

Auto Insurance Assignment

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This is an R Markdown document. Markdown is a simple formatting syntax for authoring HTML, PDF, and MS Word documents. For more details on using R Markdown see <http://rmarkdown.rstudio.com>.

When you click the **Knit** button a document will be generated that includes both content as well as the output of any embedded R code chunks within the document. You can embed an R code chunk like this:

```
library(rattle)
```

```
## Rattle: A free graphical interface for data mining with R.  
## Version 3.4.1 Copyright (c) 2006-2014 Togaware Pty Ltd.  
## Type 'rattle()' to shake, rattle, and roll your data.
```

```
library(ipred)  
library(lava)
```

```
## lava version 1.3
```

```
library(rpart)  
library(tree)  
library(caret)
```

```
## Loading required package: lattice  
## Loading required package: ggplot2  
##  
## Attaching package: 'ggplot2'  
##  
## The following object is masked from 'package:lava':  
##  
##      %+%
```

```
library(randomForest)
```

```
## randomForest 4.6-10  
## Type rfNews() to see new features/changes/bug fixes.
```

```
infile1<-read.csv('C:/Prasanna Krishna/Analytics/MS/411/Unit2/cars.csv',stringsAsFactors=FALSE,na.strings="NA")  
infile1<-data.frame(infile1)  
infile2<-infile1
```

```
infile2$INCOME <- as.numeric(gsub('\\$|,', '', infile2$INCOME))  
infile2$BLUEBOOK <- as.numeric(gsub('\\$|,', '', infile2$BLUEBOOK))  
infile2$HOME_VAL <- as.numeric(gsub('\\$|,', '', infile2$HOME_VAL))
```

```

infile2$OLDCLAIM <- as.numeric(gsub('\\$|','"',infile2$OLDCLAIM))

dummies_SEX<-data.frame(dummies_SEX<-predict(dummyVars(~ SEX, data=infile2),newdata=infile2))
dummies_PARENT1<-data.frame(dummies_PARENT1<-predict(dummyVars(~ PARENT1, data=infile2),newdata=infile2))
dummies_MSTATUS<-data.frame(predict(dummyVars(~ MSTATUS, data=infile2),newdata=infile2))
dummies_EDUCATION<-data.frame(predict(dummyVars(~ EDUCATION, data=infile2),newdata=infile2))
dummies_JOB<-data.frame(predict(dummyVars(~ JOB, data=infile2),newdata=infile2))
dummies_CAR_USE<-data.frame(predict(dummyVars(~ CAR_USE, data=infile2),newdata=infile2))
dummies_CAR_TYPE<-data.frame(predict(dummyVars(~ CAR_TYPE, data=infile2),newdata=infile2))
dummies_RED_CAR<-data.frame(predict(dummyVars(~ RED_CAR, data=infile2),newdata=infile2))
dummies_REVOKED<-data.frame(predict(dummyVars(~ MSTATUS, data=infile2),newdata=infile2))
dummies_URBANICITY<-data.frame(predict(dummyVars(~ URBANICITY, data=infile2),newdata=infile2))

infile3<-cbind(infile2,dummies_SEX,dummies_PARENT1,dummies_MSTATUS,dummies_EDUCATION,dummies_JOB,dummies_CAR_USE,dummies_CAR_TYPE,dummies_RED_CAR,dummies_REVOKED,dummies_URBANICITY)

infile4<-infile3[,c(2,4,5,7,8,10,17,25,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100)]

preProc <- preProcess(method="bagImpute",infile4)

infile6 <- predict(preProc, infile4)

infile2$YOJ<-infile6$YOJ
infile2$INCOME<-infile6$INCOME
infile2$HOME_VAL<-infile6$HOME_VAL
infile2$CAR_AGE<-infile6$CAR_AGE
infile2$AGE<-infile6$AGE

infile5<-infile2

infile5$PARENT1<-as.factor(infile5$PARENT1)
infile5$MSTATUS<-as.factor(infile5$MSTATUS)
infile5$SEX<-as.factor(infile5$SEX)
infile5$JOB<-as.factor(infile5$JOB)
infile5$CAR_USE<-as.factor(infile5$CAR_USE)
infile5$CAR_TYPE<-as.factor(infile5$CAR_TYPE)
infile5$EDUCATION<-as.factor(infile5$EDUCATION)
infile5$RED_CAR<-as.factor(infile5$RED_CAR)

infile5$REVOKED<-as.factor(infile5$REVOKED)
infile5$URBANICITY<-as.factor(infile5$URBANICITY)
infile5<-cbind(infile5,dummies_JOB )
infile61<-infile5[which(infile2$TARGET_FLAG ==1),]
infile61<-infile61[,c(-1,-2,-14)]
str(infile5)

