Name - Himanshu Singh.

College - Lovely Professional University.

Project - Health Insurance-Premium-Prediction Using IBM Auto AI Service.

**Project Documentation**

1. Introduction :-

This project aims at building a web App that automatically estimates premium cost by taking the input values. 

Using IBM AutoAI, we automate all of the tasks involved in building predictive models for different requirements. You create a model from a data set that includes the age, gender, BMI, number of children, smoking preferences, region, and charges to predict the health insurance premium cost that an individual pays

The purpose of this project is to demonstrate how the factors like smoking and region affact the health of an individual.

Like the factor if a person is male or female do not have that much importance as compared to if he is a smoker or not.

There are other factos too which do not play an important role when it comes to the fact he the life insurance company should charge more or less such factos are namely region, sex, number of child. But the fact that a perosn is smoker or not and is age plays an important role in the premium cost which an individual has to pay. As we follow the project you will come to know it in a more better way

2. Literature Survey:-

As we see the value of gross insurance premiums worldwide continue to skyrocket past 5 trillion dollars, we know that most of these costs are preventable. For example, just by eliminating smoking, and lowering your BMI by a few points could mean shaving thousands of dollars off of your premium charges. In this application, we study the effects of age, smoking, BMI, gender, and region to determine how much of a difference these factors can make on your insurance premium. By using our application, customers see the radical difference their lifestyle choices make on their insurance charges. By leveraging AI and machine learning, we help customers understand just how much smoking increases their premium, by predicting how much they will have to pay within seconds.

The current time with technology like AI and machine learning can help us to deal with many problems. The AI models are so accurate that they can be trusted blindly.

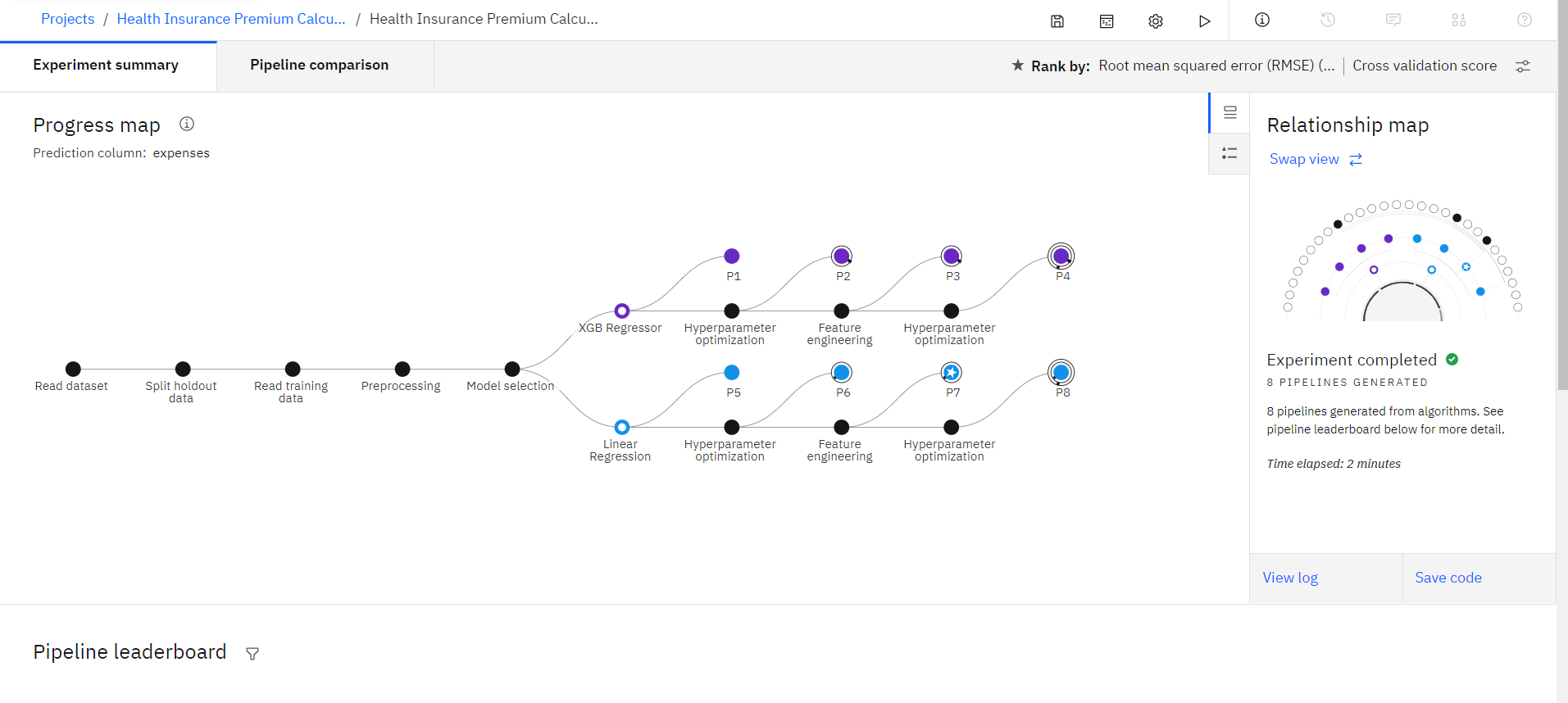
And cam help us to solve many problem like this one where an Ai model is used to calculate the premium. It provid fast and reliable solution for our problem. The solution contains a data set and a AI model and give exceptionaly good results.

