### Software Development for A.I.

**Title: Health Insurance Premium Prediction using AWS Cloud** 

#### **Important Libraries**

- 1. Numpy
- NumPy is a library for the Python programming language, adding support for large, multi-dimensional arrays and matrices, along with a large collection of high-level mathematical functions to operate on these arrays.
- 2. Pandas
- Pandas is a software library written for the Python programming language for data manipulation and analysis. In particular, it offers data structures and operations for manipulating numerical tables and time series
- 3. Seaborn
- Seaborn is a Python data visualization library based on matplotlib. It provides a high-level interface for drawing attractive and informative statistical graphics.
- 4. scikit-learn
- Scikit-learn is an open source data analysis library, and the gold standard for Machine Learning (ML) in the Python ecosystem
- 5. TensorFlow
- TensorFlow is a free and open-source software library for machine learning and artificial intelligence. It can be used across a range of tasks but has a particular focus on training and inference of deep neural networks.

```
#Importing the required libraries.
         import pandas as pd
         import numpy as np
         import seaborn as sns
         import matplotlib.pyplot as plt
In [3]: # Reading the Dataset
         insurance = pd.read_csv('insurance.csv')
In [4]: # Quick glance at the data
         insurance
Out[4]:
                      sex bmi children smoker
                                                   region expenses
              19 female 27.9
                                            yes southwest 16884.92
                                                           1725.55
               18
                     male 33.8
                                                southeast
                                     3
                                                           4449.46
            2
               28
                     male 33.0
                                                southeast
                                                          21984.47
               33
                     male 22.7
                                            no northwest
               32
                     male 28.9
                                            no northwest
                                                           3866.86
         1333
                     male 31.0
                                            no northwest 10600.55
               50
               18 female 31.9
                                                northeast
                                                           2205.98
                                                           1629.83
         1335
               18 female 36.9
                                            no southeast
         1336 21 female 25.8
         1337 61 female 29.1
                                           yes northwest 29141.36
```

1338 rows × 7 columns

## **Performing Exploratory Data Analysis**

```
In [5]: #Checking for null values in the Dataset
sns.heatmap(insurance.isnull(), yticklabels = False, cbar = False, cmap="Blues")
```

Out[5]: <AxesSubplot: >

age sex bmi children smoker region expenses

In [6]: # Grouping by region to see any relationship between region and charges
 region = insurance.groupby(by='region').mean()
 region

# It reveals that the south east region has higher BMI values when compared to northeast

/tmp/ipykernel\_105/2587700523.py:2: FutureWarning: The default value of numeric\_only in DataFrameGroupBy.mean is dep recated. In a future version, numeric\_only will default to False. Either specify numeric\_only or select only columns which should be valid for the function.

region = insurance.groupby(by='region').mean()

Out[6]: age bmi children expenses

region

 northeast
 39.268519
 29.176235
 1.046296
 13406.384691

 northwest
 39.196923
 29.201846
 1.147692
 12417.575169

 southeast
 38.939560
 33.359341
 1.049451
 14735.411538

 southwest
 39.455385
 30.596615
 1.141538
 12346.937908

In [7]: # Grouping by age

age = insurance.groupby(by='age').mean()
age

/tmp/ipykernel\_105/2356038905.py:2: FutureWarning: The default value of numeric\_only in DataFrameGroupBy.mean is dep recated. In a future version, numeric\_only will default to False. Either specify numeric\_only or select only columns which should be valid for the function.

