



HEALTH ▸ HYGIENE ▸ HOME

HS Compensation Plan for Category 1 and 2 Oxy HS Victims in Round 1 and Round 2 Consultation Response

1 Introduction*

Oxy RB acknowledges that the Oxy HS product caused enormous pain, grief and unbearable loss to Victims and their Families, and to Korean society. We were wrong not to have responded with appropriate apology and remediation earlier.

In June 2016, Oxy RB made its initial proposals for a compensation plan for Category 1 and 2 Oxy HS Victims from Rounds 1 and 2 and launched a related consultation process.

We are very grateful for all the views and opinions that have been provided to us, and for the ongoing patience of Victims and their Families.

**Where we have used capitalised terms in this Consultation response, they will have the meanings given to them in the glossary to the Compensation Plan Rules, which are available at www.oxy.co.kr.*

2 Our consultation efforts

We met with as many Victims and their Families as possible during the consultation process, as well as other stakeholders, such as Government and representatives of certain patient groups]. This included approximately 80% of the 181 Victims or their Families, and we are continuing our efforts to reach the remaining Victims and their Families so they are aware of the Compensation Plan.

We met face-to-face with Victims and their Families in two large group meetings on 18 and 26 June and published materials from those meetings on our website so all Victims, their Families and other stakeholders could read them. We also met with smaller groups, and had one-on-one meetings with those Victims and Families who wished to do so.

We also created a microsite dedicated to the HS issue, set up an email account and provided contact details so that anyone who wished to express their opinion could do so.

3 Our response to your feedback

We are very grateful for the valuable feedback we have received from Victims and their Families and other stakeholders throughout the consultation process.

We have given serious consideration to every opinion and view provided, in light of our guiding values for the Compensation Plan of Respect, Fairness, Transparency and Speed. There were some areas where we felt that, to be consistent with our guiding values, we should address concerns raised, and do so quickly. This is why we presented revisions to our 18 June proposal as soon as 26 June.

We have summarised the key messages we received below. We have also explained how we have sought to reflect them in our final Compensation Plan.

3.1 Compensating for your mental distress

You told us that while no amount of money could bring back your loved ones, the amount of compensation we had proposed to pay for your mental distress was not appropriate given the enormous pain, grief and unbearable loss to Victims and their Families.

You also told us about many tragic cases which have impacted Families. Just a few include the loss of housewives who were the centre of the family, injuries which affected mothers who were expecting a child causing both them and their Family significant additional distress, and the breakdown of family relationships due to the unbearable loss the Oxy HS product caused.

We considered carefully whether we should offer more compensation for the mental distress suffered in these specific cases. However, we concluded that it would be fairer to simply increase the amount of compensation that propose to pay to all Victims and their Families to make our apology more meaningful.

You also asked us not to draw fine distinctions between the distress experienced by each individual Victim and their Family because all Victims and their families, as well as Korean society, have suffered as a result of the HS issue. This means that we are proposing to pay at least KRW 150 million in relation to any Victim, and in cases where a child has been lost or severely injured we will pay a higher sum for mental distress which will be incorporated into a lump sum payment of KRW 1 billion.

3.2 Recognising child potential

You asked us to recognise the exceptional trauma associated with the loss of children, or children who suffered a severe lung injury as a result of the Oxy HS product.

Considering the gravity of the situation and years of delay, we have increased the amount of compensation we propose to pay where children have died or been severely injured to acknowledge the loss and the dreams you held for them and the impact on the Family.

In these cases we propose to pay KRW 1 billion (to cover mental distress, loss of income, past medical and care expenses and interest).

3.3 Recognising the impact on Families with multiple Victims

Your feedback highlighted that there are multiple Victims in some Families, which has caused the other members of that Family to suffer greatly and repeatedly in relation to their loss, or who have to care for injured Victims.

We propose to recognise this suffering in our Compensation Plan. Where Claims for compensation are made by more than one Victim in a Family, we will propose to pay an additional KRW 50 million to reflect the mental distress suffered in these cases (to be split equally between the Claims relating to the Victims within that Family).

3.4 Our approach to multi-users

You gave us your view that we needed to minimise the burden on multi-user Victims. Your wish was for these Victims or their Families to be able to claim full compensation under the

Compensation Plan to help them bring closure to the HS issue, even where they used other HS products.

Guided by our four values, we recognize that Victims and their Families have already endured such enormous pain and suffering, and we wish to take this opportunity to lessen their burden. We propose to compensate multi-user Victims and their Families in full provided they assign to us any claims they have against other persons for compensation in relation to the HS issue.

Oxy RB intends to continue its efforts to find an industry resolution to the multi-use issue, and remains committed to offering a fair and transparent compensation plan for later rounds by reference to their particular circumstances, provided such an industry resolution can be achieved.

3.5 Interim Support Payments

We asked whether those Victims and their Families who had not already entered into a settlement with us would like to receive an advance payment.

You indicated that while many people may not wish to receive such a payment, there are some Victims and Families who would find it useful. We propose to all Victims and their Families who have not settled with us (and who have not received compensation in relation to their injuries or death from another source) already, upon their request, receive an advance Interim Support Payment of KRW 50 million after they have registered for the Compensation Plan.

3.6 Meeting your Future Medical and Care Needs

You told us that you wanted us to build a comprehensive plan for Future Medical and Care needs of injured Victims. We have listened to this, and if the Victim is living at the time of his or her Claim, we will propose provision for that Victim's Future Medical and Care Needs. Oxy RB is seeking to work with the Korean Government to ensure that Victims' Future Medical and Care Needs are provided for and that this works in a way which minimises the burden on Victims.

Some injured Victims told us they would prefer to receive a one-off lump sum to cover their Future Medical and Care Needs. We are concerned that this may not be in the best interests of all Victims. This is because by accepting a lump sum you would lose your right to access publicly funded healthcare. In addition, even if there is a change in circumstances (such as a new treatment or increased healthcare costs) those who had received a lump sum would not be able to come back to us and ask for further compensation. For this reason we have decided not to offer this at this stage. However, if in certain very specific cases a lump sum may be appropriate, then we will consider this.

3.7 Supporting your choice to seek independent legal advice

Our initial proposals required you to appoint a lawyer to advise you when you make your claim under the Compensation Plan. The Compensation Agreement that you will need to sign with us so we can pay your compensation is a legal document, and will affect your legal rights, and so we felt it was important you had an advisor who could help you understand your options.

You told us that you would prefer to have the choice whether or not to appoint a lawyer. We also consulted a number of reputable lawyers who told us that this choice was important. For this reason we will not require you to appoint a lawyer.

However, if you choose to do so, we will support that decision. If you have successfully registered for the Compensation Plan we will pay up to KRW 5 million towards legal expenses (including VAT and disbursements) you incur in connection with your Claim.

4 Where can you find further information?

You can find further information on our website (www.oxy.co.kr), including the full Compensation Plan Rules and details of how to register for the Compensation Plan (including the registration form).

If you would like to express your views and opinions on the Compensation Plan, or would like to ask a question, we would welcome this. You can contact us at care@oxy.co.kr or 080-699-2273.