3. Theoretical Analysis:-

Using IBM AutoAI, you automate all the tasks involved in building predictive models for different requirements. You see how AutoAI generates great models quickly which save time and effort and aid in faster decision-making process. You create a model that from a data set that includes the age, sex, BMI, number-of-children, smoking preferences, region and charges to predict the health insurance premium cost that an individual pays.

When you have completed this code pattern, you understand how to:

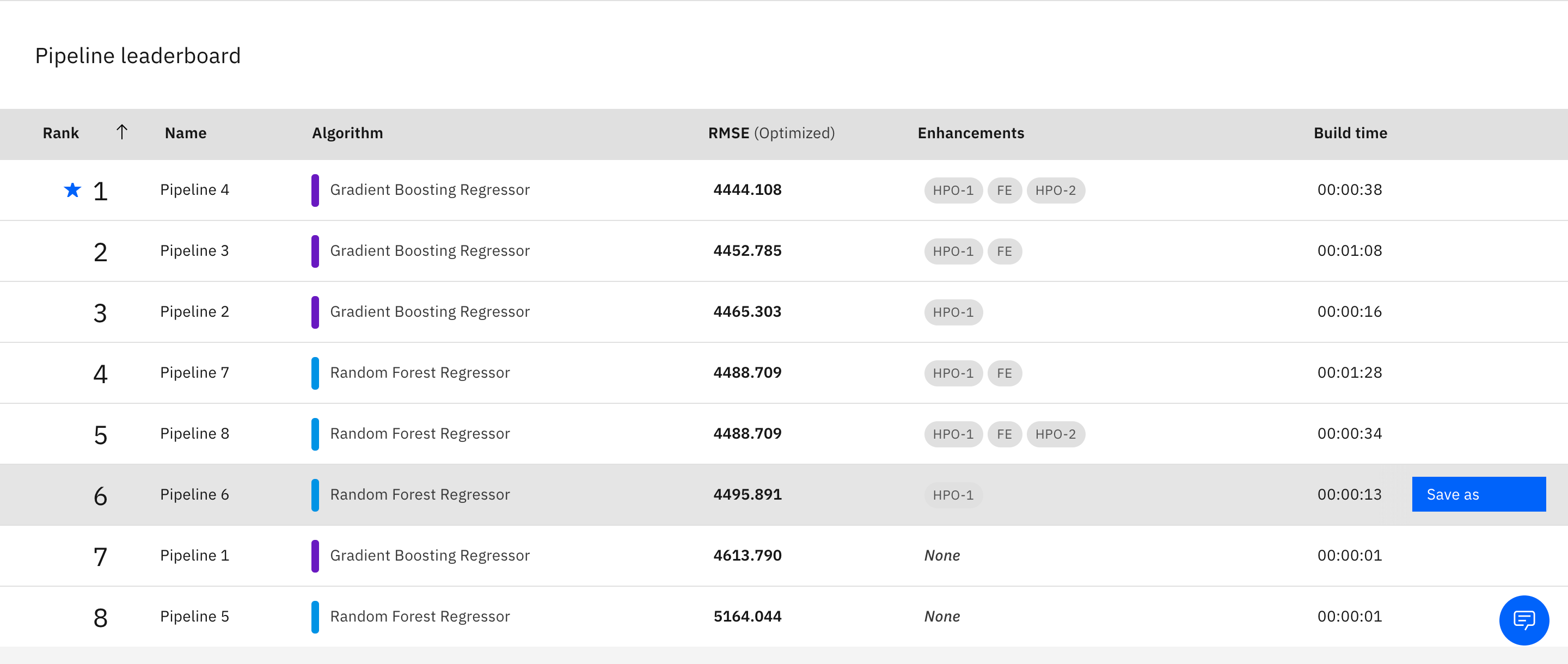
* Setup, quickly, the services on IBM Cloud for building the model.
* Ingest the data and initiate the AutoAI process.
* Build different models using AutoAI and evaluate the performance.
* Choose the best model and complete the deployment.
* Generate predictions using the deployed model by making REST calls.
* Compare the process of using AutoAI and building the model manually.
* Visualize the deployed model using a front-end application.

