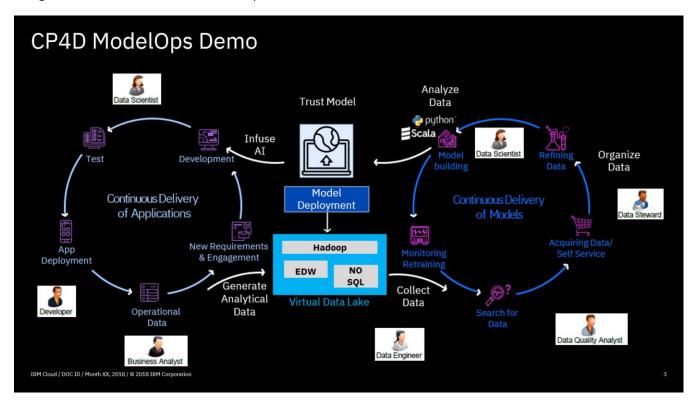
## CP4D Industry Accelerator - Reducing Severe Weather Risk For Insurance

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Using The Cloud Pak For Data Model Ops Platform To Reduce Severe Weather Risk

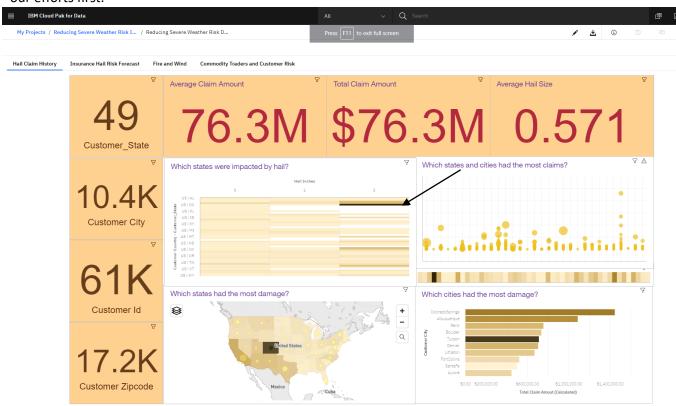
Severe weather has a significant impact on insurers and their policyholders. This industry accelerator simulates a point in history where there were billions of dollars of damage caused by fire, wind and hail 2" in size within the south western part of the United States. This accelerator will show how data engineers, data stewards, data quality analysts, data scientists, citizen data scientists, analysts, and developers can all focus on their role to reduce severe weather risk and work together at the same time using Cloud Pak For Data as the ModelOps Platform.



- Collect, ingest and merge historical severe weather (hail, wind, and fire) data, coming The Weather Company Data Packages, with historical policyholder claim data to understand what the weather was in the past when a claimed occurred. The same data will be used downstream to build test and deploy claim damage prediction models and data built by data scientists and analysts.
- Organize your analytic artifacts such as data, notebooks, models, data source connections and dashboards making it easy for others to find and collaborate through governed trusted catalogs
- Analyze as a data scientist or analyst, to build, test and deploy a model to predict claim damage or develop analytic dashboards to show many views of severe claims damage.
- Infuse model results into downstream dashboards, online/batch scoring and other applications such as ESRI maps.

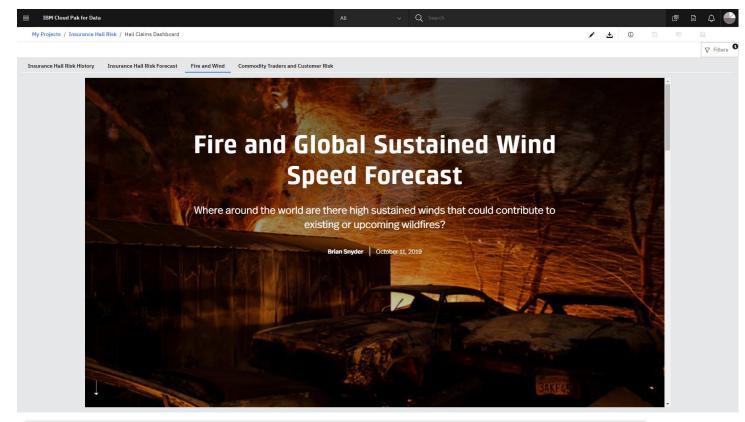
#### CP4D Analytic Artifacts Included in This Accelerator

The **Analytic Dashboard** allows insurers to understand the historic and predicted impact of severe weather on their policyholders by helping them know how much cash they should have on hand to survive a severe event, how to prepare for an upcoming event and know which customers have been or will be impacted the most. In this case, Colorado was hit the worst, so that's where we need to focus our efforts first.



⊽ Filters **①** 

Figure 1- Cloud Pak For Data Analytics Dashboard – Tab 1 - Hail Claim History Highlighting most damage occurred with 2" of hail in CO.



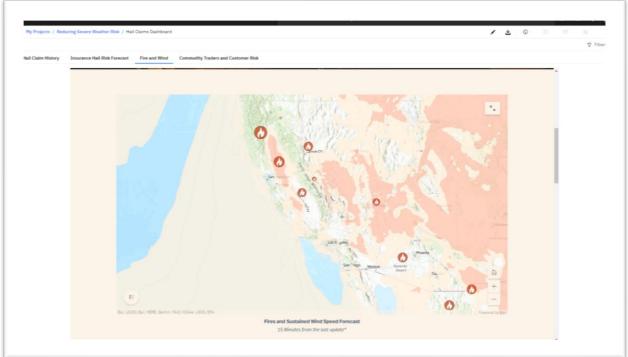


Figure 2 - Cloud Pak For Data Analytics Dashboard - Fire and Severe Wind in the SW United States forecasted for the next 15, 30 and 45 minutes. CP4D was used to pull weather polygons and other geospatial data from The Weather Company and update ESRI maps using CP4D Python Notebooks on a regular schedule to provide near real time info for those concerned with severe weather. For more information on using weather data @ IBM go here: https://www.ibm.com/weather



