

9. Solution: B

Let

M = event that customer insures more than one car

S = event that customer insures a sports car

Then applying DeMorgan's Law, we may compute the desired probability as follows:

$$\begin{aligned}\Pr(M^c \cap S^c) &= \Pr[(M \cup S)^c] = 1 - \Pr(M \cup S) = 1 - [\Pr(M) + \Pr(S) - \Pr(M \cap S)] \\ &= 1 - \Pr(M) - \Pr(S) + \Pr(S|M)\Pr(M) = 1 - 0.70 - 0.20 + (0.15)(0.70) = 0.205\end{aligned}$$
