**Predict Customer Life-time Value for an Auto Insurance Company**

**Objective:-**

1. For an Auto Insurance company, predict the conditions effecting customer life time value (CLV). CLV is the total revenue the client will derive from their entire relationship with a customer. Because we don't know how long each customer relationship will be, we make a good estimate and state CLV as a periodic value — that is, we usually say “this customer's 12-month (or 24-month, etc) CLV is $x”.

**Suggested Approach:-**

1. Understand the variables in the data set and study about the Industry.
2. Create hypothesis and validate
3. Identify the statistical model to use (compare pros / cons of different models before accepting a model to follow)
4. Clean the data set.
5. Divide the data set into two parts: - Development Sample & Validation Sample.
6. Run Regression model.
7. Check which variables are significant by looking at p values and business reasons.
8. Do different tests like multicollinearity test, Homoscadasticity test, Normality test, MAPE.
9. Create a business report with your final recommendations / insights.

**\*Cleaning and splitting of data must be on R.**