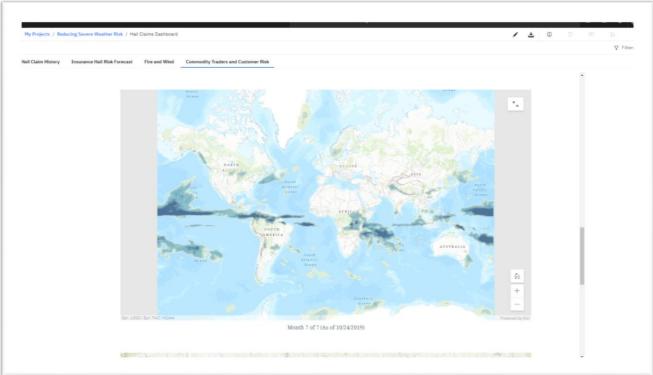


Figure 3 - Cloud Pak For Data Analytic Dashboard - 7 Month Seasonal Forecast for traders and those interested in investment risk for longer and short term investment strategies. A scheduled Python Notebook updates this map on a regular basis pulling weather polygons and other geospatial data from The Weather Company Data Packages and pushing them to ESRI maps using the ESRI API. For more information on using weather data @ IBM go here: https://www.ibm.com/weather

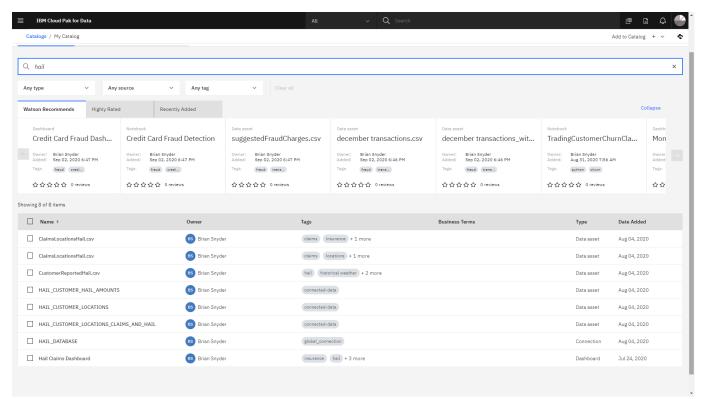


Figure 4 Organize Approved and Regulated Data Artifacts. In this case, make it easy to search for any analytic artifacts related to hail.

**Auto AI** suggests to a data scientist, a citizen data scientist, or an analyst to use the *Extra Trees Regression* model when trying to predict Damage Claim Amount from severe weather based on Root Square Mean Error that may include hyperparameterization and enhancements to improve model accuracy. It's ability to leverage IBM proprietary model selection and data preparation accelerates time to insight with explainability that significantly accelerates time to insight.

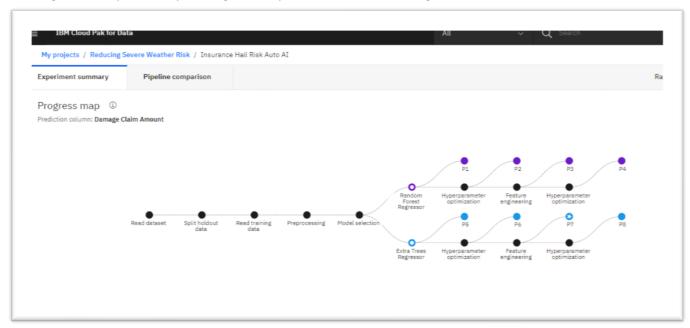


Figure 5 Automated data processing, IBM proprietary data prep and best fit model selection with explainability by providing a no blackbox way of exporting the preferred model to Python.

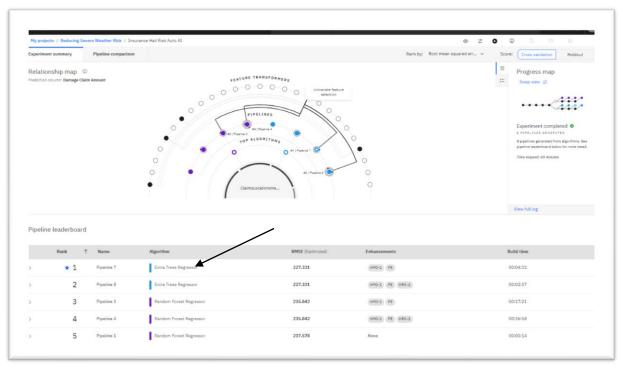


Figure 6 Pipeline shows top 10 best fit models to predict Damage Claim Amount

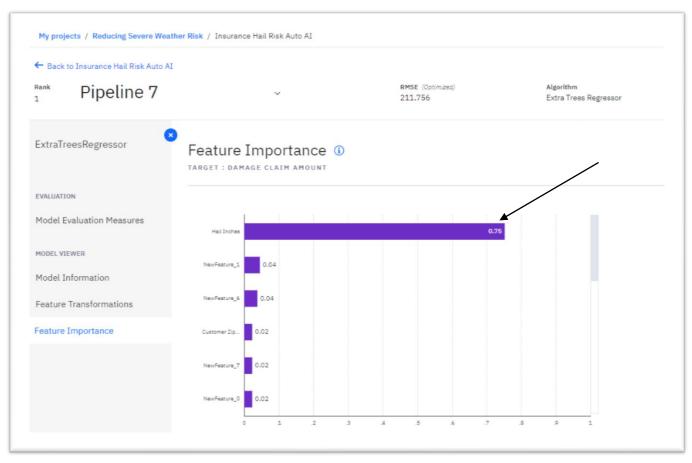


Figure 7 The best fit model selected uses the Extra Trees Regressor algorithm suggests that hail is the leading contributor to damage.

Now that they know a recommended model to use, here's examples that a data scientist and citizen data scientist will use to build their own *Extra Trees Regression* model using **IBM Watson Studio Python** (**Or R**), **IBM SPSS Modeler Desktop**, and/or **CP4D Modeler Flows** showcasing the various options to perform data mining, data preparation, data transformation, modeling, and deployment of a model. IBM SPSS Modeler Desktop and CP4D Modeler Flows provide data science capabilities without the need for code. Code (Python, R) can be brought to them if needed too.

