```
In [17]:
          import pandas as pd
          import numpy as np
          import datetime as dt
          import seaborn as sb
          import plotly.express as px
          import plotly.graph_objects as go
          from sklearn.model_selection import train_test_split
          from sklearn.linear_model import LogisticRegression
          from imblearn.over_sampling import SMOTE
from imblearn.under_sampling import RandomUnderSampler
          \textbf{from} \  \, \textbf{sklearn.metrics} \  \, \textbf{import} \  \, \textbf{classification\_report}
          from imblearn.pipeline import Pipeline
          from sklearn.tree import DecisionTreeClassifier
          from sklearn.metrics import accuracy_score
          from sklearn.model_selection import GridSearchCV
          from sklearn.svm import SVC
 In [ ]:
 In [3]:
          df = pd.read_csv('Automobile_insurance_fraud.csv')
          df.head()
Out[3]:
             months_as_customer age policy_number policy_bind_date policy_state policy_csl policy_deductable policy_annual_premium umbrella_limit insured_zip ...
          0
                            328
                                  48
                                             521585
                                                           17-10-2014
                                                                              OH
                                                                                   250/500
                                                                                                        1000
                                                                                                                            1406.91
                                                                                                                                                       466132
                                  42
                                             342868
                                                          27-06-2006
                                                                                                                            1197.22
                                                                                                                                          5000000
                                                                                                                                                       468176
                            228
                                                                                   250/500
                                                                                                        2000
          2
                                  29
                                             687698
                                                          06-09-2000
                                                                                   100/300
                                                                                                        2000
                                                                                                                            1413.14
                                                                                                                                          5000000
                                                                                                                                                       430632
                            134
                                                                              ОН
          3
                                             227811
                                                                                                        2000
                                                                                                                            1415.74
                                                                                                                                          6000000
                            256
                                  41
                                                          25-05-1990
                                                                               IL
                                                                                   250/500
                                                                                                                                                       608117
                            228
                                             367455
                                                           06-06-2014
                                                                                  500/1000
                                                                                                        1000
                                                                                                                            1583.91
                                                                                                                                          6000000
                                                                                                                                                       610706
          5 rows × 40 columns
 In [4]: df.isnull().sum()
                                                a
          months_as_customer
Out[4]:
                                                0
          policy_number
                                                0
          policy_bind_date
                                                0
          policy_state
                                                0
          policy_csl
                                                0
          policy_deductable
                                                0
          policy_annual_premium
          umbrella_limit
                                                0
          insured_zip
                                                0
          insured_sex
                                                0
          insured_education_level
                                                0
          insured occupation
                                                0
          insured hobbies
                                                0
          insured_relationship
                                                0
          capital-gains
                                                0
          capital-loss
          incident_date
                                                0
          incident_type
          collision_type
          incident_severity
          authorities_contacted
                                                0
          incident state
                                                0
          incident_city
incident_location
                                                0
                                                0
          incident_hour_of_the_day
                                                0
          number_of_vehicles_involved
                                                0
          property_damage
                                                0
          bodily_injuries
                                                0
          witnesses
                                                0
          police_report_available
          total_claim_amount
          injury_claim
                                                0
          property_claim
          vehicle_claim
                                                0
          auto make
                                                0
          auto model
                                                0
          auto year
                                                0
          fraud_reported
                                                a
          c39
                                             1000
          dtype: int64
 In [5]: df = df.drop(['_c39'], axis = 1)
 In [6]: df.info()
```

```
<class 'pandas.core.frame.DataFrame'>
         RangeIndex: 1000 entries, 0 to 999
         Data columns (total 39 columns):
                                             Non-Null Count Dtype
              Column
         #
         0
              months_as_customer
                                             1000 non-null
                                                              int64
         1
              age
                                             1000 non-null
                                                              int64
         2
              policy_number
                                             1000 non-null
                                                              int64
         3
              policy_bind_date
                                             1000 non-null
                                                              object
          4
              policy_state
                                             1000 non-null
                                                              object
          5
              policy_csl
                                             1000 non-null
                                                              object
              policy_deductable
                                              1000 non-null
                                                               int64
              policy_annual_premium
                                              1000 non-null
                                                               float64
              umbrella_limit
                                             1000 non-null
          8
                                                               int64
              insured zip
                                             1000 non-null
                                                              int64
          10
              insured_sex
                                             1000 non-null
                                                              object
              insured education level
                                             1000 non-null
         11
                                                              object
                                             1000 non-null
          12
              insured occupation
                                                              object
         13
              insured hobbies
                                             1000 non-null
                                                              object
         14
              insured_relationship
                                             1000 non-null
                                                              object
         15
              capital-gains
                                             1000 non-null
                                                              int64
         16
              capital-loss
                                             1000 non-null
                                                              int64
         17
              incident_date
                                             1000 non-null
                                                              object
              incident_type
                                             1000 non-null
          18
                                                              object
              collision_type
          19
                                             1000 non-null
                                                              object
          20
             incident_severity
                                              1000 non-null
                                                              object
          21
              authorities_contacted
                                             1000 non-null
                                                              object
          22
              incident_state
                                             1000 non-null
                                                              object
              incident_city
                                             1000 non-null
          23
                                                              object
              incident location
                                             1000 non-null
          24
                                                              object
              incident_hour_of_the_day
          25
                                             1000 non-null
                                                              int64
          26
              number of vehicles involved
                                             1000 non-null
                                                              int64
              property_damage
                                              1000 non-null
          27
                                                              object
         28
              bodily_injuries
                                             1000 non-null
                                                              int64
          29
              witnesses
                                             1000 non-null
                                                              int64
          30
              police_report_available
                                             1000 non-null
                                                              object
          31
              total_claim_amount
                                             1000 non-null
                                                               int64
              injury_claim
          32
                                             1000 non-null
                                                               int64
          33
              property_claim
                                             1000 non-null
                                                               int64
          34
              vehicle_claim
                                              1000 non-null
                                                               int64
                                             1000 non-null
          35
              auto make
                                                              object
          36
              auto_model
                                              1000 non-null
                                                              object
          37
              auto vear
                                             1000 non-null
                                                              int64
         38
              fraud reported
                                             1000 non-null
                                                              object
         dtypes: float64(1), int64(17), object(21)
         memory usage: 304.8+ KB
In [7]: df['policy_bind_date'] = pd.to_datetime(df['policy_bind_date'])
         C:\Users\lenovo\AppData\Local\Temp\ipykernel_11400\1924804640.py:1: UserWarning: Parsing dates in DD/MM/YYYY format when dayfirst=False
         (the default) was specified. This may lead to inconsistently parsed dates! Specify a format to ensure consistent parsing.
         df['policy_bind_date'] = pd.to_datetime(df['policy_bind_date'])
In [8]: df.describe()
Out[8]:
                months_as_customer
                                               policy_number policy_deductable policy_annual_premium
                                                                                                    umbrella_limit
                                                                                                                     insured_zip
                                                                                                                                  capital-gains
                                                                                                                                                  capital-loss i
                                          age
         count
                       1000.000000
                                   1000.000000
                                                 1000.000000
                                                                   1000.000000
                                                                                         1000.000000
                                                                                                     1.000000e+03
                                                                                                                    1000.000000
                                                                                                                                  1000.000000
                                                                                                                                                 1000.000000
         mean
                        203.954000
                                     38.948000
                                               546238.648000
                                                                   1136.000000
                                                                                         1256.406150
                                                                                                     1.101000e+06
                                                                                                                  501214.488000
                                                                                                                                 25126.100000
                                                                                                                                                -26793.700000
           std
                        115.113174
                                      9.140287
                                               257063.005276
                                                                   611.864673
                                                                                         244.167395
                                                                                                     2.297407e+06
                                                                                                                   71701.610941
                                                                                                                                 27872.187708
                                                                                                                                                28104.096686
          min
                          0.000000
                                     19.000000
                                               100804.000000
                                                                   500.000000
                                                                                         433.330000
                                                                                                    -1.000000e+06
                                                                                                                  430104.000000
                                                                                                                                     0.000000
                                                                                                                                              -111100.000000
          25%
                        115.750000
                                     32.000000
                                               335980.250000
                                                                   500.000000
                                                                                         1089.607500
                                                                                                     0.000000e+00 448404.500000
                                                                                                                                     0.000000
                                                                                                                                               -51500.000000
          50%
                        199.500000
                                     38.000000
                                              533135.000000
                                                                   1000.000000
                                                                                         1257.200000
                                                                                                     0.000000e+00 466445.500000
                                                                                                                                     0.000000
                                                                                                                                               -23250.000000
                        276.250000
                                     44.000000
          75%
                                              759099.750000
                                                                   2000.000000
                                                                                         1415.695000
                                                                                                     0.000000e+00 603251.000000
                                                                                                                                 51025.000000
                                                                                                                                                    0.000000
                        479.000000
                                     64.000000 999435.000000
                                                                   2000.000000
                                                                                                                                100500.000000
                                                                                                                                                    0.000000
                                                                                        2047.590000
                                                                                                     1.000000e+07 620962.000000
          max
In [9]: for i in df.columns:
             if df[i].dtype == 'object':
    print(i, ":", df[i].nunique())
```

