

45. You are given:

- (i) The amount of a claim, X , is uniformly distributed on the interval $[0, \theta]$.
- (ii) The prior density of θ is $\pi(\theta) = \frac{500}{\theta^2}$, $\theta > 500$.

Two claims, $x_1 = 400$ and $x_2 = 600$, are observed. You calculate the posterior distribution as:

$$f(\theta|x_1, x_2) = 3 \left(\frac{600^3}{\theta^4} \right), \quad \theta > 600$$

Calculate the Bayesian premium, $E(X_3|x_1, x_2)$.

- (A) 450
- (B) 500
- (C) 550
- (D) 600
- (E) 650