```

```
## 'data.frame':      8161 obs. of  34 variables:
## $ INDEX           : int  1 2 4 5 6 7 8 11 12 13 ...
## $ TARGET_FLAG     : int  0 0 0 0 0 1 0 1 1 0 ...
## $ TARGET_AMT      : num  0 0 0 0 0 ...
## $ KIDSDRIV        : int  0 0 0 0 0 0 0 1 0 0 ...
## $ AGE             : num  60 43 35 51 50 34 54 37 34 50 ...
## $ HOMEKIDS        : int  0 0 1 0 0 1 0 2 0 0 ...
## $ YOJ            : num  11 11 10 14 12 ...
## $ INCOME          : num  67349 91449 16039 108586 114986 ...
## $ PARENT1         : Factor w/ 2 levels "No","Yes": 1 1 1 1 1 2 1 1 1 1 ...
## $ HOME_VAL        : num  0 257252 124191 306251 243925 ...
## $ MSTATUS         : Factor w/ 2 levels "Yes","z_No": 2 2 1 1 1 2 1 1 2 2 ...
## $ SEX             : Factor w/ 2 levels "M","z_F": 1 1 2 1 2 2 2 1 2 1 ...
## $ EDUCATION       : Factor w/ 5 levels "<High School",...: 4 5 5 1 4 2 1 2 2 2 ...
## $ JOB             : Factor w/ 8 levels "Clerical","Doctor",...: 6 8 1 8 2 8 8 8 1 6 ...
## $ TRAVTIME        : int  14 22 5 32 36 46 33 44 34 48 ...
## $ CAR_USE         : Factor w/ 2 levels "Commercial","Private": 2 1 2 2 2 1 2 1 2 1 ...
## $ BLUEBOOK        : num  14230 14940 4010 15440 18000 ...
## $ TIF             : int  11 1 4 7 1 1 1 1 1 7 ...
## $ CAR_TYPE        : Factor w/ 6 levels "Minivan","Panel Truck",...: 1 1 6 1 6 4 6 5 6 5 ...
## $ RED_CAR         : Factor w/ 2 levels "no","yes": 2 2 1 2 1 1 1 2 1 1 ...
## $ OLDCLAIM        : num  4461 0 38690 0 19217 ...
## $ CLM_FREQ        : int  2 0 2 0 2 0 0 1 0 0 ...
## $ REVOKED         : Factor w/ 2 levels "No","Yes": 1 1 1 1 2 1 1 2 1 1 ...
## $ MVR_PTS         : int  3 0 3 0 3 0 0 10 0 1 ...
## $ CAR_AGE         : num  18 1 10 6 17 7 1 7 1 17 ...
## $ URBANICITY       : Factor w/ 2 levels "Highly Urban/ Urban",...: 1 1 1 1 1 1 1 1 1 2 ...
## $ JOBClerical     : num  0 0 1 0 0 0 0 0 1 0 ...
## $ JOBDirector     : num  0 0 0 0 1 0 0 0 0 0 ...
## $ JOBHome.Maker   : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBLawyer       : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBManager      : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBProfessional : num  1 0 0 0 0 0 0 0 0 1 ...
## $ JOBStudent      : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBz_Blue.Collar: num  0 1 0 1 0 1 1 1 0 0 ...
```

```
infile5<-infile5[,c(-1,-3,-14)]
```

```
fit <- glm(TARGET_FLAG ~ . ,data=infile5,family=binomial())
fit1<-lm(TARGET_AMT ~.,data=infile61)
```

```
