

122. You are simulating a compound claims distribution:

- (i) The number of claims, N , is binomial with $m = 3$ and mean 1.8.
- (ii) Claim amounts are uniformly distributed on $\{1, 2, 3, 4, 5\}$.
- (iii) Claim amounts are independent, and are independent of the number of claims.
- (iv) You simulate the number of claims, N , then the amounts of each of those claims, X_1, X_2, \dots, X_N . Then you repeat another N , its claim amounts, and so on until you have performed the desired number of simulations.
- (v) When the simulated number of claims is 0, you do not simulate any claim amounts.
- (vi) All simulations use the inverse transform method, with low random numbers corresponding to few claims or small claim amounts.
- (vii) Your random numbers from $(0, 1)$ are 0.7, 0.1, 0.3, 0.1, 0.9, 0.5, 0.5, 0.7, 0.3, and 0.1.

Calculate the aggregate claim amount associated with your third simulated value of N .

- (A) 3
- (B) 5
- (C) 7
- (D) 9
- (E) 11