over portions of the payments.

Since 2003, Nebraska has received approximately \$300 million from the four largest tobacco companies. Annually, approximately \$40 million in payments would be at risk by continued arbitration.

On December 17, 2012, the settlement was agreed upon by 17 states including Nebraska, Alabama, Arizona, Arkansas, California, Georgia, Kansas, Louisiana, Michigan, Nevada, New Hampshire, New Jersey, North Carolina, Tennessee, Virginia, West Virginia and Wyoming. The states were joined by the District of Columbia and Puerto Rico.

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