4. Experimental Investigations:-

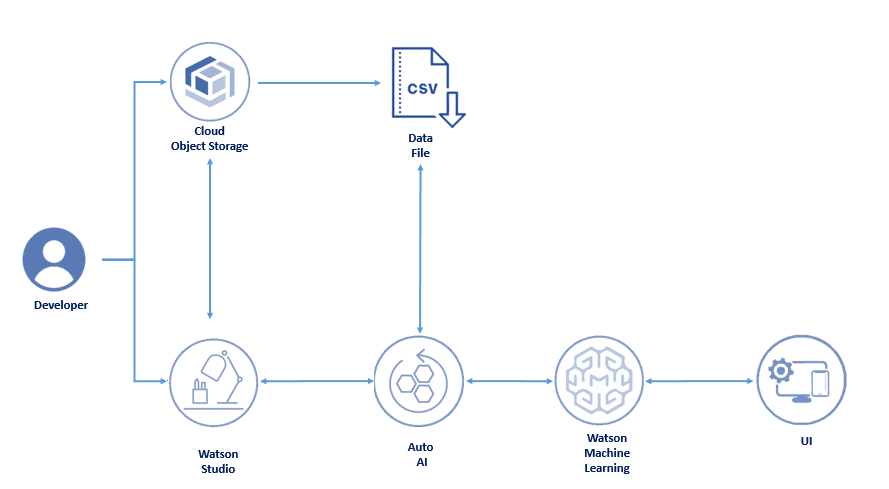
After associating data set with Ai model a experiment is set. This experiment is to creat different

pipelines with different levels of accuracy. The best set is considered the best pipeline and

furthur that is taken into consideration.



5. Flowchart :-



1- Creates an IBM Watson Studio Service on IBM Cloud.

2- Creates an IBM Cloud Object Storage Service and adds that to Watson Studio.

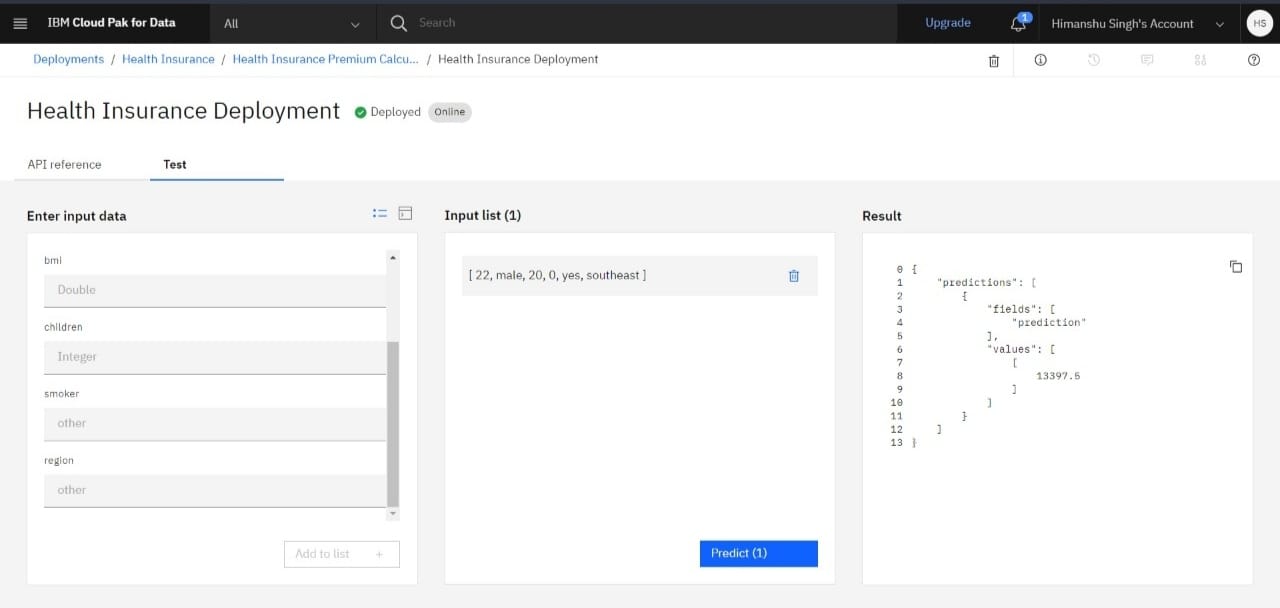
3- Uploads the insurance premium data file into Watson Studio.

