each beer costs $5

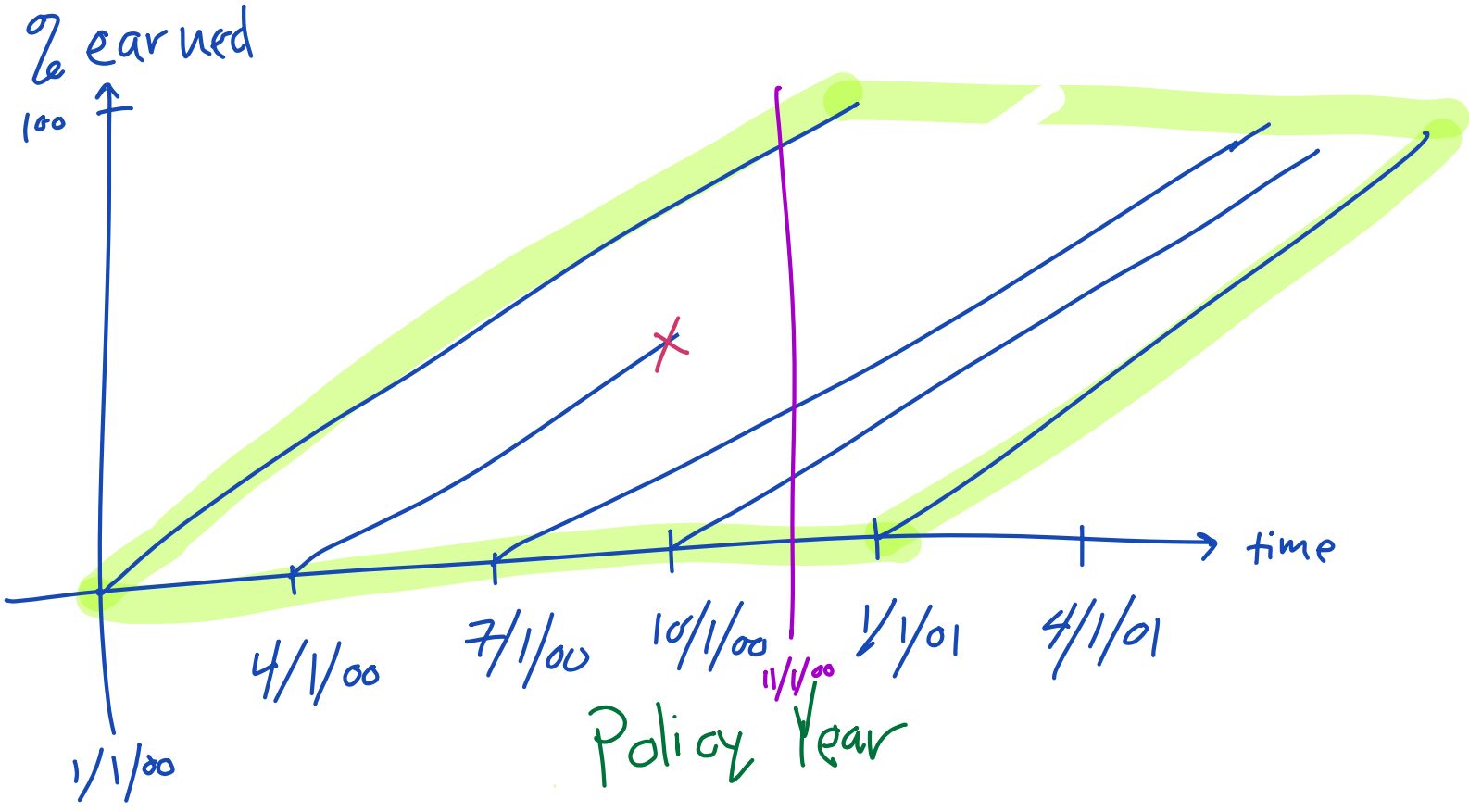
Bud light × 0.5

Delirium Tremens × 1.5

pound of fruit costs $2

apples × 1

cherries × 3

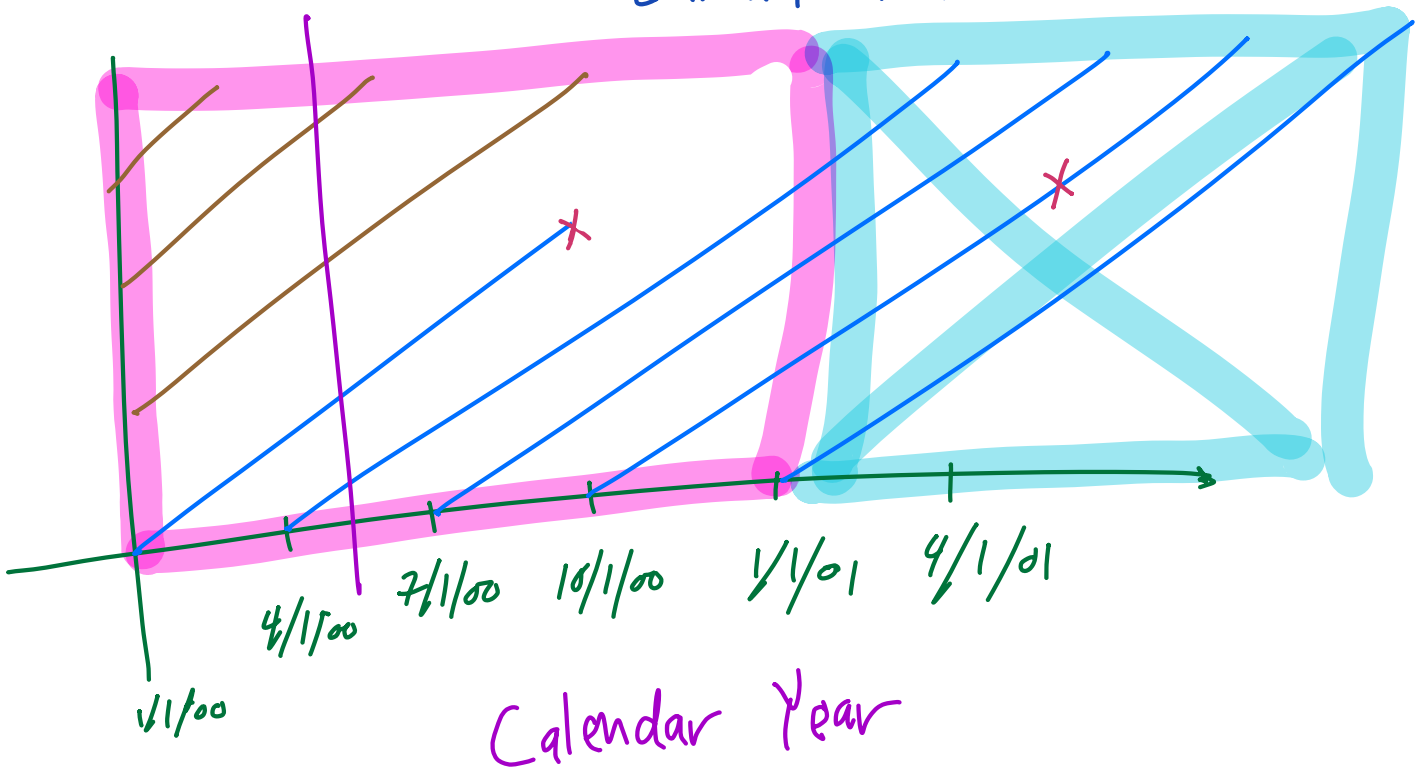


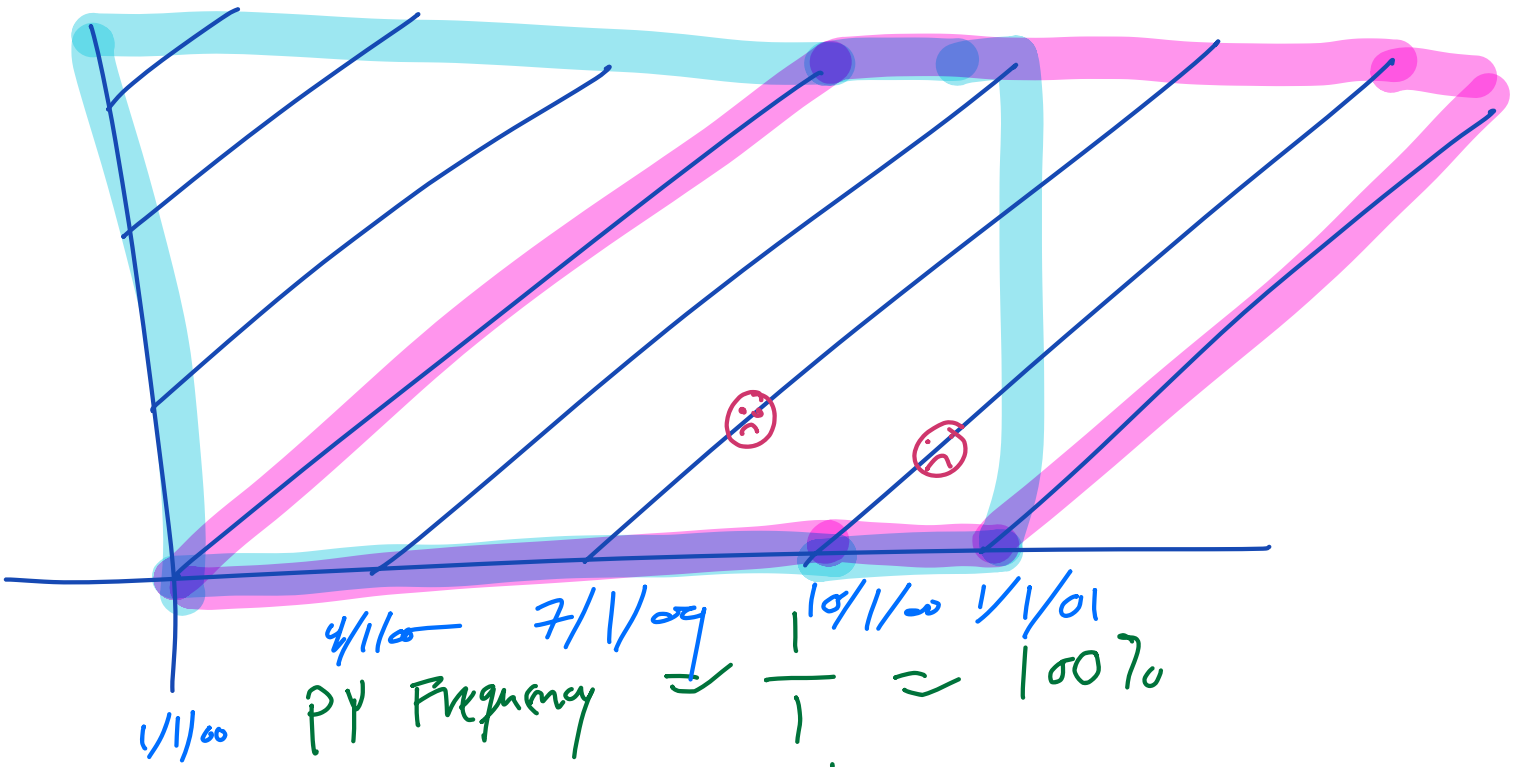
$$\text{Frequency} = \frac{\#\ \text{claims}}{\text{Earned Exposure}}$$

$$\text{Severity} = \frac{\$\ \text{Incurred Loss}}{\#\ \text{claims}}$$

Pure Premium = $\frac{\$ \text{ Incurred Loss}}{\text{Earned Exposure}}$

Loss Ratio = $\frac{\$ \text{ Incurred Loss}}{\text{Earned Premium}}$





PY Frequency = $\frac{1}{1}$ = 100%

CY Frequency = $\frac{1}{0.5}$ = 200%

Policy :- Effective Date (1/1/2022 12:00 AM)
Expiration Date (12/31/2022 11:59 P.M.)
Cancellation Date

Analysis :- Accounting Start Date
Accounting End Date

Earning Start Date:
Max (Effective Date, Acct Start)

Earning End Date:
Min (Expiration Date,
Cancel Date,
Acct End)

Earned Days = End Date - Start Date

Full Term Days = Expiration − Effective

Earned Exposure = $\frac{\text{\# Earned Days}}{\text{\# Full Term Days}}$