

Medical Insurance Prediction

INTRODUCTION:

Overview:

A health insurance company can only make money if it collects more than it spends on the medical care of its beneficiaries. On the other hand, even though some conditions are more prevalent for certain segments of the population, medical costs are difficult to predict since most money comes from rare conditions of the patients.

Purpose:

to predict insurance costs based on people's data, including age, Body Mass Index, smoking or not, etc.

A health insurance company can only make money if it collects more than it spends on the medical care of its beneficiaries. On the other hand, even though some conditions are more prevalent for certain segments of the population, medical costs are difficult to predict since most money comes from rare conditions of the patients. The objective of this article is to accurately predict insurance costs based on people's data, including age, Body Mass Index, smoking or not, etc. Additionally, we will also determine what the most important variable influencing insurance costs is. These estimates could be used to create actuarial tables that set the price of yearly premiums higher or lower according to the expected treatment costs. This is a regression problem.