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

**Objective:-**

For an Auto Insurance company, predict the 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. Run Regression model.
6. Check which variables are significant by looking at p values and business reasons?
7. Do different tests like multicollinearity test, Homoscedasticity test, Normality test, Serial correlation, MAPE.
8. Mention goodness of fit statistics (R-square, adjusted R-squares).

**Deliverables**

1. Codes
2. Approach, steps, results found and their interpretation, significance of the variables and their business meaning etc. in Word doc.
3. PowerPoint containing Objective, significant variables and results obtained in laymen language, business recommendations (if any).

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