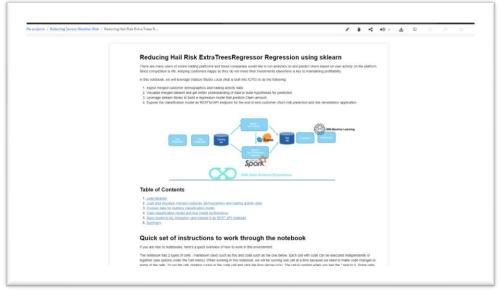


Figure 8 Jupyter Python Notebook Using Sklearn Machine Learning and WatsonMachineLearning to promote model to Watson Machine Learning. The model's purpose is to predict Claim Damage Amounts.



Figure 9 Loading data into Python Notebook

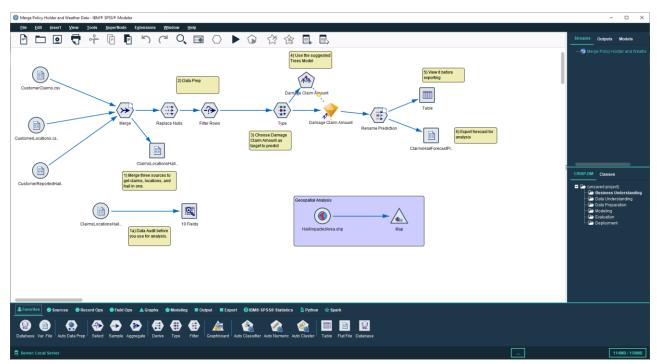


Figure 10 SPSS Modeler Desktop to merge three data sources, prepare the data, build the Extra Trees Regressor Model, prepare it for deployment and deploy to downstream persistant storage for analysis to help others undertsand the leading predictors and the actual damage amount predicted due to an upcoming severe weather event. Also looking at geospatial analysis within Modeler too.

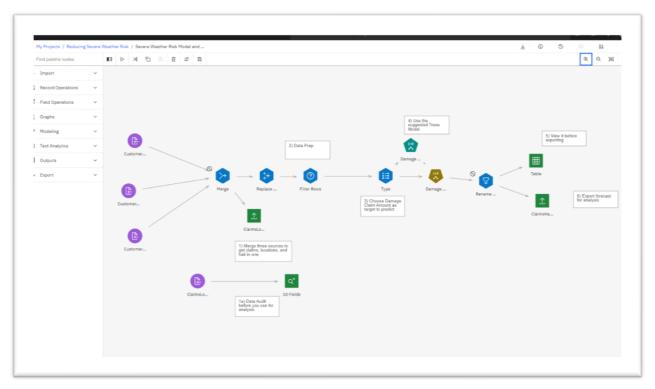
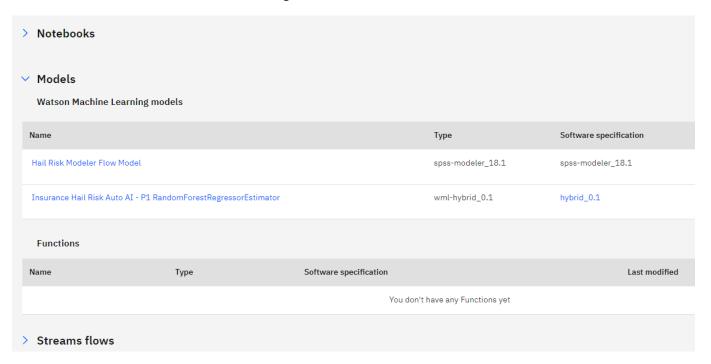


Figure 11 Either import your SPSS Modeler Stream or build from scratch using the web equivalent also part of Cloud Pak For Data.

Once models are built, we promote them to IBM **Watson Machine Learning** model repository to make them available as a live online or batch scoring service.



Analytics deployment spaces / Hail Risk Deployment Space

# Hail Risk Deployment Space

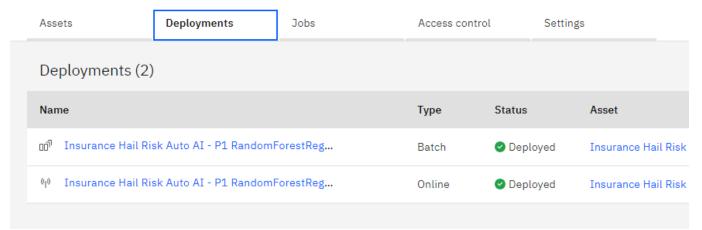


Figure 12 Examples of model deployed. This repository can help manage models and make them available for others to consume and use.

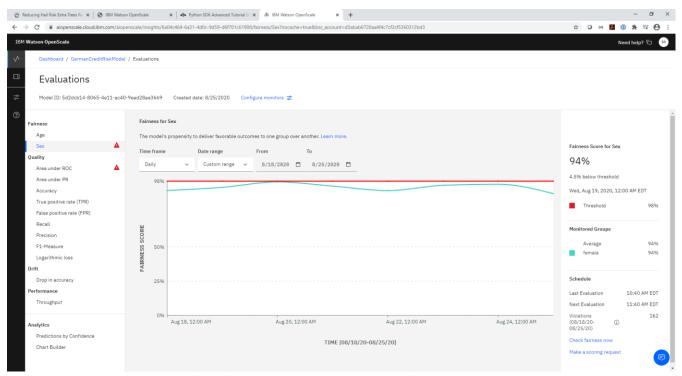


Figure 13 Analyze Model Accuracy, Quality, and Fairness Using IBM Watson OpenScale

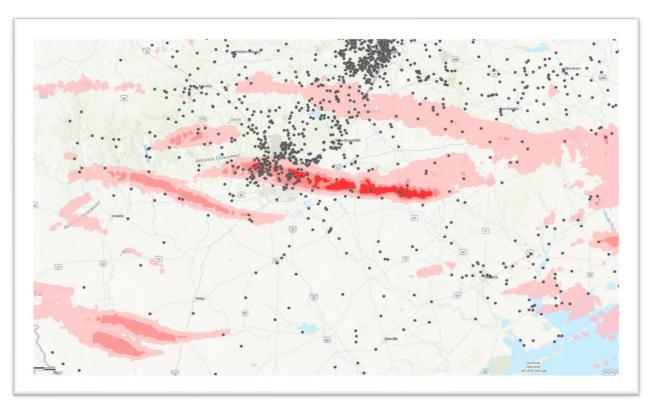


Figure 11 - The Weather Company Accumulated Hail and Damage Claim Locations on ESRI map. A Cloud Pak For Data Python Notebook was used to call the IBM Weather Company Data Severe Weather Package and using the ESRI API for Python push its results to the map on a regular uppdated schedule. Click on the image for a live example. For more information on using weather data @ IBM go here: https://www.ibm.com/weather

