

97. A group dental policy has a negative binomial claim count distribution with mean 300 and variance 800.

Ground-up severity is given by the following table:

Severity	Probability
40	0.25
80	0.25
120	0.25
200	0.25

You expect severity to increase 50% with no change in frequency. You decide to impose a per claim deductible of 100.

Calculate the expected total claim payment after these changes.

- (A) Less than 18,000
- (B) At least 18,000, but less than 20,000
- (C) At least 20,000, but less than 22,000
- (D) At least 22,000, but less than 24,000
- (E) At least 24,000