

# FAULTS IN STATE PENSION PLAN

THE FUNDAMENTAL problems of absorbing private pension schemes into the State scheme had been largely ignored in the Department of Social Welfare's Green Paper on Pensions, said Mr. Edmund Baily, president of the Insurance Institute of Dublin, on Saturday.

He sincerely hoped that the Government would make an early commitment to "contracting out" for private pension schemes,

Mr. Baily told the institute's annual dinner. "It is just not on to expect employees to contribute to a State scheme for benefits which they previously enjoyed on a non-contributory basis."

Discussing the effects of EEC integration, Mr. Baily continued: "Although we know where the Treaty of Rome is intended to lead us eventually, the path has meandered and progress has been slow".

The arrival of the first foreign insurers to enter the Irish market for more than 40 years could be a welcome spur to flexibility and innovation, he said. But the Irish market was small and a fine balance between competition and market discipline was essential.

Mr. Baily said that in another, relatively small market, South Africa, indiscriminate competition from some insurers, combined with over-reaction from traditional companies, and fanned by an aggressive broker market had brought all classes of insurance substantially into deficit. "We have all the ingredients," Mr. Baily said. Let us ensure that the unpalatable cake remains unbaked."



**"Dangers to the Irish insurance market from indiscriminate competition"  
—Mr. Edmond Baily, president of the Insurance Institute of Dublin.**