4- Creates an AutoAI Experiment to predict insurance premium on Watson Studio

5- AutoAI uses Watson Machine Learning to create several models, and the user deploys the best performing model.

6- The user uses the Flask web-application to connect to the deployed model and predict an insurance charge

6. Result :-



The results of the expermient were just perfect. As the model was working fine like for this perticular example the model shows that 13397.5 is the preimium for the person as his age is 22 he is male of course bmi is 20 he is not having any child and he is a smoker and he belongs to Southwest.

The model paid much importance to the factor if a person is a smoker or not.Smoking and age were the two most important factors for the premium.

7. Advantages & Disadvantages: -

As the model was very correct in telling the amount.There were some of its advantages and dis advantages to. As for now we will try to see some of its both factor.

lets start with.

Advantages.

The model was very accurate.

The model was easy to understand.

The model took real life examples and shows the importance of good and healthy life and

triggers some important factors like smoking and its consequence.

This model on the other hand also tells us about the new technology like watson studios that how power full it is how the things which could have taken thousands of hours can be done within minunts.

Disadvantages.

As the model is very accurate but it still do not take many other important factos into consideration like if a person is diabatic or not if he is havinng any other problem like cancer ,tb,migrain

and other important factos.

Model is taking some informtaion which are just not relavent like number of children.If at the place of children if model would have take problem or disease it would have been a better model

Despite or without being affected by the thing that model is very fast it sometimes take so much time to predict the amount.

So these were some of advantages and disadvantegs in my opnion.

8. Applications :-

Application of this project or model can be found at many places and ***particullary***

in the insurance companies.

To charge the correct amount was always a big deal for both the customer and the service provider.

Using this web app we can just predict the correct amount which an individual shoud be paying

Below is the chart which is having anme of the co. which are using these kind of application

to predict the correct amount of premium.

| 1. | [Aegon Life Insurance Co. Ltd.](https://www.aegonlife.com/) |
| --- | --- |
| 2. | [Aviva Life Insurance Co. India Ltd.](http://www.avivaindia.com/) |
| 3. | [Bajaj Allianz Life Insurance Co. Ltd.](http://www.allianzbajaj.co.in/) |
| 4. | [Bharti AXA Life Insurance Co. Ltd.](http://www.bharti-axalife.com/) |
| 5. | [Birla Sun Life Insurance Co. Ltd.](http://www.birlasunlife.com/) |
| 6. | [Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.](http://canarahsbclife.com/) |
| 7. | [DHFL Pramerica Life Insurance Co. Ltd.](http://www.dhflpramerica.com/) |
| 8. | [Edelweiss Tokio Life Insurance Co. Ltd](http://www.edelweisstokio.in/) |
| 9. | [Exide Life Insurance Co. Ltd.](http://www.exidelife.in/) |
| 10. | [Future Generali India Life Insurance Co. Ltd.](http://www.futuregenerali.in/) |
| 11. | [HDFC Standard Life Insurance Co. Ltd.](http://www.hdfcinsurance.com/) |
| 12. | [ICICI Prudential Life Insurance Co. Ltd.](http://www.iciciprulife.com/) |
| 13. | [IDBI Federal Life Insurance Co. Ltd.](http://www.idbifederal.com/) |
| 14. | [IndiaFirst Life Insurance Co. Ltd](http://www.indiafirstlife.com/) |
| 15. | [Kotak Mahindra Old Mutual Life Insurance Ltd.](http://www.kotaklifeinsurance.com/) |
| 16. | [Life Insurance Corporation of India](http://www.licindia.com/) |
| 17. | [Max Life Insurance Co. Ltd.](http://www.maxlifeinsurance.com/) |
| 18. | [PNB MetLife India Insurance Co. Ltd.](http://www.metlife.co.in/) |
| 19. | [Reliance Life Insurance Co. Ltd.](http://www.reliancelife.com/) |
| 20. | [Sahara India Life Insurance Co. Ltd.](http://www.saharalife.com/) |
| 21. | [SBI Life Insurance Co. Ltd.](http://www.sbilife.com/) |
| 22. | [Shriram Life Insurance Co. Ltd.](http://www.shriramlife.com/) |
| 23 | [Star Union Dai-Ichi Life Insurance Co. Ltd.](http://www.sudlife.in/) |
| 24. | [Tata AIA Life Insurance Co. Ltd.](http://www.tataaia.com//) |

