

Homework Set 3

This homework will not be collected.

1. Reading: Sections 4.4-4.10.
2. An insurance company has three types of customers: high risk, medium risk and low risk. Twenty percent of its customers are high risk, 30% are medium risk and 50% are low risk. Also, the probability that a customer has at least one accident in the current year is .25 for high risk, .16 for medium risk and .10 for low risk.
 - (a) Find the probability that a customer chosen at random will have at least one accident in the current year.
 - (b) Find the probability that a customer is high risk, given that the person has had at least one accident during the current year.
3. Exercises 4.40, 4.45, 4.46.
4. Exercises 4.53, 4.54, 4.59, 4.62, 4.63, 4.70, 4.72.