

26. For a special fully continuous last survivor insurance of 1 on (x) and (y) , you are given:

(i) T_x and T_y are independent.

(ii) For (x) , $\mu_{x+t} = 0.08$, $t > 0$

(iii) For (y) , $\mu_{y+t} = 0.04$, $t > 0$

(iv) $\delta = 0.06$

(v) π is the annual benefit premium payable until the first of (x) and (y) dies.

Calculate π .

(A) 0.055

(B) 0.080

(C) 0.105

(D) 0.120

(E) 0.150