

**175.** A group of 1000 lives each age 30 sets up a fund to pay 1000 at the end of the first year for each member who dies in the first year, and 500 at the end of the second year for each member who dies in the second year. Each member pays into the fund an amount equal to the single benefit premium for a special 2-year term insurance, with:

(i) Benefits:

$k$	$b_{k+1}$
0	1000
1	500

(ii) Mortality follows the Illustrative Life Table.

(iii)  $i = 0.06$

The actual experience of the fund is as follows:

$k$	Interest Rate Earned	Number of Deaths
0	0.070	1
1	0.069	1

Calculate the difference, at the end of the second year, between the expected size of the fund as projected at time 0 and the actual fund.

- (A) 840
- (B) 870
- (C) 900
- (D) 930
- (E) 960