Stat 479
Fall 2009
Quiz 5
October 15, 2009

1. Claim frequencies are distributed as follows:

N	Probability
0	0.1
1	0.2
2	0.3
3	0.4

Claim severities are distributed as follows:

X	Probability
1	0.25
2	0.75

Calculate the Net Stop Loss Premium for an aggregate deductible of 4.5.

2. The number of claims for dental insurance is distributed as a Poisson distribution.

The amount of each individual claim is follows a gamma distribution with $\alpha = 2$ and $\theta = 100$.

The Var[S] = 138,000.

Calculate the expected value of the aggregate claims.