

INVESTIGATING THE LOSS OF INSURANCE RENEWAL

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ABSTRACT

General Insurance policies are revived per year. The insurance company normally alerts the client or an policy holder to renew the policy near the end of its period of time. A loss is the injury or alteration that may be caused either by an policy holder during the renewal time or an insurance company which is continued by the insured in outcome of occurrence with one or more of the misfortunes or treasure against which the insurer, in incident of the premium has taken over to reward the insured. The main objective of our project is to investigate the loss of insurance renewal caused by certain criteria like Accidental cases, Blacklisting (policy holder, vehicle, engine/chassis), Insurance cancellation, Theft etc.,

KEYWORDS- *Loss, Accidental cases, Blacklisting (Policy holder, Vehicle engine/chassis) Insurance Cancellation, Theft.*

I. INTRODUCTION

In general, Insurance policy is of two types – “Life Insurance and General Insurance”. Any protection policy that verify anything other than risk to a person’s life is a ‘General insurance’ or ‘Non-Life insurance policy’. General polices will insure anything other than the life of an individualist. The polices that comes under general insurance are Motor, Health, Marine, Travel, Home, Commercial insurance.

General insurance protects against commercial enterprise losses arising due to fraud conflict. It will add a preserving layer to the property buying event. In a insurance policy, the premium amount is paid once for the entire raise.

In Insurance policy the loss may or may not be occur. In this project we will investigate how the loss had occurred. The loss can be occur in many cases like policy cancellation which will affect either the policy holder or an insurance company and subsequent claim, If an policy holder has more claim the policy holder may forgot to renew the policy it may cause some loss and theft & fraudulent cases in case of motor insurance if an policy holder needs to renew his vehicle, on the time of renewal if the vehicle has been theft insurer may forgot to renew the insurance which cause some loss. By using these strategies will help to analyze the loss and generate the report.

The policy holder will receives a notification near the end of the policy which provides the details of the terms, conditions, circumstances and payment detail about the insurance under which the insurer will balance the insured.

II. Literature Survey

Nowadays, People choose various insurance policy to assist themselves and their properties. However the infrastructure management of the insurance renewal loss is because of, in modern world there were so many accidents and medical issues, lots and lots of disaster to humans. In-order to get precaution, one has to complete his/her insurance policy, in way which will be useful for the claims in future purpose. During Before days, there was not proper medical facilities and people didn't know about the awareness of the insurance and they probably didn't look for it, but now a days there should be an awareness about the insurance claim and one needs to be claimed by the insurance policy and get benefits. When the insurance has also been taken by the customer and he/she has to be renewed by the customer in order to get benefits in future. If the customer didn't renew the policy the benefits will be get stopped by the insurance company.

III. RELATED WORK

The main aim of this paper is to collect the different set of data which are required for identifying the insurance loss and to rectify the loss that occurs in insurance .By identifying the profit loss, it can be minimized into an smaller terms. Profit can be calculated by using an formula.

$$\text{Profit} = \text{earned premium} + \text{investment income} - \text{incurred loss} - \text{underwriting expenses.}$$

They collect insurance premium details from an insurance parties or from an policy holder.

The very first basic level is, initial selecting rate involves looking at the absolute frequency and intensity of insured person and the expected average payout and comparison can be made with present details and past details. Loss ratios can also be used for comparison. Meanwhile in some cases complex analyse are sometimes used when collective characteristics are involved and a variant analysis could produce mixed-up results. In such case other applied mathematics methods can be used for predicting the quality of future losses that may occur. In general insurance companies will earn investment profits by using "float". Either by using float or an available reserve, it is the total amount of money on hand at any given moment that an insurer has collected in insurance premiums but has not paid out in claims. Insurers or an policy holder will start investing insurance premiums as soon as they have collected and continue to earn interest or other income on them until claims are paid out.

III. PROBLEMS IN EXISTING SOLUTION

In the existing system, data analysis for renewal loss was partially determined through excel worksheets and the report was generated. The current system makes all possibilities by categorizing the drawbacks of renewal loss, such as theft of vehicle, subsequent claim, policy cancellation, blacklisting etc.

IV. PROPOSED SOLUTION

In order to overcome the demerits of the existing system, we have done data analysis by accessing some large data sets using Tableau. The future enhancement is that we can track the client who do not pay the premium without renewing the policies and Predictive analysis can be made for future cases

V. FLOW& SUMMARIZATION

Initially, the data set has been collected and cleaned. After cleaning, the entire data has been visualized with different types of graph. The following entity(policy cancellation, theft and fraud, blacklist) are used to analyze the loss.

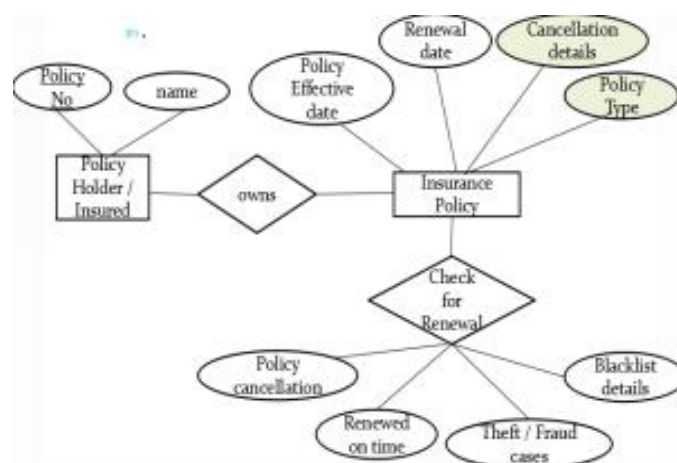


Fig 1: System Architecture for investigating the loss of insurance renewal.

VII. PERFORMANCE EVALUATION

A. Policy cancellation due to negligible

One of the most common reason for policy cancellation is missing payment, not eligible for the coverage, if the company cannot provide the coverage you need or if the insurer cannot meet the company's eligibility criteria .If you fail to report a material change, your policy could be canceled.

B. Renewed on time

The company checks for payment of policy holder frequently in order to confirm that the premium is regularly or not

C. Theft & fraud causes

In case of any theft that occurs during the time of renewal, the insurer may forget to renew the policy and it may cause some loss either for the insurance company or to the insurer who applied for an insurance. Duplicate claims from different company's may cause fraudulent claims, In such case some company may cancel the policy.

D. Blacklist

This is where fraudulent activity was identified in a person dealing with a specific company either in underwriting or through the submission of a false client. Duplicate claims being submitted to more than one company may cause some confusion. If a person has a policy with minimal claim but he starts becoming involved in accidents every month. Although we will initially pay out, it becomes apparent that this person is now too risk-they may become uninsurable risk.

VIII. CONCLUSION

Insurance is one of the major constitutional part of any individual commercial enterprise plan. This project has been developed to provide the summary which can reduce the loss of insurance renewal based on certain criteria like accidental cases, theft and fraud, policy cancellation and blacklisting make this method more reliable. The major type of insurance policy and the coverage amount that we obtain are depends only on the policy type, financial and family circumstances, and these must be viewed more carefully. The loss may occur or may not occur when considering policy coverage, a person should review all the potential risks and the financial impact of these risks and should find the right solution to avoid the loss. A insurer should find the right insurance policy that should avoid the loss and misunderstanding.

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