infile11<-read.csv('C:/Prasanna Krishna/Analytics/MS/411/Unit2/logit_insurance_test.csv',stringsAsFactors=FALSE)
infile11<-data.frame(infile11)
infile21<-infile11
```

```
infile21$INCOME <- as.numeric(gsub('\\$|,', '', infile21$INCOME))
infile21$BLUEBOOK <- as.numeric(gsub('\\$|,', '', infile21$BLUEBOOK))
infile21$HOME_VAL <- as.numeric(gsub('\\$|,', '', infile21$HOME_VAL))
infile21$OLDCLAIM <- as.numeric(gsub('\\$|,', '', infile21$OLDCLAIM))
```

```

dummies1_SEX<-data.frame(dummies1_SEX<-predict(dummyVars(~ SEX, data=infile21),newdata=infile21))
dummies1_PARENT1<-data.frame(dummies1_PARENT1<-predict(dummyVars(~ PARENT1, data=infile21),newdata=infile21))
dummies1_MSTATUS<-data.frame(predict(dummyVars(~ MSTATUS, data=infile21),newdata=infile21))
dummies1_EDUCATION<-data.frame(predict(dummyVars(~ EDUCATION, data=infile21),newdata=infile21))
dummies1_JOB<-data.frame(predict(dummyVars(~ JOB, data=infile21),newdata=infile21))
dummies1_CAR_USE<-data.frame(predict(dummyVars(~ CAR_USE, data=infile21),newdata=infile21))
dummies1_CAR_TYPE<-data.frame(predict(dummyVars(~ CAR_TYPE, data=infile21),newdata=infile21))
dummies1_RED_CAR<-data.frame(predict(dummyVars(~ RED_CAR, data=infile21),newdata=infile21))
dummies1_REVOKED<-data.frame(predict(dummyVars(~ MSTATUS, data=infile21),newdata=infile21))
dummies1_URBANICITY<-data.frame(predict(dummyVars(~ URBANICITY, data=infile21),newdata=infile21))

infile31<-cbind(infile21,dummies1_SEX,dummies1_PARENT1,dummies1_MSTATUS,dummies1_EDUCATION,dummies1_JOB,dummies1_CAR_USE,dummies1_CAR_TYPE,dummies1_RED_CAR,dummies1_REVOKED,dummies1_URBANICITY)

infile41<-infile31[,c(4,5,7,8,10,17,25,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100)]

preProc <- preProcess(method="bagImpute",infile41)

infile61 <- predict(preProc, infile41)

infile21$YOJ<-infile61$YOJ
infile21$INCOME<-infile61$INCOME
infile21$HOME_VAL<-infile61$HOME_VAL
infile21$CAR_AGE<-infile61$CAR_AGE
infile21$AGE<-infile61$AGE

infile51<-infile21

infile51$PARENT1<-as.factor(infile51$PARENT1)
infile51$MSTATUS<-as.factor(infile51$MSTATUS)
infile51$SEX<-as.factor(infile51$SEX)
infile51$JOB<-as.factor(infile51$JOB)
infile51$CAR_USE<-as.factor(infile51$CAR_USE)
infile51$CAR_TYPE<-as.factor(infile51$CAR_TYPE)
infile51$EDUCATION<-as.factor(infile51$EDUCATION)
infile51$RED_CAR<-as.factor(infile51$RED_CAR)
infile51$REVOKED<-as.factor(infile51$REVOKED)
infile51$URBANICITY<-as.factor(infile51$URBANICITY)
infile51<-cbind(infile51,infile61[,c(18:25)] )
infile51<-infile51[,c(-14)]
str(infile51)