9. Conclusion:-

AI is at the centre of a new enterprise to build computational models of intelligence. The main assumption is that intelligence (human or otherwise) can be represented in terms of symbol structures and symbolic operations which can be programmed in a digital computer. There is much debate as to whether such an appropriately programmed computer would *be* a mind, or would merely *simulate* one, but AI researchers need not wait for the conclusion to that debate, nor for the hypothetical computer that could model all of human intelligence. Aspects of intelligent behaviour, such as solving problems, making inferences, learning, and understanding language, have already been coded as computer programs, and within very limited domains, such as identifying diseases of soybean plants, AI programs can outperform human experts. Now the great challenge of AI is to find ways of representing the commonsense knowledge and experience that enable people to carry out everyday activities such as holding a wide-ranging conversation, or finding their way along a busy street. Conventional digital computers may be capable of running such programs, or we may need to develop new machines that can support the complexity of human thought.

Models like this can help the humanity for a better future.

10. Future Scope :-

The future of AI in health care could include tasks that range from simple to complex—everything from answering the phone to medical record review, population health trending and analytics, therapeutic drug and device design, reading radiology images, making clinical diagnoses and treatment plans, and even talking with patients.

Artificial Intelligence(AI) is the simulation of human intelligence by machines. In other words, it is the method by which machines demonstrate certain aspects of human intelligence like learning, reasoning and self- correction. Since its inception, AI has demonstrated unprecedented growth. Sophia the AI Robot, is the quintessential example of this. The future of Artificial intelligence is hazy. But going by the bounds of progress AI has been making, it is clear AI will permeate every sphere of our life. Listed below are the diverse ways in which AI can change in the future.

The scope of AI in science is the largest. Recently ‘Eve’ was in the news for discovering that an ingredient found commonly in toothpaste, is capable of curing Malaria. Here the subject in appreciation ‘Eve’ is not a human scientist, rather a Robot created by a team of scientists at the Universities of Manchester, Aberystwyth, and Cambridge.

The future application of AI in cybersecurity will ensure in curbing hackers. The incidence of cybercrime is an issue that has been escalating through the years. It costs enterprises in term of brand image as well as material cost. Credit card fraudery is one of the most prevalent cybercrimes. Despite there being detection techniques, they still prove to be ineffective in curbing hackers. AI can bring a remarkable change to this. Novel AI techniques like Recurrent Neural Networks can detect fraudery in initial stages itself. This fraud detection system will be able to scan thousands of transactions instantly and predict/ classify them into buckets. RNN can save a lot of time as it focuses on cases where there is a high probability for fraud.

Tech has advanced in terms of Emotional Quotient. Virtual assistants [Siri](https://www.apple.com/in/ios/siri/), Cortana & Alexa show how the extent to which AI comprehends human language. They are able to understand the meaning from context and make intelligent judgments. Back in 2015, a companion robot called, ‘Pepper’ went on sale. All the initial 1000 units were sold within a minute. Overall, considering all this, the possibility of emotional bots might become a reality in the future.

11. Bibliography:-

* IBM CLOUD.
* WATSON STUDIOS LEARNING.
* NODE RED LEARNING.
* SMARTINTERNZ.COM.
* MR. RAMMOHAN BETHI SIR.
* YOUTUBE.COM.
* WIKIPEDIA.