age = insurance.groupby(by='age').mean()

```
Out[7]:
                 bmi children
                                    expenses
          18 31.333333 0.449275 7086.217971
          19 28.598529 0.426471 9747.909706
          20 30.627586 0.862069 10159.697931
          21 28.189286 0.785714 4730.464286
          22 31.092857 0.714286 10012.932857
          23 31.460714 1.000000 12419.820357
          24 29.142857 0.464286 10648.015714
          25 29.689286 1.285714 9838.365000
          26 29.435714 1.071429 6133.825714
          27 29.342857 0.964286 12184.701429
          28 29.482143 1.285714 9069.187500
          29 29.374074 1.259259 10430.159630
          30 30.555556 1.555556 12719.111111
          31 29.922222 1.407407 10196.980000
          32 31.588462 1.269231 9220.299615
          33 31.165385 1.538462 12351.532308
          34 30.273077 1.153846 11613.528462
          35 31.392000 1.680000 11307.183200
          36 29.368000 1.240000 12204.477600
          37 31.216000 1.520000 18019.911600
          38 29.004000 1.480000 8102.732800
          39 29.908000 2.200000 11778.243600
          40 30.144444 1.592593 11772.251481
          41 31.518519 1.407407 9653.745556
          42 30.337037 1.000000 13061.038519
          43 30.207407 1.629630 19267.279630
          44 30.848148 1.222222 15859.397037
          45 29.782759 1.482759 14830.199310
          46 31.341379 1.620690 14342.591379
          47 30.655172 1.379310 17653.999655
          48 31.927586 1.310345 14632.500000
          49 30.314286 1.500000 12696.006071
          50 31.134483 1.310345 15663.003103
          51 31.731034 1.103448 15682.255517
          52 32.941379 1.482759 18256.270345
          53 30.371429 1.250000 16020.930357
          54 31.232143 1.428571 18758.546429
          55 31.950000 0.961538 16164.545000
          56 31.600000 0.769231 15025.517692
          57 30.838462 0.615385 16447.186154
          58 32.728000 0.240000 13878.928000
          59 30.576000 1.200000 18895.869600
          60 30.330435 0.347826 21979.419130
          61 32.552174 0.739130 22024.457391
          62 32.347826 0.565217 19163.856087
          63 31.930435 0.565217 19884.999130
          64 32.986364 0.772727 23275.530909
```

```
In [8]: # Conversion of categorical value to numerical value to avoid training issues with the machine learning model
insurance['sex'] = insurance['sex'].apply(lambda x: 0 if x == 'female' else 1)
insurance['smoker'] = insurance['smoker'].apply(lambda x: 1 if x == 'yes' else 0)
```

```
In [9]: # Check unique values in 'region' column
insurance['region'].unique()
```

```
region_dummies = pd.get_dummies(insurance['region'], drop_first = True)
In [10]:
In [11]:
         insurance = pd.concat([insurance, region_dummies], axis = 1)
In [12]:
           insurance.describe()
Out[12]:
                                                   bmi
                                                            children
                                                                         smoker
                                                                                     expenses
                                                                                                 northwest
                                                                                                              southeast
                                                                                                                          southwest
                                      sex
           count 1338.000000 1338.000000 1338.000000
                                                        1338.000000 1338.000000
                                                                                                            1338.000000 1338.000000
                                                                                  1338.000000 1338.000000
                    39.207025
                                  0.505232
                                                                                                                            0.242900
                                             30.665471
                                                           1.094918
                                                                        0.204783 13270.422414
                                                                                                  0.242900
                                                                                                               0.272048
           mean
                                                                                                  0.428995
                                                                                                                            0.428995
             std
                    14.049960
                                  0.500160
                                              6.098382
                                                           1.205493
                                                                        0.403694 12110.011240
                                                                                                               0.445181
                                  0.000000
                    18.000000
                                             16.000000
                                                           0.000000
                                                                        0.000000
                                                                                  1121.870000
                                                                                                  0.000000
                                                                                                               0.000000
                                                                                                                            0.000000
             min
                    27.000000
                                  0.000000
                                             26.300000
                                                           0.000000
                                                                        0.000000
                                                                                  4740.287500
                                                                                                  0.000000
                                                                                                               0.000000
                                                                                                                            0.000000
            25%
                                                                                                                            0.000000
                                                                                                               0.000000
            50%
                    39.000000
                                  1.000000
                                             30.400000
                                                           1.000000
                                                                        0.000000
                                                                                   9382.030000
                                                                                                  0.000000
                                                                                                                            0.000000
            75%
                    51.000000
                                  1.000000
                                             34.700000
                                                           2.000000
                                                                        0.000000 16639.915000
                                                                                                  0.000000
                                                                                                                1.000000
            max
                    64.000000
                                  1.000000
                                             53.100000
                                                           5.000000
                                                                        1.000000 63770.430000
                                                                                                  1.000000
                                                                                                                1.000000
                                                                                                                            1.000000
```

