

**Blackline Masters**

## **Automobile Accident Damage Rates**

<b>Amount of Damage</b>	<b>Probability</b>
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**

<b>Decision</b>	<b>Expected Cost</b>
No Insurance	
\$500 Deductible	
\$1000 Deductible	