12. Appendix:-

Source code-

#attempt import of autoai\_libs and install if missing

try:

import autoai\_libs

except Exception as e:

print('attempting to install missing autoai\_libs from pypi, this may take tens of seconds to complete.')

import subprocess

try:

# attempt to install missing autoai-libs from pypi

out = subprocess.check\_output('pip install autoai-libs', shell=True)

for line in out.splitlines():

print(line)

except Exception as e:

print(str(e))

try:

import autoai\_libs

except Exception as e:

print('attempting to install missing autoai\_libs from local filesystem, this may take tens of seconds to complete.')

import subprocess

# attempt to install missing autoai-libs from local filesystem

try:

out = subprocess.check\_output('pip install .', shell=True, cwd='software/autoai\_libs')

for line in out.splitlines():

print(line)

import autoai\_libs

except Exception as e:

print(str(e))

import sklearn

try:

import xgboost

except:

print('xgboost, if needed, will be installed and imported later')

try:

import lightgbm

except:

print('lightgbm, if needed, will be installed and imported later')

from sklearn.cluster import FeatureAgglomeration

import numpy

from numpy import inf, nan, dtype, mean

from autoai\_libs.sklearn.custom\_scorers import CustomScorers

from autoai\_libs.cognito.transforms.transform\_utils import TExtras, FC

from autoai\_libs.transformers.exportable import \*

from autoai\_libs.utils.exportable\_utils import \*

from sklearn.pipeline import Pipeline

known\_values\_list=[]

# compose a decorator to assist pipeline instantiation via import of modules and installation of packages

def decorator\_retries(func):

def install\_import\_retry(\*args, \*\*kwargs):

retries = 0

successful = False

failed\_retries = 0

while retries < 100 and failed\_retries < 10 and not successful:

retries += 1

failed\_retries += 1

try:

result = func(\*args, \*\*kwargs)

successful = True

except Exception as e:

estr = str(e)

if estr.startswith('name ') and estr.endswith(' is not defined'):

try:

import importlib

module\_name = estr.split("'")[1]

module = importlib.import\_module(module\_name)

globals().update({module\_name: module})

print('import successful for ' + module\_name)

failed\_retries -= 1

except Exception as import\_failure:

print('import of ' + module\_name + ' failed with: ' + str(import\_failure))

import subprocess

print('attempting pip install of ' + module\_name)

process = subprocess.Popen('pip install ' + module\_name, shell=True)

process.wait()

try:

print('re-attempting import of ' + module\_name)

module = importlib.import\_module(module\_name)

globals().update({module\_name: module})

print('import successful for ' + module\_name)

failed\_retries -= 1

except Exception as import\_or\_installation\_failure:

print('failure installing and/or importing ' + module\_name + ' error was: ' + str(

import\_or\_installation\_failure))

raise (ModuleNotFoundError('Missing package in environment for ' + module\_name +

'? Try import and/or pip install manually?'))

elif type(e) is AttributeError:

if 'module ' in estr and ' has no attribute ' in estr:

pieces = estr.split("'")

if len(pieces) == 5:

try:

import importlib

print('re-attempting import of ' + pieces[3] + ' from ' + pieces[1])

module = importlib.import\_module('.' + pieces[3], pieces[1])

failed\_retries -= 1

except:

print('failed attempt to import ' + pieces[3])

raise (e)

else:

raise (e)

else:

raise (e)

if successful:

print('Pipeline successfully instantiated')

else:

raise (ModuleNotFoundError(

'Remaining missing imports/packages in environment? Retry cell and/or try pip install manually?'))

return result

return install\_import\_retry

# Metadata used in retrieving data and computing metrics. Customize as necessary for your environment.

#data\_source='replace\_with\_path\_and\_csv\_filename'

target\_label\_name = \_input\_metadata['target\_label\_name']

learning\_type = \_input\_metadata['learning\_type']

optimization\_metric = \_input\_metadata['optimization\_metric']

random\_state = \_input\_metadata['random\_state']

cv\_num\_folds = \_input\_metadata['cv\_num\_folds']

holdout\_fraction = \_input\_metadata['holdout\_fraction']

if 'data\_provenance' in \_input\_metadata:

data\_provenance = \_input\_metadata['data\_provenance']

else:

data\_provenance = None

if 'pos\_label' in \_input\_metadata and learning\_type == 'classification':

pos\_label = \_input\_metadata['pos\_label']

else:

