Insurance Charges

1.) Identify your problem statement

Ans:To predict the insurance charges based on multiple input parameters provided by the client.

2.) Tell basic info about the dataset (Total number of rows, columns)

Ans:

Total Rows: 1338
Total Columns: 6
Input Features (X): 5
Target Variable (Y): charges (Insurance Charges)

3.) Mention the pre-processing method if you're doing any (like converting string to number – nominal data)

Ans:

- sex and smoker are categorical variables that need to be converted into numerical values.
- Used One-Hot Encoding (pd.get_dummies) to transform these categorical variables.

А	В	С	D	E	F
age	sex	bmi	children	smoker	charges
19	female	27.9	0	yes	16884.924
18	male	33.77	1	no	1725.5523
28	male	33	3	no	4449.462
33	male	22.705	0	no	21984.47061

4.) Develop a good model with r2_score. You can use any machine learning algorithm; you can create many models. Finally, you have to come up with final model.

Ans:

final model: Random Forest, based on the other Algorithm R2 score value

```
#running for the highest score 0.89
regressor = RandomForestRegressor(n_estimators=200, criterion= 'absolute_error', ma
regressor = regressor.fit(X_train, Y_train)
#test using the test data
y_pred = regressor.predict(X_test)
# evaluate metrics R2 score
from sklearn.metrics import r2_score
r_score = r2_score(Y_test, y_pred)

print("r2_score for the 0.89", r_score)
print("------")
import pickle
filename = "finalized_InsuranceChargePrediction_RF_Model.sav"
```

To conclude before Random Forest model was the final model with prediction percentage of 89% below were the Algorithms tried and tuned to get the top results

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Algorithm 1: Multiple Linear Regression: 0.78 is the highest R2 Score

```
#possible Hyper tuning params fit_intercept=True, copy_X=True, n_jobs=None, positive=False
from sklearn.linear_model import LinearRegression
def calculateModelR2Score_MLR(fit_intercept_V, copy_X_V, n_jobs_V, positive_V):
   regressor = LinearRegression(fit_intercept=fit_intercept_V, copy_X=copy_X_V, n_jobs=n_jobs_V, positive=positive_V)
   regressor = regressor.fit(X_train, Y_train)
   #test using the test data
   y_pred = regressor.predict(X_test)
   # evalulate metrics R2 score
  from sklearn.metrics import r2_score
   r_score = r2_score(Y_test, y_pred)
   print("fit_intercept:", fit_intercept_V)
   print("copy_X:", copy_X_V)
  print("n_jobs:", n_jobs_V)
  print("positive:", positive_V)
print("r2_score", r_score)
   print("----")
fit_intercept_List = [True, False]
copy_X_List = [False, True]
n_jobs_List = [0] #,1,2]
positive_List = [False, True]
```

Sorted Multiple Linear Regression R2 Score Table						
	fit_intercept	copy_X	n_jobs	positive	r2_score	
1	True	False	0	False	0.78947903498670 09	
2	True	True	0	False	0.78947903498670 09	
3	True	False	0	True	0.78944293871207 54	
4	True	True	0	True	0.78944293871207 54	
5	False	False	0	False	0.76237232822791 32	
6	False	True	0	False	0.76237232822791 32	
7	False	False	0	True	0.76143329361454 34	
8	False	True	0	True	0.76143329361454 34	