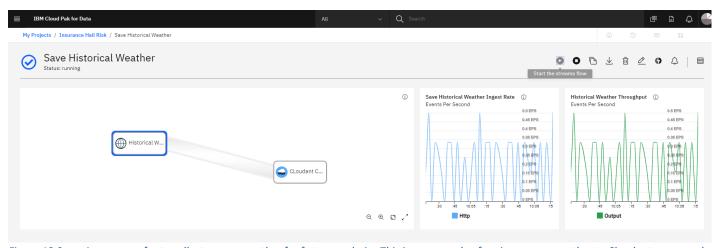


Figure 12 Some insurers prefer to collect severe weather for future analysis. This is an example of saving severe weather to Cloudant on a regular schedule also available using Cloud Pak For Data.

#### **Data Assets Included With The Industry Accelerator**

- CSV files
  - o *CustomerClaims.csv* The actual claim amount by customer.
  - CustomerLocations.csv The location of the claim.
  - CustomerReportedHail.csv The hail reported by customer.
  - o ClaimsLocationHail.csv Merged file containing claims, location, and hail.
  - o **SPSSTreesModelPredicitons.csv** Output from SPSS Modeler to be analyzed in Analytic Dashboard.
- 1 Analytics Dashboard
  - Reducing Severe Weather Risk Dashboard.json Create a new dashboard using this file.
- 1 SPSS Modeler Stream 18.2.1
  - Insurance Hail Risk SPSS Desktop Model.str
  - Use with IBM SPSS Modeler Desktop.
  - Download and try <u>here</u> or contact <u>bsnyder@us.ibm.com</u>.
- 1 Shapefile
  - HailImpactedArea.shp
- 9 Python Notebooks
  - Reducing Hail Risk Extra Trees Regressor Machine Learning Python model using Extra Trees Regressor to predict damage claim amounts with example on promoting to Watson Machine Learning
  - o **probabilistic\_forecast** Learn how to call The Weather Company Probabilistic Forecast, used by insurers, and analyze is results in a Python Notebook on CP4D.
  - Update Hail Accumulation Maps Learn how to call the The Weather Company Severe Weather API and push its results to an ESRI map using the ArcGIS API in a scheduled notebook to update maps used in dashboard.
  - Update Fire MODIS Thermal Anomalies Maps Similar to Update Hail Accumulation Maps except for a different ESRI map.
  - Update Gust Wind Speed Maps Similar to Update Hail Accumulation Maps except for a different ESRI map.
  - Update Sustained Wind Speed Maps Similar to Update Hail Accumulation Maps except for a different ESRI map.
  - Hail-NA Historical Accumulation Saved Similar to Update Hail Accumulation Maps except for a different ESRI map.
  - Update 15 Min Sustain Wind Speed Forecast Maps Similar to Update Hail Accumulation Maps except for a different ESRI map.
  - Severe Weather Risk Damage Prediction P1 noteboo Example of Python model created using AutoAI to predict damage claim amount.

#### How To Import The Industry Accelerator?

- 1) Download the .tar.gz file from the <u>Industry Accelerator Page (Reducing Severe Weather Risk in Insurance)</u>. Or go here: https://ibm.box.com/v/cp4d-insurance-hail-IA
  - Import Import-This-Zip-File-Into-CP4D-Reducing-Severe-Weather-Risk.zip in folder named 1)
    Import This Project (See #3)
- 2) Watch this recording.
- 3) Unzip the .tar file and a folder containing what you need will appear.
- 4) Create a new CP4D project using file: Import-This-Zip-File-Into-CP4D-Reducing-Severe-Weather-Risk.zip
- 5) Create a new dashboard from file: Reducing Severe Weather Risk Dashboard.json
- 6) Create Auto AI using Damage Claim Amount prediction using SPSSTreesModelPredicitons.csv
- 7) Examine the SPSS Modeler Stream (optional) using *Insurance Hail Risk SPSS Desktop Model.str*
- 8) Examine CP4D Modeler Flow using file Insurance Hail Risk SPSS Desktop Model.str

Note: If you have any questions completing this step, please reach out to <a href="mailto:bsnyder@us.ibm.com">bsnyder@us.ibm.com</a>

### **Prerequisites**

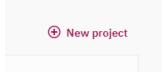
Required services: To use the industry accelerators, you must have the following services available on IBM® Cloud Pak for Data

Service/Software	Required Info
Watson Studio	See Installing Watson Studio. Make sure the Analytic Dashboards, Modeler Flows, Python Notebooks, Auto AI, Watson Machine Learning, Watson Open Scale and Watson Knowledge Catalog are enabled. The default install contains all the services except for Modeler Flows and Cloudant which can easily be turned on.
(Optional) SPSS Modeler Desktop 18.2.x	This is optional if you want to investigate the SPSS Modeler Desktop model. Go here to download a trial or contact bsnyder@us.ibm.com
(Optional) Modeler Steams	Go here to learn more about Modeler Streams. Go here to learn how to enable the Modeler Stream Service. Once enabled, you can import .str files from Modeler Desktop and export .str files to desktop too.