#### Plotting the Dataset graph using Seaborn

Out[9]: array(['southwest', 'southeast', 'northwest', 'northeast'], dtype=object)

1. Graphs showing the overview of aspects like Age, Sex, BMI, Children, Smoker, Expenses

```
In [13]: insurance[['age', 'sex', 'bmi', 'children', 'smoker', 'expenses']].hist(bins = 30, figsize = (20,20), color = 'r')
Out[13]: array([[<AxesSubplot: title={'center': 'age'}>,
                   <AxesSubplot: title={'center': 'sex'}>],
                  [<AxesSubplot: title={'center': 'bmi'}>,
                   <AxesSubplot: title={'center': 'children'}>],
                  [<AxesSubplot: title={'center': 'smoker'}>,
                   <AxesSubplot: title={'center': 'expenses'}>]], dtype=object)
                                                                                                                sex
           140
                                                                                   600
           120
                                                                                   500
           100
                                                                                   400
            60
                                                                                   300
                                                                                   200
                                                                                   100
            20
                                        40
                                                                                                              children
                                        bmi
                                                                                   600
           100
                                                                                   500
                                                                                   400
                                                                                   300
                                                                                   200
                                       smoker
                                                                                                              expenses
                                                                                   200
           1000
                                                                                   175
           800
                                                                                   150
                                                                                   125
           600
                                                                                   100
           400
                                                                                    75
                                                                                    50
           200
                                                                                    25
```

30000

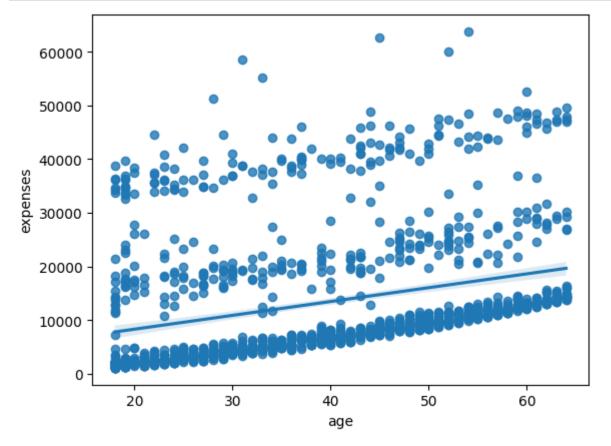
40000

10000

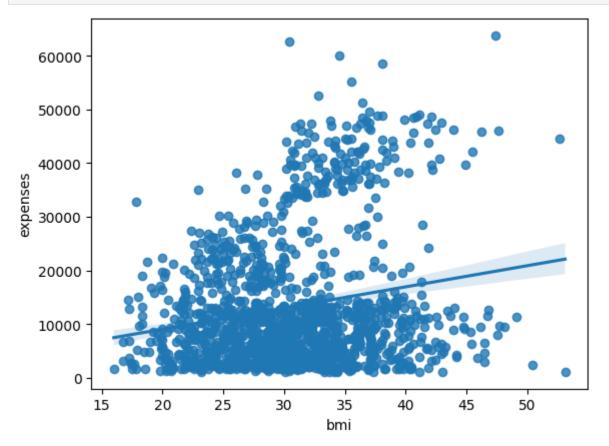
20000

60000

```
In [14]: # Plotting age and expenses
sns.regplot(x = 'age', y = 'expenses', data = insurance)
plt.show()
```



In [15]: # Plotting BMI and expenses
sns.regplot(x = 'bmi', y = 'expenses', data = insurance)
plt.show()