pos\_label = None

# @hidden\_cell

# The following code contains the credentials for a file in your IBM Cloud Object Storage.

# You might want to remove those credentials before you share your notebook.

credentials\_0 = {

}

# Read the data as a dataframe

import pandas as pd

csv\_encodings=['UTF-8','Latin-1'] # supplement list of encodings as necessary for your data

df = None

readable = None # if automatic detection fails, you can supply a filename here

# First, obtain a readable object

# IBM Cloud Object Storage data access

# Assumes COS credentials are in a dictionary named 'credentials\_0'

cos\_credentials = df = globals().get('credentials\_0')

if readable is None and cos\_credentials is not None:

print('accessing data via IBM Cloud Object Storage')

try:

import types

from botocore.client import Config

import ibm\_boto3

def \_\_iter\_\_(self): return 0

if 'SERVICE\_NAME' not in cos\_credentials: # in case of Studio-supplied credentials for a different dataset

cos\_credentials['SERVICE\_NAME'] = 's3'

client = ibm\_boto3.client(service\_name=cos\_credentials['SERVICE\_NAME'],

ibm\_api\_key\_id=cos\_credentials['IBM\_API\_KEY\_ID'],

ibm\_auth\_endpoint=cos\_credentials['IBM\_AUTH\_ENDPOINT'],

config=Config(signature\_version='oauth'),

endpoint\_url=cos\_credentials['ENDPOINT'])

try:

readable = client.get\_object(Bucket=cos\_credentials['BUCKET'],Key=cos\_credentials['FILE'])['Body']

# add missing \_\_iter\_\_ method, so pandas accepts readable as file-like object

if not hasattr(readable, "\_\_iter\_\_"): readable.\_\_iter\_\_ = types.MethodType( \_\_iter\_\_, readable )

except Exception as cos\_access\_exception:

print('unable to access data object in cloud object storage with credentials supplied')

except Exception as cos\_exception:

print('unable to create client for cloud object storage')

# IBM Cloud Pak for Data data access

project\_filename = globals().get('project\_filename')

if readable is None and 'credentials\_0' in globals() and 'ASSET\_ID' in credentials\_0:

project\_filename = credentials\_0['ASSET\_ID']

if project\_filename is not None:

print('attempting project\_lib access to ' + str(project\_filename))

try:

from project\_lib import Project

project = Project.access()

storage\_credentials = project.get\_storage\_metadata()

readable = project.get\_file(project\_filename)

except Exception as project\_exception:

print('unable to access data using the project\_lib interface and filename supplied')

# Use data\_provenance as filename if other access mechanisms are unsuccessful

if readable is None and type(data\_provenance) is str:

print('attempting to access local file using path and name ' + data\_provenance)

readable = data\_provenance

# Second, use pd.read\_csv to read object, iterating over list of csv\_encodings until successful

if readable is not None:

for encoding in csv\_encodings:

try:

df = pd.read\_csv(readable, encoding=encoding)

print('successfully loaded dataframe using encoding = ' + str(encoding))

break

except Exception as exception\_csv:

print('unable to read csv using encoding ' + str(encoding))

print('handled error was ' + str(exception\_csv))

if df is None:

print('unable to read file/object as a dataframe using supplied csv\_encodings ' + str(csv\_encodings))

print("Please use 'insert to code' on data panel to load dataframe.")

raise(ValueError('unable to read file/object as a dataframe using supplied csv\_encodings ' + str(csv\_encodings)))

if df is None:

print('Unable to access bucket/file in IBM Cloud Object Storage or asset in IBM Cloud Pak for Data with the parameters supplied.')

print('This is abnormal, but proceeding assuming the notebook user will supply a dataframe by other means.')

print("Please use 'insert to code' on data panel to load dataframe.")

# Drop rows whose target is not defined

target = target\_label\_name # your target name here

if learning\_type == 'regression':

df[target] = pd.to\_numeric(df[target], errors='coerce')

df.dropna('rows', how='any', subset=[target], inplace=True)

# extract X and y

df\_X = df.drop(columns=[target])

df\_y = df[target]