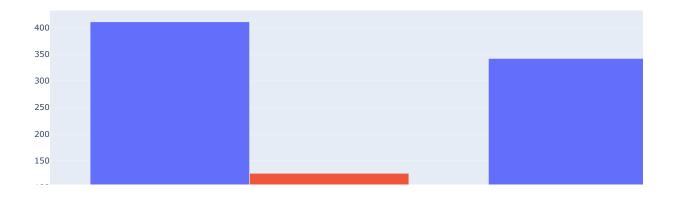
```
policy_state : 3
           policy_csl : 3
            insured sex : 2
            insured_education_level : 7
            insured_occupation : 14
            insured_hobbies : 20
            insured_relationship : 6
            incident_date : 60
            incident_type : 4
            collision_type : 4
            incident_severity : 4
            authorities_contacted : 5
            incident_state : 7
            incident_city : 7
           incident location : 1000
            property_damage : 3
           police_report_available : 3
            auto_make : 14
            auto model : 39
           fraud_reported : 2
 In [10]: drop_columns = ['policy_state', 'policy_csl', 'incident_date', 'incident_state', 'incident_city', 'incident_location']
df = df.drop(drop_columns, axis = 1)
            df.head()
 Out[10]:
               months_as_customer age policy_number policy_bind_date policy_deductable policy_annual_premium umbrella_limit insured_zip insured_sex insured_education
           0
                              328
                                    48
                                               521585
                                                            2014-10-17
                                                                                   1000
                                                                                                        1406.91
                                                                                                                            0
                                                                                                                                   466132
                                                                                                                                                MALE
                              228
                                    42
                                               342868
                                                            2006-06-27
                                                                                   2000
                                                                                                        1197.22
                                                                                                                      5000000
                                                                                                                                   468176
                                                                                                                                                MALE
           2
                              134
                                    29
                                               687698
                                                            2000-06-09
                                                                                   2000
                                                                                                        1413.14
                                                                                                                      5000000
                                                                                                                                  430632
                                                                                                                                              FEMALE
           3
                              256
                                    41
                                               227811
                                                            1990-05-25
                                                                                   2000
                                                                                                        1415.74
                                                                                                                      6000000
                                                                                                                                   608117
                                                                                                                                              FEMALE
            4
                              228
                                               367455
                                                            2014-06-06
                                                                                    1000
                                                                                                        1583.91
                                                                                                                      6000000
                                                                                                                                   610706
                                                                                                                                                MALE
           5 rows × 33 columns
4
           for i in df.columns:
 In [11]:
                if df[i].dtype == 'object':
    print(i, ":", df[i].nunique())
            insured_sex : 2
            insured_education_level : 7
            insured_occupation : 14
            insured_hobbies : 20
            insured relationship : 6
            incident_type : 4
           collision_type : 4
            incident_severity : 4
            authorities_contacted : 5
            property_damage : 3
            police_report_available : 3
            auto_make : 14
            auto_model : 39
            fraud_reported : 2
 In [12]: df['fraud_reported'] = df['fraud_reported'].str.replace('Y', '1')
           df['fraud_reported'] = df['fraud_reported'].str.replace('N', '0')
df['fraud_reported'] = df['fraud_reported'].astype(int)
 In [13]: df['fraud_reported'].unique()
 Out[13]: array([1, 0])
 In [18]: sb.countplot(df['fraud_reported'])
           <Axes: ylabel='count'>
 Out[18]:
```

```
1000 -
800 -
600 -
400 -
200 -
```

```
In [19]:
    def vis_data(df, x, y = 'fraud_reported', graph = 'countplot'):
        if graph == 'hist':
            fig = px.histogram(df, x = x)
            fig.update_layout(title = 'Distribution of {x}'.format(x = x))
            fig.show()
        elif graph == 'bar':
            fig = px.bar(df, x = x, y = y)
            fig.update_layout(title = '{x}' vs. {y}'.format(x = x, y = y))
            fig.show()
        elif graph == 'countplot':
            a = df.groupby([x,y]).count()
            a.reset_index(inplace = True)
            no_fraud = a[a['fraud_reported'] == 0]
            yes_fraud = a[a['fraud_reported'] == 1]
            trace1 = go.Bar(x = no_fraud[x], y = no_fraud['policy_number'], name = 'No Fraud')
            trace2 = go.Bar(x = yes_fraud[x], y = yes_fraud['policy_number'], name = 'Fraud')
            fig = go.Figure(data = [trace1, trace2])
            fig .update_layout(title = '{x} vs. {y}'.format(x=x, y = y))
            fig.update_layout(barmode = 'group')

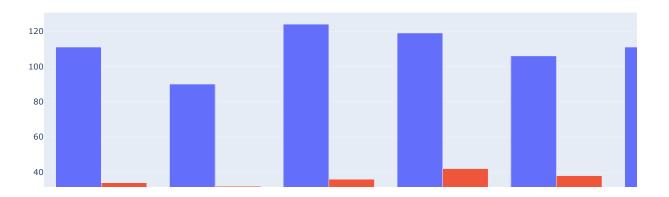
In [20]: vis_data(df, 'insured_sex')
```