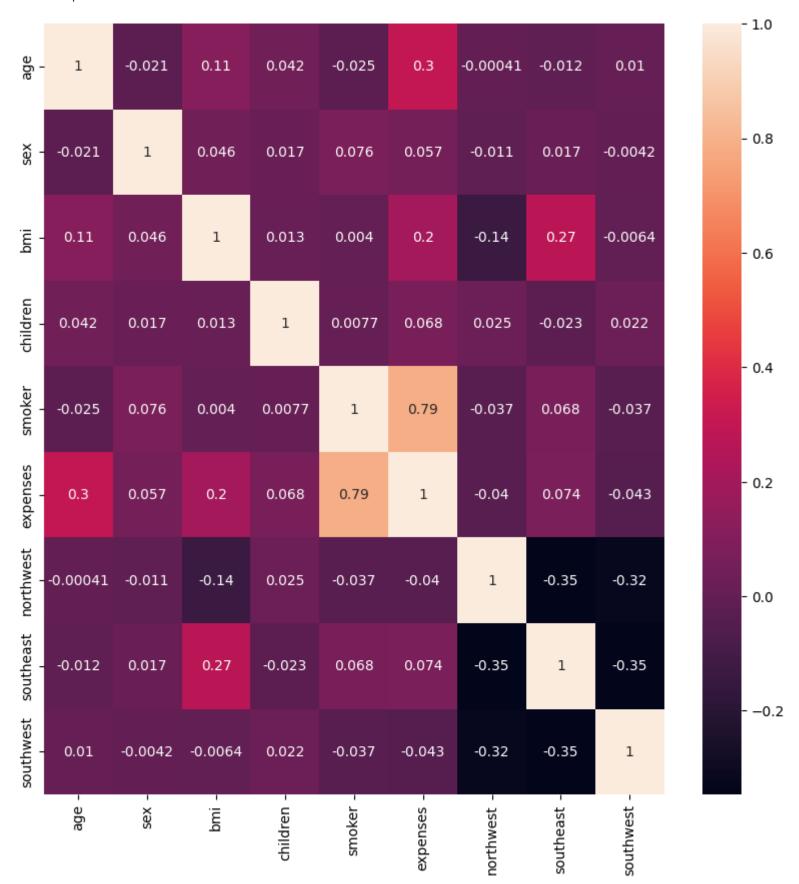
In [16]: # Finding the corealation among them
 corelation = insurance.corr()
 corelation

/tmp/ipykernel\_105/2549767591.py:2: FutureWarning: The default value of numeric\_only in DataFrame.corr is deprecate d. In a future version, it will default to False. Select only valid columns or specify the value of numeric\_only to silence this warning.

corelation = insurance.corr()

Out[16]: smoker expenses northwest southeast southwest children bmi age sex 1.000000 -0.020856 0.109341 0.042469 -0.025019 0.299008 -0.000407 -0.011642 0.010016 age 0.076185 0.017117 -0.004184 -0.020856 1.000000 0.046380 0.017163 0.057292 -0.011156 sex 0.270144 0.109341 0.003968 -0.006398 0.046380 1.000000 0.012645 0.198576 -0.135992 bmi 0.042469 0.017163 0.012645 1.000000 0.007673 0.067998 -0.023066 0.021914 children 0.024806 0.076185 0.003968 1.000000 0.787251 0.068498 -0.036945 -0.025019 0.007673 -0.036945 smoker 0.057292 0.198576 0.067998 1.000000 0.073982 0.299008 0.787251 -0.039905 -0.043210 expenses **northwest** -0.000407 -0.011156 0.024806 -0.036945 -0.039905 -0.346265 -0.135992 1.000000 -0.320829 **southeast** -0.011642 0.017117 0.270144 -0.023066 -0.346265 0.068498 0.073982 1.000000 -0.346265 **southwest** 0.010016 -0.004184 -0.006398 0.021914 -0.036945 -0.043210 -0.320829 -0.346265 1.000000

```
In [ ]: plt.figure(figsize = (10,10))
sns.heatmap(corelation , annot = True)
```



```
In []: #Dropping Region coloumn
  insurance.drop(['region'], axis = 1, inplace = True)

In []: X = insurance.drop(columns =['expenses'])
  y = insurance['expenses']

In []: # Only take the numerical variables and scale them
  X
```

Out[ ]:		age	sex	bmi	children	smoker	northwest	southeast	southwest
	0	19	0	27.9	0	1	0	0	1
	1	18	1	33.8	1	0	0	1	0
	2	28	1	33.0	3	0	0	1	0
	3	33	1	22.7	0	0	1	0	0
	4	32	1	28.9	0	0	1	0	0
	•••								
	1333	50	1	31.0	3	0	1	0	0
	1334	18	0	31.9	0	0	0	0	0
	1335	18	0	36.9	0	0	0	1	0
	1336	21	0	25.8	0	0	0	0	1
	1337	61	0	29.1	0	1	1	0	0

