

48. An insurance policy on an electrical device pays a benefit of 4000 if the device fails during the first year. The amount of the benefit decreases by 1000 each successive year until it reaches 0 . If the device has not failed by the beginning of any given year, the probability of failure during that year is 0.4 .

What is the expected benefit under this policy?

- (A) 2234
- (B) 2400
- (C) 2500
- (D) 2667
- (E) 2694