insured_sex vs. fraud_reported



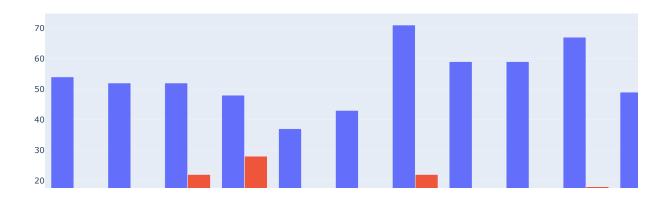
```
In [21]: vis_data(df, 'insured_education_level')
```

insured_education_level vs. fraud_reported



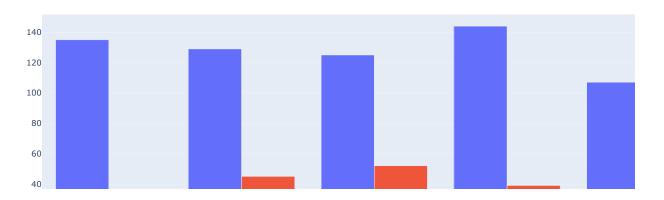
In [22]: vis_data(df, 'insured_occupation')

insured_occupation vs. fraud_reported



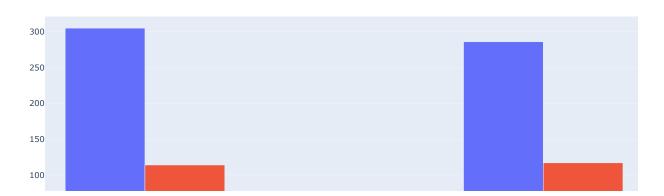
In [23]: vis_data(df, 'insured_relationship')

insured_relationship vs. fraud_reported



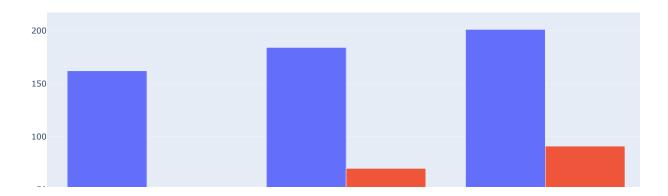
In [24]: vis_data(df, 'incident_type')

incident_type vs. fraud_reported



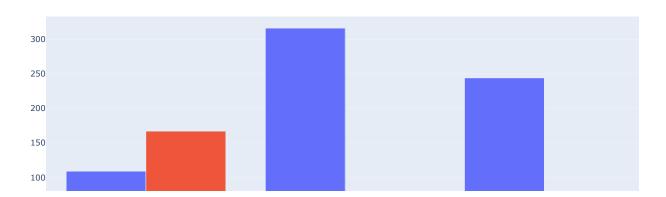
In [25]: vis_data(df, 'collision_type')