Algorithm 2: Scalar Vector Model SVM: **00.85** is the highest R2 Score

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```
#possible Hyper tuning params: sklearn.svm.SVR(*, kernel='rbf', degree=3, gamma='scale', coef0=0.0, tol=0.001, C=1.0, epsilon=0
from sklearn.svm import SVR
def calculateModelR2Score_SVM(kernel_V, degree_V, gamma_V, C_V, epsilon_V):
   regressor = SVR(kernel=kernel_V, degree=degree_V, gamma=gamma_V, C=C_V, epsilon=epsilon_V)
   regressor = regressor.fit(X_train, Y_train)
   #test using the test data
   y_pred = regressor.predict(X_test)
   # evalulate metrics R2 score
   from sklearn.metrics import r2_score
   r_score = r2_score(Y_test, y_pred)
   print("kernel_V", kernel_V)
   print("degree_V", degree_V)
   print("gamma_V ", gamma_V)
   print("C_V ", C_V)
   print("epsilon_V ", epsilon_V)
print("r2_score", r_score)
   print("----")
kernel_List= ['rbf', 'linear', 'poly']
C_List= [1] #0.1, 1, 10, 100]
gamma_List= [1] #['scale', 'auto', 0.01, 0.1, 1]
epsilon_List= [0.001] #, 0.01, 0.1, 1.0]
degree_List= [2] #, 3, 4]
```

S	Sorted SVM R2 Score Table					
	kernel	degree	gamma	С	epsilon	r2_score
1	poly	2	1	1	0.001	0.8538275261919 09
2	rbf	2	1	1	0.001	-0.089676683997 926
3	linear	2	1	1	0.001	-0.111671877542 268

Algorithm 3: Decision Tree Regressor - 00.88 is the highest R2 Score

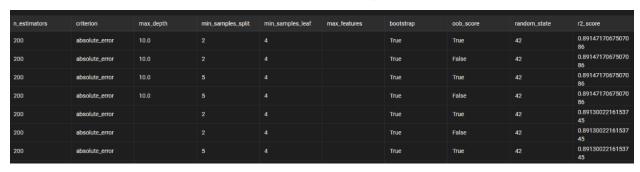
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Sorted Decision Tree R2 Score Table						
	criterion	splitter	max_depth	min_samples_split	min_samples_leaf	r2_score
1	absolute_error	best		20	5	0.88634598825236 49
2	absolute_error	best	10.0	20	5	0.88634598825236 49
3	absolute_error	best	20.0	20	5	0.88634598825236 49
4	absolute_error	best	5.0	2	5	0.88608384777147 83
5	absolute_error	best	5.0	5	5	0.88608384777147 83
6	absolute_error	best	5.0	10	5	0.88608384777147 83

Algorithm 4: Random Forest Regressor - 00.89 is the highest R2 Score

```
#possible Hyper tuning params: class sklearn.ensemble.RandomForestRegressor(n_estimators=100,
from sklearn.ensemble import RandomForestRegressor
def calculateModelR2Score_RF(n_estimators_Value, criterion_value, max_depth_Value, min_sample
   regressor = RandomForestRegressor(n_estimators=n_estimators_Value, criterion=criterion_va
    regressor = regressor.fit(X_train, Y_train)
   #test using the test data
   y_pred = regressor.predict(X_test)
    # evalulate metrics R2 score
   from sklearn.metrics import r2_score
    r_score = r2_score(Y_test, y_pred)
    if(r_score > 0.891):
       print("n_estimators_Value", n_estimators_Value)
       print("criterion_Value", criterion_value)
       print("max_depth_Value", max_depth_Value)
       print("min_samples_split_Value", min_samples_split_Value)
       print("min_samples_leaf_Value", min_samples_leaf_Value)
       print("max_features_Value", max_features_Value)
       print("bootstrap_Value", bootstrap_Value)
       print("oob_score_Value", oob_score_Value)
       print("random_state_Value", random_state_Value)
       print("r2_score", r_score)
       print("----")
n_estimators_List = [200] #100, 200] #, 300, 500] # Number of trees
criterion_List = ['absolute_error']#'squared_error', 'absolute_error', 'friedman_mse']
max_depth_List = [None, 10] #, 20, 30, 50] # Maximum depth of trees
min_samples_split_List = [2, 5] #, 10] # Minimum samples required to split a node
min_samples_leaf_List = [1, 2, 4]#, 10] # Minimum samples required at each Leaf node
max_features_List = ['sqrt', 'log2', None] # Number of features to consider at each split
bootstrap_List = [True] #, False] # Whether bootstrap samples are used
oob_score_List = [True, False] # Whether to use out-of-bag samples for scoring
random state List = [30, 42, 50] # For reproducibility
```

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5.) All the research values (r2_score of the models) should be documented. (You can make tabulation or screenshot of the results.)

Ans:

Model	R ² Score
Multiple Linear Regression	0.78
Support Vector Machine (SVM)	0.72
Decision Tree Regressor	0.88
Random Forest Regressor	0.89

6) Mention your final model, justify why u have chosen the same.

Ans: Selected Model: Random Forest Regressor

Justification:

• Achieved the highest R² score (0.89) among all models

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