How To Import The Watson Studio Project, Dashboard and Modeler Flow

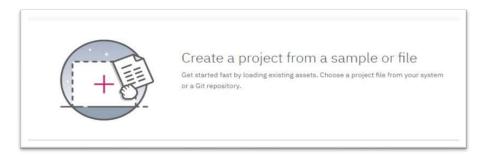
### **Import The Project**

1) In CP4D, Create a New Project

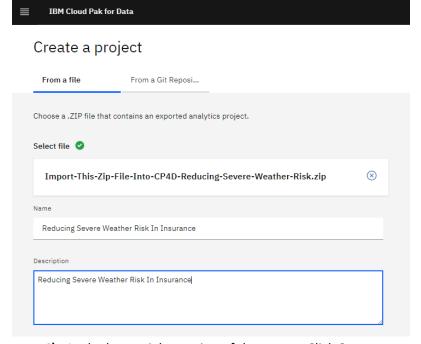


2) Choose Create a new Analytics project from a sample or file

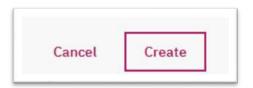




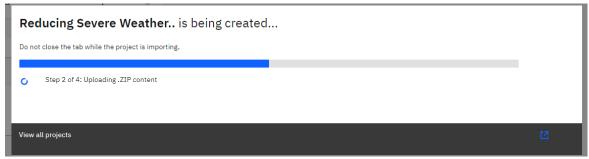
3) Select the .zip file, Import-This-Zip-File-Into-CP4D-Reducing-Severe-Weather-Risk.zip and populate name and description with Reducing Severe Weather Risk In Insurance



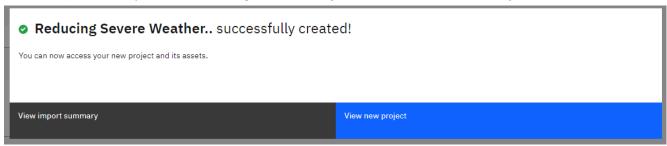
4) In the lower right portion of the screen, Click Create



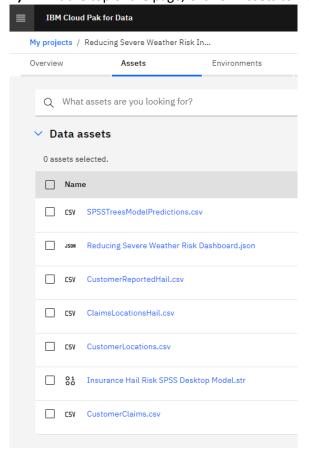
5) You'll see the files import ...



6) After you see the message, successfully created, Click View New Project

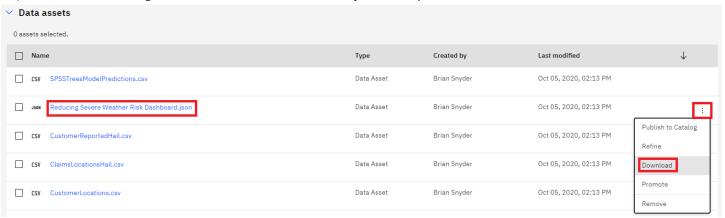


7) At the top of the page, Click on **Assets** to view the files imported successfully.

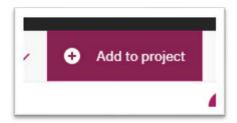


### **Import the Analytics Dashboard**

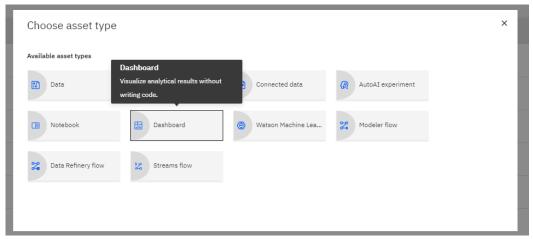
1) Download Reducing Severe Weather Risk Dashboard.json from your Data Assets



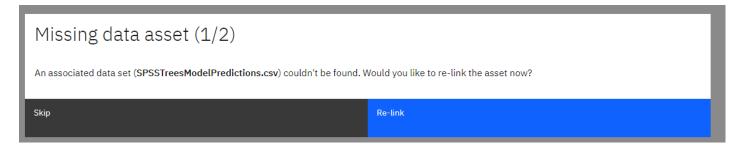
### 2) Click Add to project



3) Select Dashboard.



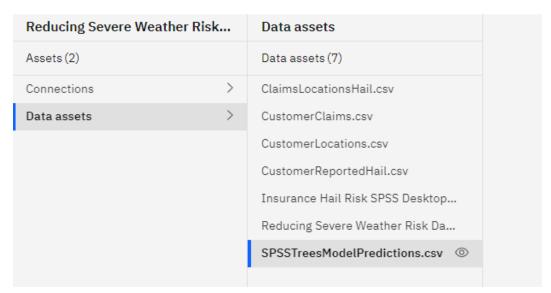
- 4) Choose From File using *Reducing Severe Weather Risk Dashboard.json*, use Reducing Severe Weather Risk Dashboard for name and description. Click Create
- 5) You'll be prompted to re-link the first data asset for **SPSSTreesModelPredictions.csv**. Click Re-link.



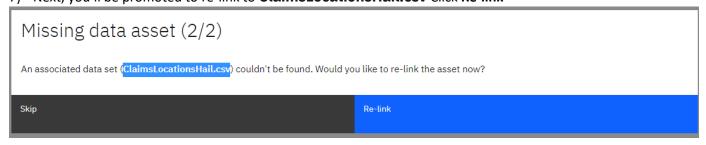
6) Choose Data Assets > SPSSTreesModelPredictions.csv and Select



