

107. For a stop-loss insurance on a three person group:

- (i) Loss amounts are independent.
- (ii) The distribution of loss amount for each person is:

Loss Amount	Probability
0	0.4
1	0.3
2	0.2
3	0.1

- (iii) The stop-loss insurance has a deductible of 1 for the group.

Calculate the net stop-loss premium.

- (A) 2.00
- (B) 2.03
- (C) 2.06
- (D) 2.09
- (E) 2.12