 $collision_type\ vs.\ fraud_reported$



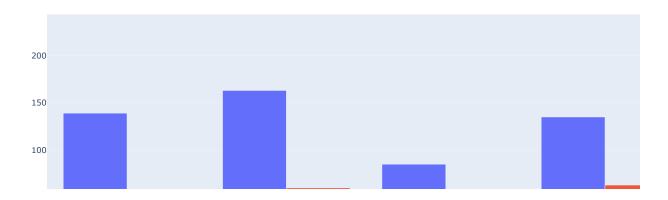
In [26]: vis_data(df, 'incident_severity')

incident_severity vs. fraud_reported



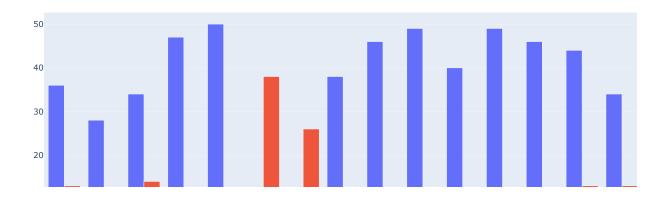
In [27]: vis_data(df, 'authorities_contacted')

authorities_contacted vs. fraud_reported



```
In [28]: vis_data(df, 'insured_hobbies')
```

insured_hobbies vs. fraud_reported



```
In [29]: hobbies = df['insured_hobbies'].unique()
    for hobby in hobbies:
        if (hobby != 'chess') & (hobby != 'cross-fit'):
              df['insured_hobbies'] = df['insured_hobbies'].str.replace(hobby, 'other')

df['insured_hobbies'].unique()

Out[29]: array(['other', 'chess', 'cross-fit'], dtype=object)

In [30]: df.head()
```

Out[30]:		months_as_customer	age	policy_number	policy_bind_date	${\sf policy_deductable}$	policy_annual_premium	$umbrella_limit$	$insured_zip$	insured_sex	insured_educatio
	0	328	48	521585	2014-10-17	1000	1406.91	0	466132	MALE	
	1	228	42	342868	2006-06-27	2000	1197.22	5000000	468176	MALE	
	2	134	29	687698	2000-06-09	2000	1413.14	5000000	430632	FEMALE	
	3	256	41	227811	1990-05-25	2000	1415.74	6000000	608117	FEMALE	
	4	228	44	367455	2014-06-06	1000	1583.91	6000000	610706	MALE	As

5 rows × 33 columns

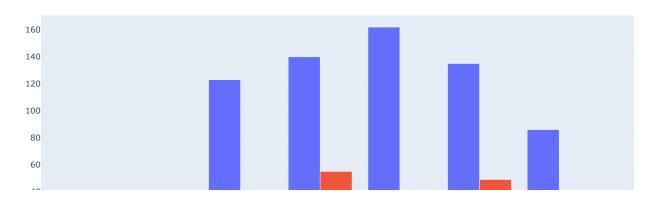


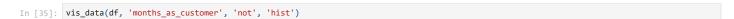
Distribution of age



```
In [32]: df['age'].describe()
Out[32]: count
                    1000.000000
                       38.948000
           mean
           std
                        9.140287
                       19.000000
           25%
                       32.000000
                       38.000000
           50%
           75%
                       44.000000
                       64.000000
           max
           Name: age, dtype: float64
In [33]: bin_labels = ['15-20', '21-25', '26-30', '31-35', '36-40', '41-45', '46-50', '51-55', '56-60', '61-65'] bins = [15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65]
           df['age_group'] = pd.cut(df['age'], bins = bins, labels = bin_labels, include_lowest = True)
In [34]: vis_data(df, 'age_group')
```

age_group vs. fraud_reported



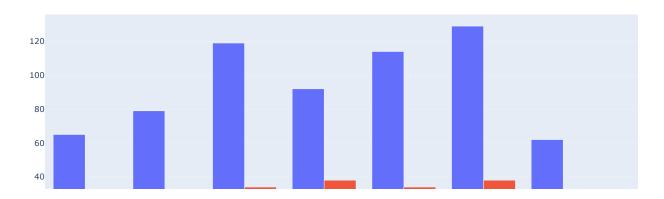


Distribution of months_as_customer



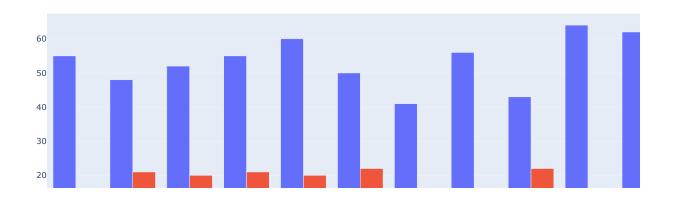
```
In [36]: df['months_as_customer'].describe()
                  1000.000000
         count
Out[36]:
                   203.954000
         mean
                   115.113174
         std
                     0.000000
         min
                   115.750000
         25%
         50%
                   199.500000
         75%
                   276.250000
         max
                   479.000000
         Name: months_as_customer, dtype: float64
In [37]: bins = [0, 50, 100, 150, 200, 250, 300, 350, 400, 450, 500]
         bin_labels = ['0-50','51-100','101-150','151-200','201-250','251-300','301-350','351-400','401-450','451-500']
         df['months_as_customer_groups'] = pd.cut(df['months_as_customer'], bins = 10, labels = bin_labels, include_lowest= True)
In [38]: vis_data(df, 'months_as_customer_groups')
```

months_as_customer_groups vs. fraud_reported



In [39]: vis_data(df, 'auto_make')