1338 rows × 8 columns

```
2
                 4449.46
                21984.47
         3
         4
                 3866.86
         1333
                10600.55
         1334
                 2205.98
         1335
                 1629.83
         1336
                 2007.95
         1337
                29141.36
         Name: expenses, Length: 1338, dtype: float64
In [31]: print('Shape of X:')
         X.shape
         Shape of X:
Out[31]: (1338, 8)
In [32]: print('Shape of Y:')
         y.shape
         Shape of Y:
Out[32]: (1338,)
In [33]: # Converting into Numpy Array
         X = np.array(X).astype('float32')
         y = np.array(y).astype('float32')
In [34]: y = y.reshape(-1,1)
In [35]: y.shape
Out[35]: (1338, 1)
In [36]: X
Out[36]: array([[19., 0., 27.9, ..., 0., 0., 1.],
               [18., 1., 33.8, ..., 0., 1., 0.],
                [28. , 1. , 33. , ..., 0. , 1. , 0. ],
                [18., 0., 36.9, ..., 0., 1., 0.],
                [21., 0., 25.8, ..., 0., 0., 1.],
                [61., 0., 29.1, ..., 1., 0., 0.]], dtype=float32)
         Model Building
In [37]: from sklearn.preprocessing import StandardScaler, MinMaxScaler
         scaler_x = StandardScaler()
         X = scaler_x.fit_transform(X)
         scaler_y = StandardScaler()
         y = scaler_y.fit_transform(y)
In [38]: from sklearn.model_selection import train_test_split
         X_train, X_test, y_train, y_test = train_test_split(X, y, test_size = 0.3)
In [39]: X_train.shape
Out[39]: (936, 8)
In [40]: X_test.shape
Out[40]: (402, 8)
In [41]: from sklearn.linear_model import LinearRegression
         from sklearn.metrics import mean_squared_error, accuracy_score
         regresssion_model_sklearn = LinearRegression()
         regresssion_model_sklearn.fit(X_train, y_train)
Out[41]:
         ▼ LinearRegression
         LinearRegression()
In [42]:
         regresssion_model_sklearn_accuracy = regresssion_model_sklearn.score(X_test, y_test)
         print("regression model accuracy is " + str(regresssion_model_sklearn_accuracy*100))
         regression model accuracy is 72.29441537204815
In [43]: y_predict = regresssion_model_sklearn.predict(X_test)
```

Out[]: 0

16884.92 1725.55

```
In [44]: y_predict_orig = scaler_y.inverse_transform(y_predict)
y_test_orig = scaler_y.inverse_transform(y_test)

In [45]: k = X_test.shape[1]
n = len(X_test)
n

Out[45]: 402

Calculating metrics for our regression model

In [46]: from sklearn.metrics import r2_score, mean_squared_error, mean_absolute_error
from math import sqrt
```

### **Using Artificial Neural Network**

```
In [106...
          import tensorflow as tf
          from tensorflow import keras
          from tensorflow.keras.layers import Dense, Activation, Dropout, BatchNormalization
          from tensorflow.keras.optimizers import Adam
In [107... ANN_model = keras.Sequential()
          ANN_model.add(Dense(50, input_dim = 8))
          ANN_model.add(Activation('relu'))
          ANN_model.add(Dense(150))
          ANN_model.add(Activation('relu'))
          ANN_model.add(Dropout(0.5))
          ANN_model.add(Dense(150))
          ANN_model.add(Activation('relu'))
          ANN_model.add(Dropout(0.5))
          ANN_model.add(Dense(50))
          ANN_model.add(Activation('linear'))
          ANN_model.add(Dense(1))
          ANN_model.compile(loss = 'mse', optimizer = 'adam')
          ANN_model.summary()
```

Model: "sequential\_2"

