

18. You are given:

- (i) Two risks have the following severity distributions:

Amount of Claim	Probability of Claim Amount for Risk 1	Probability of Claim Amount for Risk 2
250	0.5	0.7
2,500	0.3	0.2
60,000	0.2	0.1

- (ii) Risk 1 is twice as likely to be observed as Risk 2.

A claim of 250 is observed.

Determine the Bühlmann credibility estimate of the second claim amount from the same risk.

- (A) Less than 10,200
- (B) At least 10,200, but less than 10,400
- (C) At least 10,400, but less than 10,600
- (D) At least 10,600, but less than 10,800
- (E) At least 10,800