auto_make vs. fraud_reported



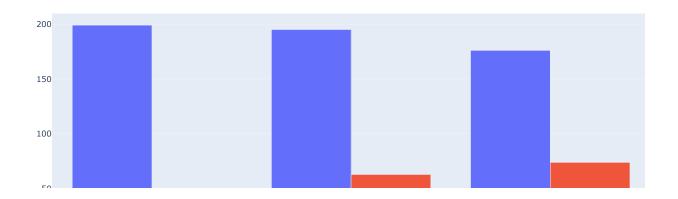
In [40]: vis_data(df, 'number_of_vehicles_involved')

number_of_vehicles_involved vs. fraud_reported



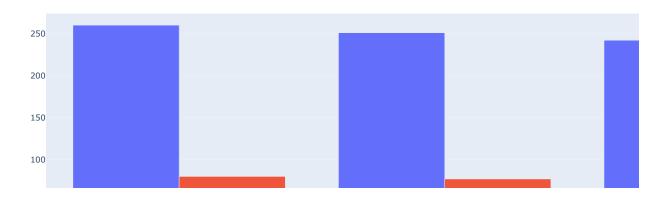
In [41]: vis_data(df, 'witnesses', 'fraud_reported')

witnesses vs. fraud_reported



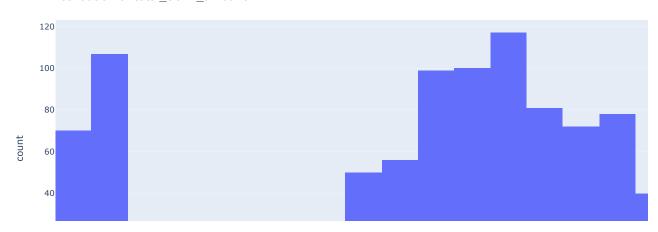
In [42]: vis_data(df, 'bodily_injuries')

bodily_injuries vs. fraud_reported



In [43]: vis_data(df, 'total_claim_amount', 'y', 'hist')

Distribution of total_claim_amount



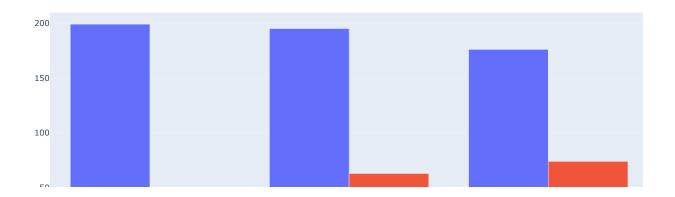
In [45]: vis_data(df, 'number_of_vehicles_involved')

number_of_vehicles_involved vs. fraud_reported



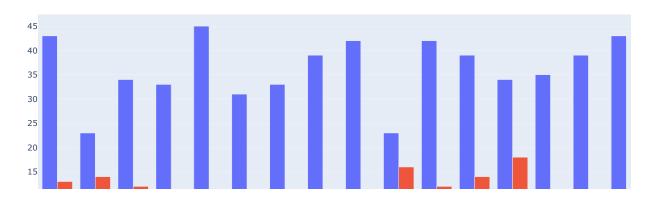
In [46]: vis_data(df, 'witnesses')

witnesses vs. fraud_reported



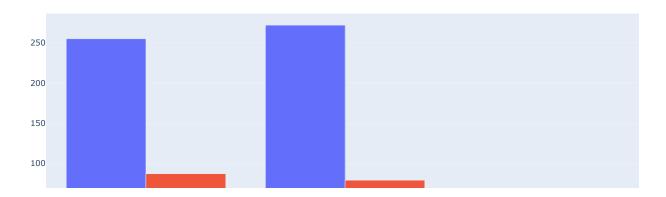
In [47]: vis_data(df, 'auto_year')

auto_year vs. fraud_reported



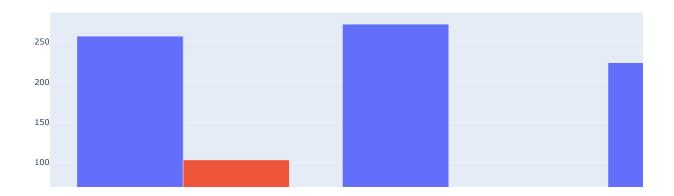
```
In [48]: df['policy_annual_premium'].describe()
Out[48]: count
                   1000.000000
                   1256.406150
          mean
                    244.167395
          std
                    433.330000
          min
                   1089.607500
          25%
                   1257.200000
          50%
          75%
                   1415.695000
          max
                   2047.590000
          Name: policy_annual_premium, dtype: float64
In [49]: bins = list(np.linspace(0,2500, 6, dtype = int))
          bin_labels = ['very low', 'low', 'medium', 'high', 'very high']
          df['policy_annual_premium_groups'] = pd.cut(df['policy_annual_premium'], bins = bins, labels=bin_labels)
 In [ ]: vis_data(df, 'policy_annual_premium_groups')
In [50]: df['policy_deductable'].describe()
Out[50]: count
                   1000.000000
                   1136.000000
          mean
                    611.864673
          std
                    500.000000
          min
                    500.000000
          25%
                   1000.000000
          50%
                   2000.000000
          75%
                   2000.000000
          max
          Name: policy_deductable, dtype: float64
In [51]: bins = list(np.linspace(0,2000, 5, dtype = int))
bin_labels = ['0-500', '501-1000', '1001-1500', '1501-2000']
          df['policy_deductable_group'] = pd.cut(df['policy_deductable'], bins = bins, labels = bin_labels)
          vis_data(df, 'policy_deductable_group')
```

