

Attendance Quiz 19

Name: _____ Date: _____

1. Insurance Premiums: A company is considering two insurance plans with the types of coverage and premiums shown in the following table.

	Policy A	Policy B
Fire/Theft	\$10,000	\$15,000
Liability	\$180,000	\$120,000
Premium	\$50	\$40

(For example, this means that \$50 buys one unit of plan A, consisting of \$10,000 fire and theft insurance and \$180,000 of liability insurance.)

The company wants at least \$300,000 fire/theft insurance and at least \$3,000,000 liability insurance from these plans. How many units should be purchased from each plan to minimize the cost of the premiums? What is minimum premium?