

52. An insurance company sells a one-year automobile policy with a deductible of 2 . The probability that the insured will incur a loss is 0.05 . If there is a loss, the probability of a loss of amount N is $\frac{K}{N}$, for $N= 1, \dots, 5$ and K a constant. These are the only possible loss amounts and no more than one loss can occur.

Determine the net premium for this policy.

- (A) 0.031
- (B) 0.066
- (C) 0.072
- (D) 0.110
- (E) 0.150