

MA (ST) 413 Assignment 10

1. **Loss Models** page 276, Problem 10.1.
2. **Loss Models** page 276, Problem 10.2.
3. For a discrete model with $u = 5$, the premium collected during each period is $P_i = 3$ and the loss assumes only two values 0 and 8 with $Pr(S_i = 0) = 0.7, Pr(S_i = 8) = 0.3$. There is an investment income $C_i = 1$ during each period. Determine $U(\tilde{T})$.