

Blackline Masters

Automobile Accident Damage Rates

Amount of Damage	Probability
Less than or equal to \$500	45%
Greater than \$500, but less than or equal to \$1000	15%
Greater than \$1000, but less than or equal to one-half the value of the car	25%
Greater than one-half the value of the car, but less than or equal to the total value of the car	15%

Expected Cost of Three Decisions

Decision	Expected Cost
No Insurance	
\$500 Deductible	
\$1000 Deductible	