# Select connection source

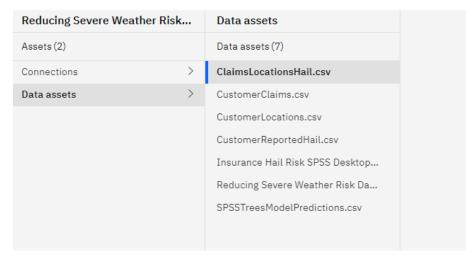


7) Next, you'll be promoted to re-link to ClaimsLocationsHail.csv Click Re-link

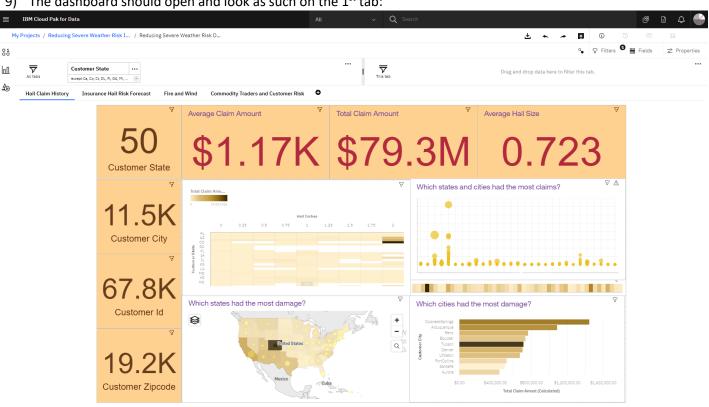


8) Choose Data Assets > ClaimsLocationsHail.csv and click Select

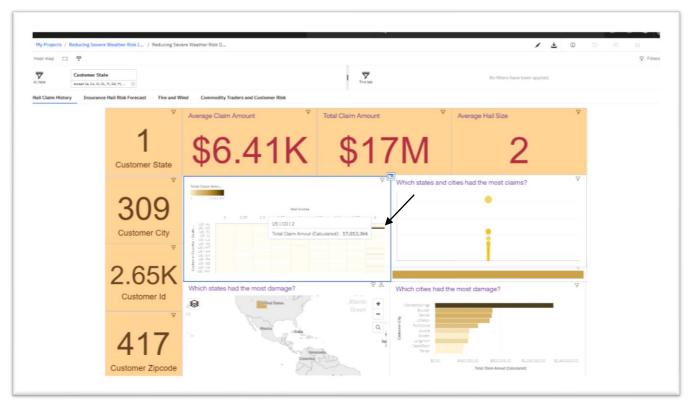
### Select connection source



9) The dashboard should open and look as such on the 1<sup>st</sup> tab:

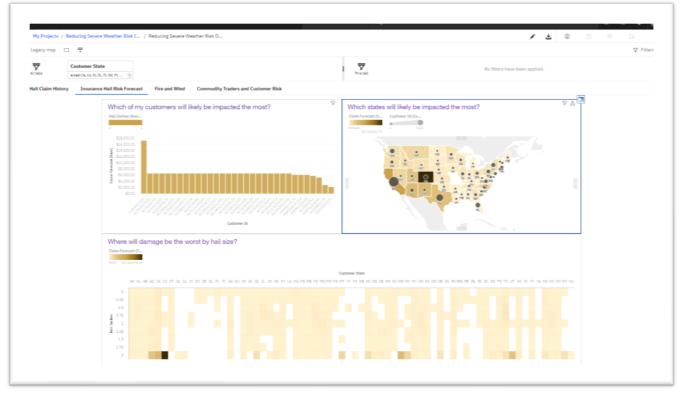


10) The dashboard is interactive. Click on the dark area representing 2" of hail in Colorado. Notice how all the other widgets are focused and filtered on CO.



Note: To remove the focal point, click in an unselected area within the chart.

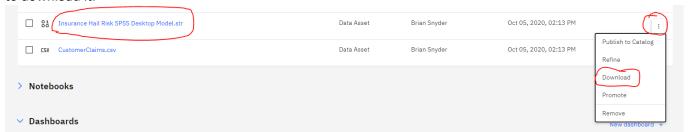
11) Select the 2<sup>nd</sup> tab, **Insurance Hail Risk Forecast**, highlights where predicted damage will be the worst.



12) The 3<sup>rd</sup> and 4<sup>th</sup> Tabs, **Fire and Wind** are **Commodity Traders and Customer Risk** represent ESRI Story Maps that use Cloud Pak For Data to call The IBM Weather Company Weather Data Service and push the geospatial data to an ESRI map on a schedule for near real time updates. Scroll down to see the upcoming severe wind, fire and long term seasonal forecast on each tab. View the imported Watson Studio notebooks to view the to pull and push code used.

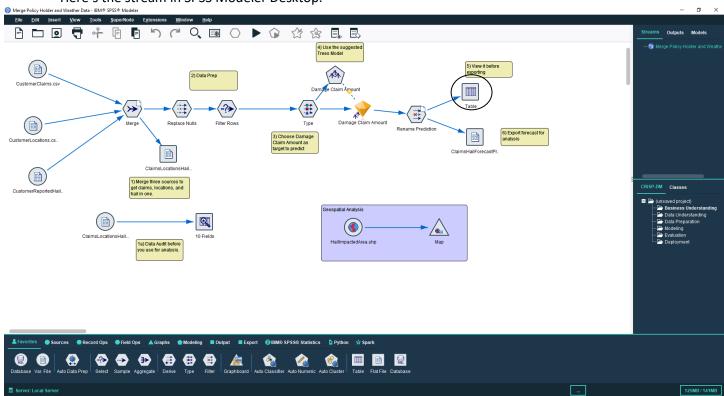
### Importing the SPSS Modeler Stream and CP4D Modeler Flow

13) To download the SPSS Modeler File, *Insurance Hail Risk SPSS Desktop Model.str*, go to your Data Assets and choose to download it.



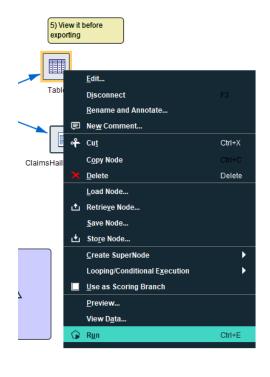
14) If you have SPSS Modeler Desktop 18.2.x or greater, you can explore the model (*Insurance Hail Risk SPSS Desktop Model.str*) on your own.

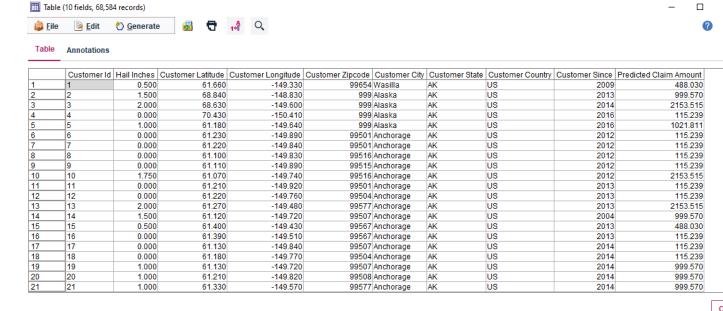




Step 1 is the first tab of the dashboard showing historical hail damage and claim amounts.. Step 6 is the 2nd tab of the dashboard showing predicted claim damage.