Lavor (trunc)	Outrot Chana	Danam #
Layer (type) 	Output Shape	Param # =========
dense_10 (Dense)	(None, 50)	450
activation_8 (Activation)	(None, 50)	0
dense_11 (Dense)	(None, 150)	7650
activation_9 (Activation)	(None, 150)	0
dropout_4 (Dropout)	(None, 150)	0
dense_12 (Dense)	(None, 150)	22650
<pre>activation_10 (Activation)</pre>	(None, 150)	0
dropout_5 (Dropout)	(None, 150)	0
dense_13 (Dense)	(None, 50)	7550
<pre>activation_11 (Activation)</pre>	(None, 50)	0
dense_14 (Dense)	(None, 1)	51
Total params: 38,351 Trainable params: 38,351 Non-trainable params: 0		=======================================

In [108... ANN\_model.compile(optimizer='Adam', loss='mean\_squared\_error')

epochs\_hist = ANN\_model.fit(X\_train, y\_train, epochs = 100, batch\_size = 20, validation\_split = 0.2)

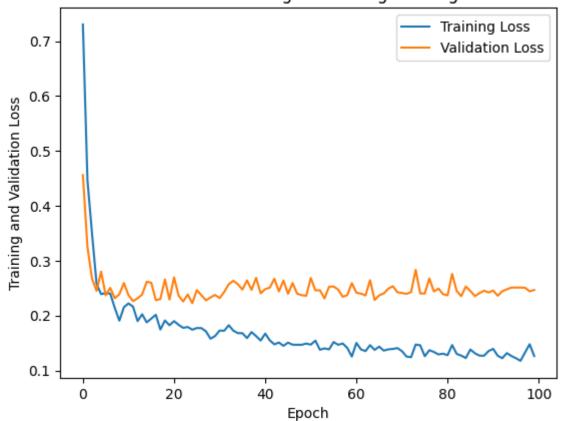
```
Epoch 1/100
38/38 [============== ] - 3s 13ms/step - loss: 0.7304 - val_loss: 0.4560
Epoch 2/100
Epoch 3/100
Epoch 4/100
Epoch 5/100
Epoch 6/100
Epoch 7/100
Epoch 8/100
Epoch 9/100
Epoch 10/100
Epoch 11/100
Epoch 12/100
Epoch 13/100
Epoch 14/100
Epoch 15/100
Epoch 16/100
Epoch 17/100
Epoch 18/100
Epoch 19/100
Epoch 20/100
Epoch 21/100
Epoch 22/100
Epoch 23/100
Epoch 24/100
Epoch 25/100
Epoch 26/100
Epoch 27/100
Epoch 28/100
Epoch 29/100
Epoch 30/100
Epoch 31/100
Epoch 32/100
Epoch 33/100
Epoch 34/100
Epoch 35/100
Epoch 36/100
Epoch 37/100
Epoch 38/100
Epoch 39/100
Epoch 40/100
Fnoch 41/100
Epoch 42/100
Epoch 43/100
Epoch 44/100
Epoch 45/100
```

