

- 226.** For a particular policy, the conditional probability of the annual number of claims given $\Theta = \theta$, and the probability distribution of Θ are as follows:

Number of Claims	0	1	2
Probability	2θ	θ	$1-3\theta$

θ	0.10	0.30
Probability	0.80	0.20

One claim was observed in Year 1.

Calculate the Bayesian estimate of the expected number of claims for Year 2.

- (A) Less than 1.1
- (B) At least 1.1, but less than 1.2
- (C) At least 1.2, but less than 1.3
- (D) At least 1.3, but less than 1.4
- (E) At least 1.4