policy_deductable_group vs. fraud_reported



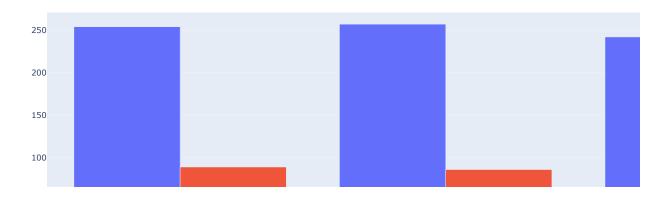
In [52]: vis_data(df, 'property_damage')

property_damage vs. fraud_reported



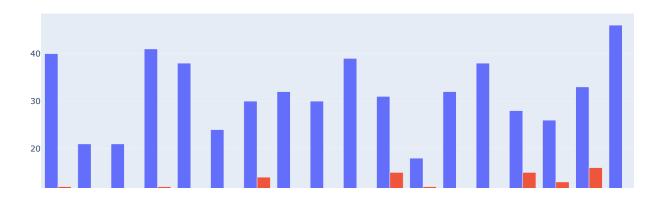
In [53]: vis_data(df, 'police_report_available')

police_report_available vs. fraud_reported





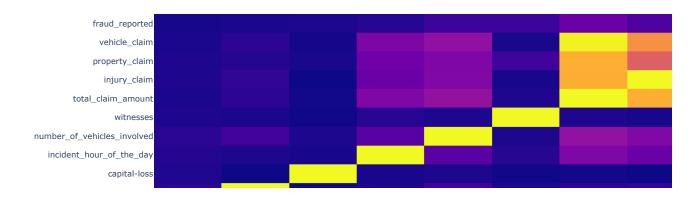
incident_hour_of_the_day vs. fraud_reported



```
In [54]: df = df.drop(['age', 'months_as_customer', 'policy_deductable', 'policy_annual_premium'], axis = 1)
    df.columns
```

```
'injury_claim', 'property_claim', 'vehicle_claim', 'auto_maké', 'auto_model', 'auto_year', 'fraud_reported', 'age_group', 'months_as_customer_groups', 'policy_annual_premium_groups',
                    'policy_deductable_group'],
                  dtype='object')
In [55]: required_columns = ['policy_number', 'insured_sex', 'insured_education_level', 'insured_occupation',
                    'insured_hobbies', 'capital-gains', 'capital-loss', 'incident_type', 'collision_type', 'incident_severity', 
'authorities_contacted', 'incident_hour_of_the_day', 'number_of_vehicles_involved',
                    'witnesses', 'total_claim_amount',
'injury_claim', 'property_claim', 'vehicle_claim',
'fraud_reported', 'age_group',
                    'months_as_customer_groups', 'policy_annual_premium_groups']
           print(len(required_columns))
In [56]: df1 = df[required_columns]
           corr matrix = df1.corr()
           fig = go.Figure(data = go.Heatmap(
                                                 z = corr matrix.values.
                                                 x = list(corr_matrix.columns),
                                                 y = list(corr_matrix.index)))
           fig.update_layout(title = 'Correlation')
           fig.show()
           C:\Users\lenovo\AppData\Local\Temp\ipykernel_11400\1864175827.py:3: FutureWarning:
           The default value of numeric only in DataFrame.corr is deprecated. In a future version, it will default to False. Select only valid colum
           ns or specify the value of numeric_only to silence this warning.
```