15) If you've opened in SPSS Modeler, then right click and Run the Table Node to view the results used in the 2<sup>nd</sup> tab of the dashboard.

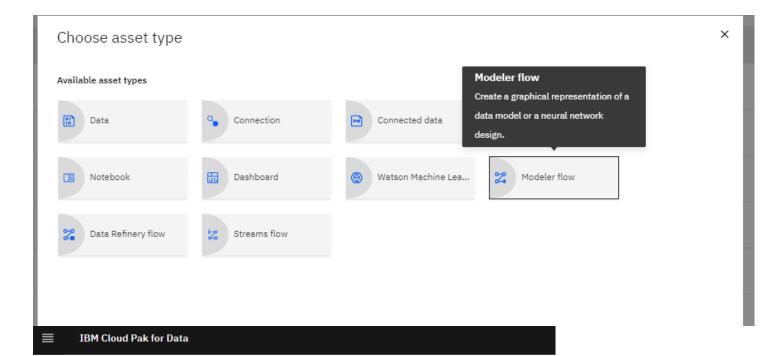




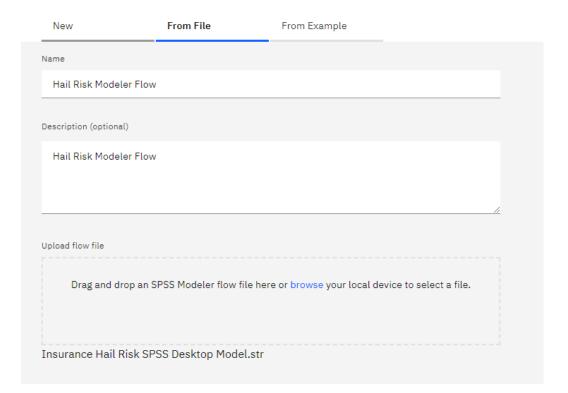
#### Import as a Modeler Stream in CP4D.

16) Choose **Add to project, Modeler Flow, From File**. Use *Insurance Hail Risk SPSS Desktop Model.str.* Name it *Hail Risk Modeler Flow* and click **Create.** 

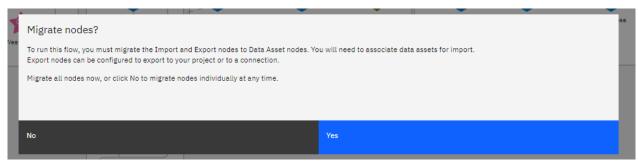




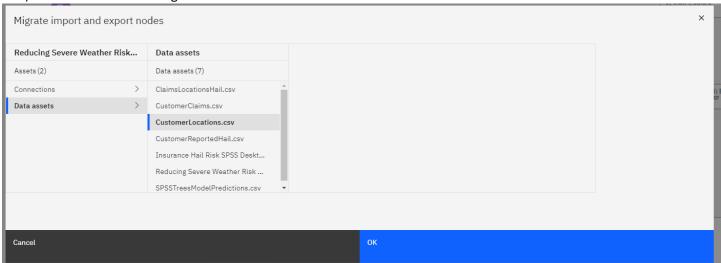
# New modeler flow



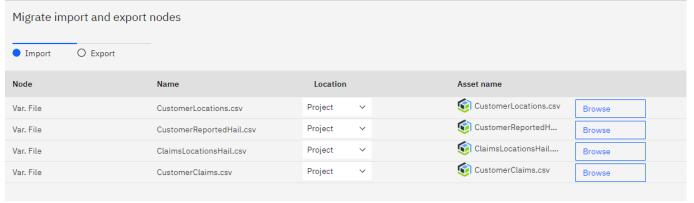
### 17) You'll be prompted to Migrate nodes? Click Yes



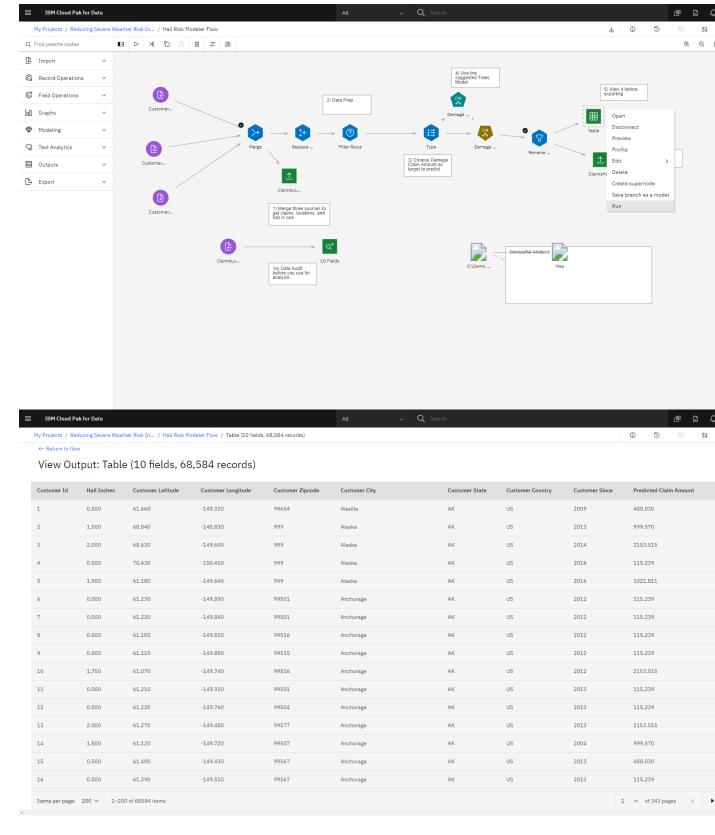
18) Click Browse for to assign Customer Locations to Data Assets > CustomerLocations.csv. Click OK



19) Repeat the same steps for the remaining 3 files. Click Go to Export

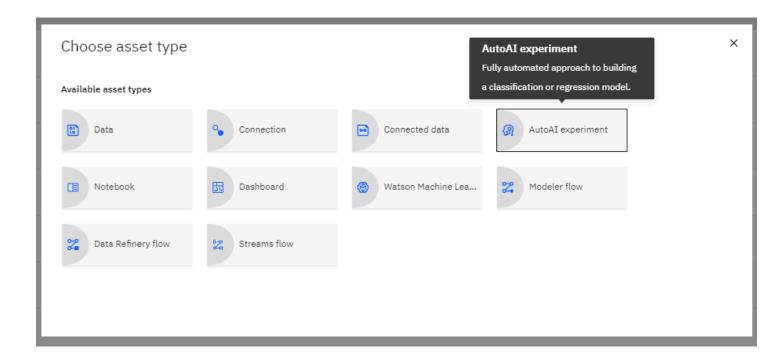


- 20) Map the 2 files to the appropriate Exports and click Migrate
- 21) Click and run #5 to verify the execution. Open the Table to view its results.