```

```

## 'data.frame':    2141 obs. of  33 variables:
## $ INDEX          : int  3 9 10 18 21 30 31 37 39 47 ...
## $ TARGET_FLAG    : logi  NA NA NA NA NA NA NA ...
## $ TARGET_AMT      : logi  NA NA NA NA NA NA NA ...
## $ KIDSDRIV        : int   0 1 0 0 0 0 0 0 2 0 ...
## $ AGE             : num  48 40 44 35 59 46 60 54 36 50 ...

```

```
## $ HOMEKIDS      : int  0 1 2 2 0 0 0 0 2 0 ...
## $ YOJ           : num  11 11 12 10.9 12 ...
## $ INCOME        : num  52881 50815 43486 21204 87460 ...
## $ PARENT1       : Factor w/ 2 levels "No","Yes": 1 2 2 2 1 1 1 1 2 1 ...
## $ HOME_VAL      : num  0 0 0 0 0 ...
## $ MSTATUS       : Factor w/ 2 levels "Yes","z_No": 2 2 2 2 2 1 1 1 2 2 ...
## $ SEX           : Factor w/ 2 levels "M","z_F": 1 1 2 1 1 1 2 1 2 2 ...
## $ EDUCATION     : Factor w/ 5 levels "<High School",...: 2 5 5 5 5 2 5 1 2 4 ...
## $ TRAVTIME      : int  26 21 30 74 45 7 16 27 5 22 ...
## $ CAR_USE       : Factor w/ 2 levels "Commercial","Private": 2 2 1 2 2 1 1 1 1 2 ...
## $ BLUEBOOK      : num  21970 18930 5900 9230 15420 ...
## $ TIF           : int  1 6 10 6 1 1 1 4 4 4 ...
## $ CAR_TYPE      : Factor w/ 6 levels "Minivan","Panel Truck",...: 5 1 6 3 1 2 4 2 1 4 ...
## $ RED_CAR       : Factor w/ 2 levels "no","yes": 2 1 1 1 2 1 1 1 1 1 ...
## $ OLDCLAIM      : num  0 3295 0 0 44857 ...
## $ CLM_FREQ      : int  0 1 0 0 2 1 0 0 0 0 ...
## $ REVOKED       : Factor w/ 2 levels "No","Yes": 1 1 1 2 1 1 1 1 1 1 ...
## $ MVRPTS        : int  2 2 0 0 4 2 0 5 0 3 ...
## $ CAR_AGE       : num  10 1 10 4 1 ...
## $ URBANICITY    : Factor w/ 2 levels "Highly Urban/ Urban",...: 1 1 2 2 1 1 1 1 2 1 ...
## $ JOBclerical   : num  0 0 0 1 0 0 0 0 0 0 ...
## $ JOBDoctor     : num  0 0 0 0 0 0 0 0 0 1 ...
## $ JOBHome.Maker : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBLawyer     : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBManager    : num  1 1 0 0 1 0 0 0 0 0 ...
## $ JOBProfessional : num  0 0 0 0 0 1 0 0 0 0 ...
## $ JOBStudent    : num  0 0 0 0 0 0 0 0 0 0 ...
## $ JOBz_Blue.Collar: num  0 0 1 0 0 0 1 1 1 0 ...
```

```
infile51$TARGET_FLAG <- predict(fit, newdata=infile51, type="response")
```

```
## Warning in predict.lm(object, newdata, se.fit, scale = 1, type =
## ifelse(type == : prediction from a rank-deficient fit may be misleading
```

```
infile51$TARGET_AMT <- predict(fit1,infile51)
```

```
## Warning in predict.lm(fit1, infile51): prediction from a rank-deficient
## fit may be misleading
```

```
outfile<-infile51[,c(1,2,3)]
write.csv(outfile, file = "Auto_Insurance.csv",row.names=FALSE)
```

You can also embed plots, for example:

Note that the `echo = FALSE` parameter was added to the code chunk to prevent printing of the R code that generated the plot.