

Question #237**Key: A**

U	z	x	lognormal	with deductible
0.6217	0.31	5.8325	341.21	241.21
0.9941	2.52	7.49	1790.05	1690.05
0.8686	1.12	6.44	626.41	526.41
0.0485	-1.66	4.355	77.87	0
			Average	614.42

The value of z is obtained by inversion from the standard normal table. That is, $u = \Pr(Z \leq z)$. The value of x is obtained from $x = 0.75z + 5.6$. The lognormal value is obtained by exponentiating x and the final column applies the deductible.