Correlation



```
'authorities_contacted', 'incident_hour_of_the_day', 'number_of_vehicles_involved', 'witnesses', 'total_claim_amount', 'fraud_reported', 'age_group',
                    'months_as_customer_groups', 'policy_annual_premium_groups']
            print(len(required columns))
            17
 In [59]:
           df1 = df1[required_columns]
            df1.head()
                                                                      capital-
                                                              capital-
               insured_sex insured_occupation insured_hobbies
                                                                               incident_type collision_type incident_severity authorities_contacted incident_hour_of_the_da
                                                               gains
                                                                         loss
                                                                               Single Vehicle
           0
                    MALE
                                  craft-repair
                                                       other
                                                               53300
                                                                            0
                                                                                             Side Collision
                                                                                                            Major Damage
                                                                                                                                         Police
                                                                                   Collision
                    MALE
                            machine-op-inspct
                                                       other
                                                                   0
                                                                            0
                                                                                Vehicle Theft
                                                                                                            Minor Damage
                                                                                                                                         Police
                                                                                Multi-vehicle
                                                               35100
                                                                            0
                                                                                             Rear Collision
                                                                                                                                         Police
            2
                  FEMALE
                                        sales
                                                       other
                                                                                                            Minor Damage
                                                                                   Collision
                                                                               Single Vehicle
                  FEMALE
                                                               48900
                                                                       -62400
                                                                                            Front Collision
                                 armed-forces
                                                       other
                                                                                                            Major Damage
                                                                                                                                         Police
                                                                                   Collision
                    MALE
                                                               66000
                                                                       -46000
                                                                                Vehicle Theft
                                                                                                            Minor Damage
                                        sales
                                                       other
                                                                                                                                         None
4
           cat_cols = ['age_group', 'months_as_customer_groups', 'policy_annual_premium_groups']
            for col in cat_cols:
              df1[col] = df1[col].astype('object')
            columns_to_encode = []
            for col in df1.columns:
             if df1[col].dtype == 'object':
                columns_to_encode.append(col)
            columns to encode
 Out[60]: ['insured_sex',
             'insured_occupation',
             'insured_hobbies',
             'incident_type',
'collision_type'
             'incident_severity'
             'authorities_contacted',
             'age_group',
             'months_as_customer_groups',
             'policy_annual_premium_groups']
 In [61]: df1.info()
            <class 'pandas.core.frame.DataFrame'>
            RangeIndex: 1000 entries, 0 to 999
           Data columns (total 17 columns):
            #
                 Column
                                                  Non-Null Count Dtype
                 insured_sex
                                                  1000 non-null
                                                                    object
                 insured_occupation
                                                  1000 non-null
                                                                    object
                 insured_hobbies
                                                  1000 non-null
                                                                    object
            2
                                                  1000 non-null
                 capital-gains
                                                                    int64
                                                  1000 non-null
            4
                 capital-loss
                                                                    int64
                                                  1000 non-null
            5
                 incident type
                                                                    object
            6
                 collision_type
                                                  1000 non-null
                                                                    object
                 incident_severity
                                                  1000 non-null
                                                                    object
            8
                 \verb"authorities_contacted"
                                                  1000 non-null
                                                                    object
            9
                 incident_hour_of_the_day
                                                  1000 non-null
                                                                    int64
            10 number_of_vehicles_involved
                                                  1000 non-null
                                                                    int64
            11
                 witnesses
                                                  1000 non-null
                                                                    int64
                 total_claim_amount
                                                  1000 non-null
                                                                    int64
            13
                 fraud_reported
                                                  1000 non-null
                                                                    int32
                                                  1000 non-null
            14 age group
                                                                    object
             15
                 months as customer groups
                                                  1000 non-null
                                                                    object
            16 policy_annual_premium_groups 1000 non-null
                                                                    object
            dtypes: int32(1), int64(6), object(10)
           memory usage: 129.0+ KB
 In [62]: df1.head()
```

```
capital- capital-
               insured_sex insured_occupation insured_hobbies
                                                                              incident\_type \quad collision\_type \quad incident\_severity \quad authorities\_contacted \quad incident\_hour\_of\_the\_data \\
                                                               gains
                                                                         loss
                                                                              Single Vehicle
                    MALE
                                  craft-repair
                                                               53300
                                                                           0
                                                                                            Side Collision
            0
                                                       other
                                                                                                            Major Damage
                                                                                                                                        Police
                                                                                   Collision
                    MALE
                                                                  0
                                                                               Vehicle Theft
                                                                                                                                        Police
                            machine-op-inspct
                                                       other
                                                                           0
                                                                                                            Minor Damage
                                                                               Multi-vehicle
            2
                  FEMALE
                                                               35100
                                                                           0
                                                                                             Rear Collision
                                                                                                            Minor Damage
                                                                                                                                        Police
                                        sales
                                                                                   Collision
                                                                               Single Vehicle
                                                                      -62400
                                                                                            Front Collision
                  FEMALE
                                 armed-forces
                                                               48900
                                                                                                            Major Damage
                                                                                                                                        Police
                                                       other
                                                                                   Collision
                    MALE
                                       sales
                                                       other
                                                               66000
                                                                      -46000
                                                                               Vehicle Theft
                                                                                                            Minor Damage
                                                                                                                                        None
4
 In [63]: df2 = pd.get_dummies(df1, columns = columns_to_encode)
            df2.head()
               capital- capital-
                                incident_hour_of_the_day number_of_vehicles_involved witnesses total_claim_amount fraud_reported insured_sex_FEMALE insured_sex_MALE
                 gains
                          loss
                53300
                             0
                                                     5
                                                                                          2
                                                                                                        71610
                                                                                                                                               0
                                                                                                                                                                 1
                    0
                             0
                                                     8
