

202. Unlimited claim severities for a warranty product follow the lognormal distribution with parameters $\mu = 5.6$ and $\sigma = 0.75$.

You use simulation to generate severities.

The following are six uniform (0, 1) random numbers:

0.6179 0.4602 0.9452 0.0808 0.7881 0.4207

Using these numbers and the inversion method, calculate the average payment per claim for a contract with a policy limit of 400.

- (A) Less than 300
- (B) At least 300, but less than 320
- (C) At least 320, but less than 340
- (D) At least 340, but less than 360
- (E) At least 360