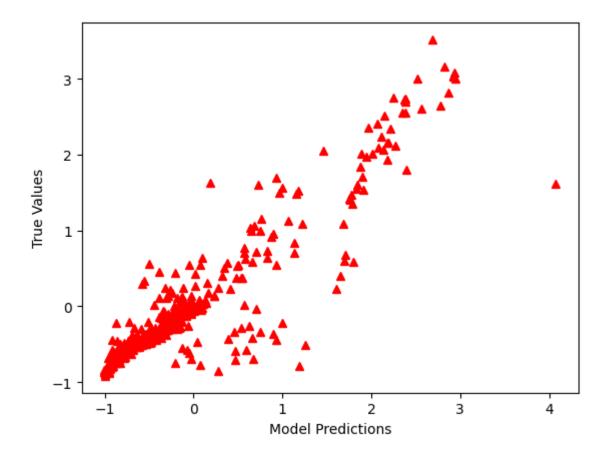
```
Epoch 46/100
Epoch 47/100
Epoch 48/100
Epoch 49/100
Epoch 50/100
Epoch 51/100
Epoch 52/100
Epoch 53/100
Epoch 54/100
Epoch 55/100
Epoch 56/100
Epoch 57/100
Epoch 58/100
Epoch 59/100
Epoch 60/100
Epoch 61/100
Epoch 62/100
Epoch 63/100
Epoch 64/100
Epoch 65/100
Epoch 66/100
Epoch 67/100
Epoch 68/100
Epoch 69/100
Epoch 70/100
Epoch 71/100
Epoch 72/100
Epoch 73/100
Epoch 74/100
Epoch 75/100
Epoch 76/100
Epoch 77/100
Epoch 78/100
Epoch 79/100
Epoch 80/100
Epoch 81/100
Epoch 82/100
Epoch 83/100
Epoch 84/100
Epoch 85/100
Epoch 86/100
Epoch 87/100
Epoch 88/100
Epoch 89/100
Epoch 90/100
```

```
Epoch 91/100
      Epoch 92/100
      Epoch 93/100
                       ========] - 0s 5ms/step - loss: 0.1223 - val_loss: 0.2444
      38/38 [=====
      Epoch 94/100
      38/38 [======
                      ========] - 0s 5ms/step - loss: 0.1316 - val_loss: 0.2479
      Epoch 95/100
      38/38 [======
                      ========] - 0s 6ms/step - loss: 0.1263 - val_loss: 0.2512
      Epoch 96/100
      38/38 [======
                    =========] - Os 7ms/step - loss: 0.1223 - val_loss: 0.2510
      Epoch 97/100
                      ========] - 0s 8ms/step - loss: 0.1175 - val_loss: 0.2511
      38/38 [======
      Epoch 98/100
      Epoch 99/100
      Epoch 100/100
      result = ANN_model.evaluate(X_test, y_test)
In [109...
      accuracy_ANN = 1 - result
      print("Accuracy : {}".format(accuracy_ANN))
      13/13 [============] - 0s 2ms/step - loss: 0.1594
      Accuracy: 0.840594083070755
In [110... plt.plot(epochs_hist.history['loss'])
      plt.plot(epochs_hist.history['val_loss'])
      plt.title('Model Loss Progress During Training')
      plt.xlabel('Epoch')
      plt.ylabel('Training and Validation Loss')
      plt.legend(['Training Loss', 'Validation Loss'])
```

#### Out[110]: <matplotlib.legend.Legend at 0x7f1f54220f10>

#### Model Loss Progress During Training





# **Deploying to Amazon Sagemaker**

```
In [ ]: !pip install "sagemaker"
         !pip install boto3
In [ ]: import sagemaker
        import boto3
        sagemaker_session = sagemaker.Session()
        #Creating a sagemaker session and passing bucket and prefix values
        bucket = 'sagemaker-health1'
        prefix = 'linear_learner'
        role = sagemaker.get_execution_role()
        print(role)
In [ ]: import io
        import numpy as np
        import sagemaker.amazon.common as smac # sagemaker common libary
        buf = io.BytesIO()
        smac.write_numpy_to_dense_tensor(buf, X_train, y_train)
        buf.seek(0)
In [ ]: import os
        key = 'linear-train-data'
        boto3.resource('s3').Bucket(bucket).Object(os.path.join(prefix, 'train', key)).upload_fileobj(buf)
        s3_train_data = 's3://{}/{}/train/{}'.format(bucket, prefix, key)
        print('uploaded training data location: {}'.format(s3_train_data))
In [ ]: output_location = 's3://{}/{}/output'.format(bucket, prefix)
        print('Training artifacts will be uploaded to: {}'.format(output_location))
In [ ]: # This part of code will allow us to use training containers of sagemaker trained model.
         from sagemaker.amazon.amazon_estimator import image_uris
        container = image_uris.retrieve(region=boto3.Session().region_name, framework='linear-learner')
In [ ]: # Parameters are passed using Estimator function that is available to us.
        linear = sagemaker.estimator.Estimator(container,
                                                instance_count = 1,
                                                instance_type = 'ml.c4.xlarge',
                                                output_path = output_location,
                                                sagemaker_session = sagemaker_session)
        linear.set_hyperparameters(feature_dim = 8,
                                    predictor_type = 'regressor',
                                    mini_batch_size = 100,
                                    epochs = 100,
                                    num_models = 32,
                                   loss = 'absolute_loss')
        linear.fit({'train': s3_train_data})
```