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Earnings for Insurers Are Soaring

Insurance companies are expecting record profits in 2006 after predictions of another year of devastating hurricanes have so far come to naught.

Industry experts are estimating that profits may reach \$60 billion, on a combination of higher premiums along the coasts, no major payouts for natural disasters and strong investment returns. The insurers also had high profits on other lines of coverage like auto insurance, workers compensation and general liability.

The record profits expected this year come after a terrible 2005, when insurers paid out \$61 billion for damage from Hurricane Katrina and other storms. Even so, the insurers ended up with a profit of \$43 billion for the year because of exceptionally good results on investments, declining claims on policies on homes away from the coast and profits on other lines of coverage.