

**165.** For a collective risk model:

- (i) The number of losses has a Poisson distribution with  $\lambda = 2$ .
- (ii) The common distribution of the individual losses is:

$x$	$f_x(x)$
1	0.6
2	0.4

An insurance covers aggregate losses subject to a deductible of 3.

Calculate the expected aggregate payments of the insurance.

- (A) 0.74
- (B) 0.79
- (C) 0.84
- (D) 0.89
- (E) 0.94