

306. For a 5-year warranty on Kira's new cell phone, you are given:

- (i) The warranty pays 100 at the moment of breakage, if the phone breaks. The warranty only pays for one breakage.
- (ii) If the phone has not broken, the warranty pays 100 at the end of 5 years.
- (iii) Premiums of G are payable continuously at an annual rate of 25 until the phone breaks.
- (iv) The force of breakage for this phone is $\mu_t = 0.02t, t \geq 0$.
- (v) $\delta = 0.05$
- (vi) \mathcal{V} denotes the gross premium reserve at time t for this warranty.
- (vii) At the end of year 4, Kira's cell phone has not broken.
- (viii) You approximate ${}_4\mathcal{V}$ using Euler's method, with step size $h = 0.5$ and using the derivatives of \mathcal{V} at times 4.0 and 4.5.

Calculate your approximation of ${}_4\mathcal{V}$ using this methodology.

- (A) 71.0
- (B) 71.4
- (C) 71.9
- (D) 72.4
- (E) 72.8