retirement accounts, what are deducted from the premium dollars are agents' commissions which usually are relatively generous, secondly, administrative costs and, thirdly, oftentimes start up costs to establish the annuity. So already from the dollar that the person pays to the individual retirement account to an insurance comany there are several deductions separate and apart from the premium tax and finally what the Consumer Report said is this, and it is very interesting. It said that insurance companies themselves have made their individual retirement accounts noncompetitive. They have made them noncompetitive and I know that every member in this body has heard the argument that the reason that the State of Nebraska should give up the premium tax on the insurance individual retirement account is so that it will be competitive with other forms of retirement accounts but according to Consumer Reports, insurance companies themselves have made the insurance individual retirement account noncompetitive. Why? Because they have allowed their agents handsome commissions, very handsome commissions on other kinds of insurance with lower commissions on the annuity type insurance, the result being, their agents simply speaking are selling, are pushing other kinds of insurance plans. Let me quote: "Many insurance companies lost interest in IRAs when Congress said they no longer could sell fixed payment contracts such as endowments," and that was part of the corrective action that was taken in 1978. Companies contend that consumers were more eager to buy endowments which provide a life insurance than retirement annuities which don't. Prudential for example, now sells about half as many IRAs as it did in 1976 but the fact that insurance companies may be selling few IRAs may have more to do with the commissions they pay their agents than with actual consumer demand. Most insurance companies are in business to sell insurance, not retirement annuities and the commissions paid to agents reflect a company's desire to sell its primary product. Commissions for life insurance policies including the fixed payment IRA endowment may run as high as 55% of the first year's premium. Commissions for annuities are typically less than 10% of the first year's premium. Says Christopher Wayne, Prudential vice-president, "There is more incentive to sell other insurance products that pay higher commissions than annuities. The agent has to eat." Simply speaking, we are going, if we pass LB 905, commit $309,000, load up the taxpayer for another $309,000 annually because we have taken the tax off this particular form of premium income. We have not rendered insurance IRAs any more competitive than they already are. It is up the insurance industry itself to get its house in order and it is the wrong thing for us to do.