# Detach preprocessing pipeline (which needs to see all training data)

preprocessor\_index = -1

preprocessing\_steps = []

for i, step in enumerate(pipeline.steps):

preprocessing\_steps.append(step)

if step[0]=='preprocessor':

preprocessor\_index = i

break

if len(pipeline.steps) > preprocessor\_index+1 and pipeline.steps[preprocessor\_index + 1][0] == 'cognito':

preprocessor\_index += 1

preprocessing\_steps.append(pipeline.steps[preprocessor\_index])

if preprocessor\_index >= 0:

preprocessing\_pipeline = Pipeline(memory=pipeline.memory, steps=preprocessing\_steps)

pipeline = Pipeline(steps=pipeline.steps[preprocessor\_index+1:])# Preprocess X

# preprocessor should see all data for cross\_validate on the remaining steps to match autoai scores

known\_values\_list.clear() # known\_values\_list is filled in by the preprocessing\_pipeline if needed

preprocessing\_pipeline.fit(df\_X.values, df\_y.values)

X\_prep = preprocessing\_pipeline.transform(df\_X.values)

# determine learning\_type and perform holdout split (stratify conditionally)

if learning\_type is None:

# When the problem type is not available in the metadata, use the sklearn type\_of\_target to determine whether to stratify the holdout split

# Caution: This can mis-classify regression targets that can be expressed as integers as multiclass, in which case manually override the learning\_type

from sklearn.utils.multiclass import type\_of\_target

if type\_of\_target(df\_y.values) in ['multiclass', 'binary']:

learning\_type = 'classification'

else:

learning\_type = 'regression'

print('learning\_type determined by type\_of\_target as:',learning\_type)

else:

print('learning\_type specified as:',learning\_type)

from sklearn.model\_selection import train\_test\_split

if learning\_type == 'classification':

X, X\_holdout, y, y\_holdout = train\_test\_split(X\_prep, df\_y.values, test\_size=holdout\_fraction, random\_state=random\_state, stratify=df\_y.values)

else:

X, X\_holdout, y, y\_holdout = train\_test\_split(X\_prep, df\_y.values, test\_size=holdout\_fraction, random\_state=random\_state)

# create a function to produce a scorer for a given positive label

def make\_pos\_label\_scorer(scorer, pos\_label):

kwargs = {'pos\_label':pos\_label}

for prop in ['needs\_proba', 'needs\_threshold']:

if prop+'=True' in scorer.\_factory\_args():

kwargs[prop] = True

if scorer.\_sign == -1:

kwargs['greater\_is\_better'] = False

from sklearn.metrics import make\_scorer

scorer=make\_scorer(scorer.\_score\_func, \*\*kwargs)

return scorer

# fit the remainder of the pipeline on the training data

pipeline.fit(X,y)# predict on the holdout data

y\_pred = pipeline.predict(X\_holdout)# compute score for the optimization metric

# scorer may need pos\_label, but not all scorers take pos\_label parameter

from sklearn.metrics import get\_scorer

scorer = get\_scorer(optimization\_metric)

score = None

#score = scorer(pipeline, X\_holdout, y\_holdout) # this would suffice for simple cases

pos\_label = None # if you want to supply the pos\_label, specify it here

if pos\_label is None and 'pos\_label' in \_input\_metadata:

pos\_label=\_input\_metadata['pos\_label']

try:

score = scorer(pipeline, X\_holdout, y\_holdout)

except Exception as e1:

if pos\_label is None or str(pos\_label)=='':

print('You may have to provide a value for pos\_label in order for a score to be calculated.')

raise(e1)

else:

exception\_string=str(e1)

if 'pos\_label' in exception\_string:

try:

scorer = make\_pos\_label\_scorer(scorer, pos\_label=pos\_label)

score = scorer(pipeline, X\_holdout, y\_holdout)

print('Retry was successful with pos\_label supplied to scorer')

except Exception as e2:

print('Initial attempt to use scorer failed. Exception was:')

print(e1)

print('')

print('Retry with pos\_label failed. Exception was:')

print(e2)

else:

raise(e1)

if score is not None:

print(score)# cross\_validate pipeline using training data

from sklearn.model\_selection import cross\_validate

from sklearn.model\_selection import StratifiedKFold, KFold

if learning\_type == 'classification':

fold\_generator = StratifiedKFold(n\_splits=cv\_num\_folds, random\_state=random\_state)

else:

fold\_generator = KFold(n\_splits=cv\_num\_folds, random\_state=random\_state)

cv\_results = cross\_validate(pipeline, X, y, cv=fold\_generator, scoring={optimization\_metric:scorer}, return\_train\_score=True)

import numpy as np

np.mean(cv\_results['test\_' + optimization\_metric])cv\_results

Screenshot of UI:-

