

- 71.** You are investigating insurance fraud that manifests itself through claimants who file claims with respect to auto accidents with which they were not involved. Your evidence consists of a distribution of the observed number of claimants per accident and a standard distribution for accidents on which fraud is known to be absent. The two distributions are summarized below:

Number of Claimants per Accident	Standard Probability	Observed Number of Accidents
1	0.25	235
2	.35	335
3	.24	250
4	.11	111
5	.04	47
6+	.01	22
Total	1.00	1000

Determine the result of a chi-square test of the null hypothesis that there is no fraud in the observed accidents.

- (A) Reject at the 0.005 significance level.
- (B) Reject at the 0.010 significance level, but not at the 0.005 level.
- (C) Reject at the 0.025 significance level, but not at the 0.010 level.
- (D) Reject at the 0.050 significance level, but not at the 0.025 level.
- (E) Do not reject at the 0.050 significance level.