                                                                                          0
                                                                                                          5070
                                                                                                                                               0
                                                                                                                                                                 1
            2
                35100
                             0
                                                     7
                                                                                3
                                                                                          3
                                                                                                         34650
                                                                                                                           0
                                                                                                                                                                 0
                                                                                                                                               1
            3
                48900
                        -62400
                                                     5
                                                                                          2
                                                                                                         63400
                                                                                                                                                                 0
                                                   20
                                                                                                                            0
                                                                                                                                               0
                66000
                        -46000
                                                                                                          6500
           5 rows × 68 columns
4
 In [64]:
            features = []
            for col in df2.columns:
              if col != 'fraud_reported':
                features.append(col)
            target = 'fraud_reported'
            X = df2[features]
            y = df2[target]
 In [65]: from sklearn.preprocessing import StandardScaler
            sc = StandardScaler()
            X = sc.fit_transform(X)
 In [66]: X_train, X_test, y_train, y_test = train_test_split(X, y, random_state = 1)
 In [67]: lr = LogisticRegression()
            lr.fit(X_train, y_train)
            preds = lr.predict(X_test)
            score = lr.score(X_test, y_test)
            print(score)
 In [68]: print(classification_report(y_test, preds))
                           precision
                                       recall f1-score
                                                              support
                        0
                                           0.93
                                 0.87
                                                       0.90
                                                                   180
                        1
                                0.78
                                           0.64
                                                      0.70
                                                                    70
                                                       0.85
                                                                   250
                accuracy
                                0.82
                                           0.79
                                                       0.80
                                                                   250
               macro avg
            weighted avg
                                 0.84
                                           0.85
                                                       0.84
                                                                   250
 In [69]: oversample = SMOTE(random_state=9)
 In [70]: X_train, X_test, y_train, y_test = train_test_split(X_over, y_over, random_state = 1)
            NameError
                                                          Traceback (most recent call last)
            Cell In[70], line 1
            ----> 1 X_train, X_test, y_train, y_test = train_test_split(X_over, y_over, random_state = 1)
            NameError: name 'X_over' is not defined
 In [71]: X_over, y_over = oversample.fit_resample(X_train, y_train)
```

```
In [72]: lr.fit(X_train, y_train)
         preds = lr.predict(X_test)
         score = lr.score(X_test, y_test)
         print(score)
         print()
         print(classification_report(y_test, preds))
         0.848
                       precision
                                    recall f1-score
                                                       support
                                      0.93
                                                           180
                            0.78
                                                0.70
                                      0.64
                                                            70
                                                0.85
                                                           250
             accuracy
            macro avg
                            0.82
                                      0.79
                                                0.80
                                                           250
                                                0.84
                                                           250
         weighted avg
                            0.84
                                      0.85
In [73]: dtc = DecisionTreeClassifier()
         dtc.fit(X_train, y_train)
         preds = dtc.predict(X_test)
         score = dtc.score(X_test, y_test)
         print(score)
         print()
         print(classification_report(y_test, preds))
         0.764
                       precision
                                  recall f1-score
                                                       support
                    0
                            0.83
                                      0.84
                                                0.84
                                                           180
                                      0.56
                            0.58
                                                0.57
                                                           70
                                                0.76
                                                           250
             accuracy
            macro avg
                            0.71
                                      0.70
                                                0.70
                                                           250
         weighted avg
                            0.76
                                                0.76
                                                           250
                                      0.76
In [74]: from sklearn.ensemble import RandomForestClassifier
In [75]: rfc = RandomForestClassifier(random_state = 1)
         rfc.fit(X_train, y_train)
Out[75]: ▼
                  {\tt RandomForestClassifier}
         RandomForestClassifier(random_state=1)
In [76]: preds = rfc.predict(X_test)
         score = rfc.score(X_test, y_test)
         print(score*100)
         print()
         print(classification_report(y_test, preds))
         81.6
                       precision recall f1-score
                                                       support
                    0
                            0.85
                                      0.91
                                                0.88
                                                           180
                    1
                            0.71
                                      0.59
                                                0.64
                                                            70
             accuracy
                                                0.82
                                                           250
                            0.78
                                      0.75
            macro avg
                                                0.76
                                                           250
         weighted avg
                            0.81
                                      0.82
                                                0.81
                                                           250
In [77]: svc = SVC(kernel='linear')
         svc.fit(X_train, y_train)
         preds = svc.predict(X_test)
         print('Score:' , svc.score(X_test, y_test))
         print('Classification report:', classification_report(y_test, preds))
         Score: 0.88
         Classification report:
                                              precision
                                                           recall f1-score support
                    0
                            0.96
                                      0.87
                                                0.91
                                                           180
                    1
                            0.73
                                      0.91
                                                0.81
                                                           250
             accuracy
                                                0.88
                            0.85
                                      0.89
            macro avg
                                                0.86
                                                           250
         weighted avg
                            0.90
                                      0.88
                                                0.88
                                                           250
```

```
In [78]: degrees = [2,3,4,5,6,7,8]
   kernels = ['poly', 'rbf', 'sigmoid']
          c_value = [1,2,3]
In [79]: scores = {}
          for degree in degrees:
              for kernel in kernels:
                  for c in c_value:
                       svc_t = SVC(kernel = kernel, degree = degree, C = c)
                       svc_t.fit(X_train, y_train)
                       preds = svc_t.predict(X_test)
                       score = svc_t.score(X_test,y_test)
                        print('Score \ with \ degree \ as \ \{d\}, \ kernel \ as \ \{k\}, \ C \ as \ \{c\} \ is:'.format(d = degree, \ k = kernel, \ c = c), \ score)
                       scores['Score with degree as \{d\}, kernel as \{k\}, C as \{c\} is best'.format(d = degree, k = kernel, c = c)] = score
          print(max(scores, key=scores.get))
          Score with degree as 2, kernel as sigmoid, C as 3 is best
In [80]: svc_tuned = SVC(kernel='sigmoid', degree = 2, C = 3)
          svc_tuned.fit(X_train, y_train)
          preds = svc_tuned.predict(X_test)
          print('Score:' , svc_tuned.score(X_test, y_test))
          print('Classification report:', classification_report(y_test, preds))
          Score: 0.896
                                                 precision
          Classification report:
                                                               recall f1-score support
                      0
                              0.95
                                         0.91
                                                    0.93
                                                                180
                              0.78
                                         0.87
                                                    0.82
                                                    0.90
                                                                250
              accuracy
                                         0.89
                              0.86
                                                    0.88
                                                                250
             macro avg
          weighted avg
                              0.90
                                         0.90
                                                    0.90
                                                                250
In [81]: rfc_tuned = RandomForestClassifier(n_estimators = 1000, random_state = 1, min_samples_split = 2)
          rfc_tuned.fit(X_train, y_train)
          preds\_tuned = rfc\_tuned.predict(X\_test)
          score = rfc_tuned.score(X_test, y_test)
          print(score)
          0.832
In [82]: n_estimators = [100, 300, 500, 800, 1200]
          max_depth = [5, 8, 15, 25, 30]
min_samples_split = [2, 5, 10, 15, 100]
          min_samples_leaf = [1, 2, 5, 10]
          hyper = dict(n_estimators = n_estimators, max_depth = max_depth,
                         min_samples_split = min_samples_split,
                        min_samples_leaf = min_samples_leaf)
          grid = GridSearchCV(rfc, hyper, cv = 3, verbose = 1,
                                  n_{jobs} = -1)
          best = grid.fit(X_train, y_train)
          Fitting 3 folds for each of 500 candidates, totalling 1500 fits
In [86]: print(best)
          GridSearchCV(cv=3, estimator=RandomForestClassifier(random_state=1), n_jobs=-1,
                        param_grid={'max_depth': [5, 8, 15, 25, 30],
                                     'min_samples_leaf': [1, 2, 5, 10],
'min_samples_split': [2, 5, 10, 15, 100],
                                     'n_estimators': [100, 300, 500, 800, 1200]},
                        verbose=1)
 In [ ]:
 In [ ]:
```