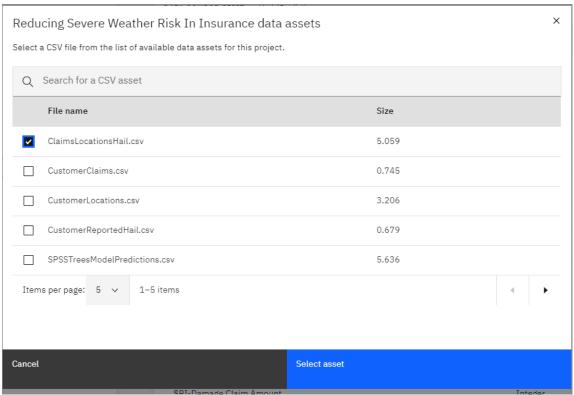


### Using AutoAl For Model Selection And Analysts That Want Data Science But Aren't Data Scientists

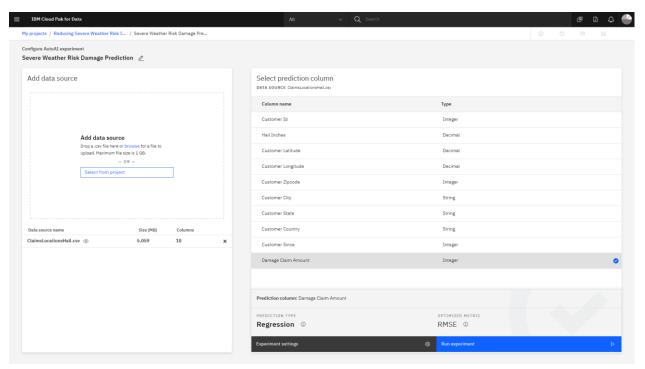
1) Choose Add To Project > AutoAl Experiment. Name it Severe Weather Risk Damage Prediction and click Create



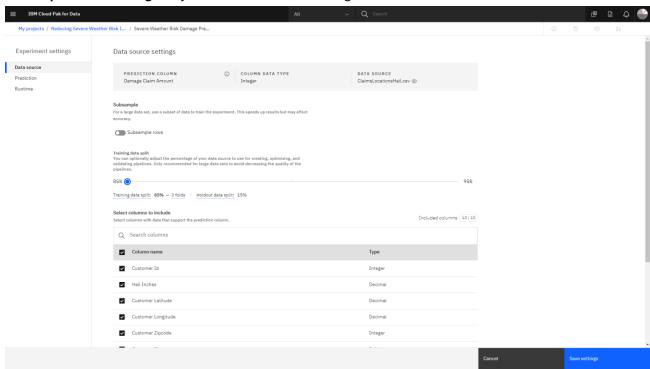
2) Choose the file named *ClaimsLocationsHail.csv* and choose **Select Asset** 



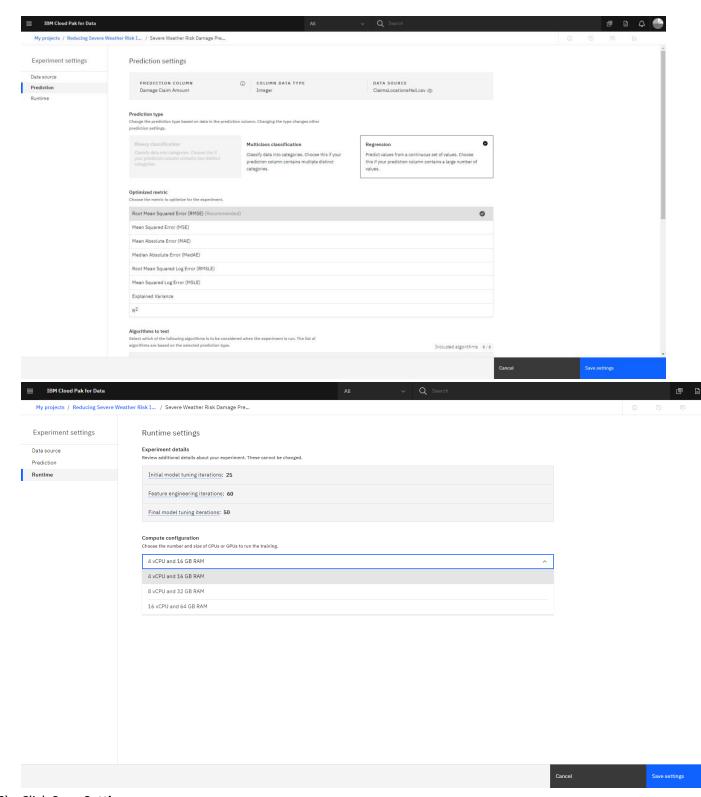
3) Choose Damage Claim amount as the field we're trying to predict. Notice how it's smart enough to choose regression models to analyze.



4) Click Experiment Settings. Adjust the slider to 85% testing



5) Click **Prediction** to see the list of algorithms to test, and which metric it will be optimized as well as the Runtime settings to scale for larger models on demand.



- 6) Click Save Settings
- 7) Click **Run Experiment.** Note: this may take a few moments. You need not wait for it to complete. It's not a problem is you close your browser and come back later.

For questions and inquiries please reach out to Brian Snyder, bsnyder@us.ibm.com