

118. For a special fully discrete 3-year term insurance on (x) :

(i) Level benefit premiums are paid at the beginning of each year.

(ii)

k	Death benefit b_{k+1}	q_{x+k}
0	200,000	0.03
1	150,000	0.06
2	100,000	0.09

(iii) $i = 0.06$

Calculate the initial benefit reserve for year 2.

(A) 6,500

(B) 7,500

(C) 8,100

(D) 9,400

(E) 10,300