INTRODUCTION

From the time of adam & eva to the time of modern since risk and uncertainly always disturbed the peace and enjoyment of life. Man always tried to reduce or overcome from such risk and uncertainly and some favourable result but still the risk of life that is not certain and causes many social, emotional, and financial losses. Time reduces the first two losses but the third financial loss is unrecoverable.

So to protect from financial loss option available to men is insurance. For protection against financial losses of articles and valuables is termed as General Insurance while protection available for reimbursement of financial losses due to death of an important person is life insurance.

Life insurance is the only option to protect the survivals of the insured from financial risk. Person must take life insurance police in his life but they do not know the exact amount for which they should be insured.

Data mining

It is the analysis step of Discover the knowledge in Databases process, or KDD. It is young and interdisciplinary field of computer science,[1][2] is the process of extracting patterns from large data sets by combining methods from statistics and artificial intelligence with database management.

With recent tremendous technical advances in processing power, storage capacity, and inter-connectivity of computer technology, data mining is seen as an increasingly important tool by modern business to transform unprecedented quantities of digital data into business intelligence giving an informational advantage. It
is currently used in a wide range of profiling practices, such as marketing, surveillance, fraud detection, and scientific discovery. The growing consensus that data mining can bring real value has led to an explosion in demand for novel data mining technologies.

The manual extraction of patterns from data has occurred for centuries. Early methods of identifying patterns in data include Bayes' theorem (1700s) and regression analysis (1800s). The proliferation, ubiquity and increasing power of computer technology has increased data collection, storage and manipulations. As data sets have grown in size and complexity, direct hands-on data analysis has increasingly been augmented with indirect, automatic data processing. This has been aided by other discoveries in computer science, such as neural networks, clustering, genetic algorithms (1950s), decision trees (1960s) and support vector machines (1990s).

Data mining is the process of applying these methods to data with the intention of uncovering hidden patterns.[5] It has been used for many years by businesses, scientists and governments to sift through volumes of data such as airline passenger trip records, census data and supermarket scanner data to produce market research reports. (Note, however, that reporting is not always considered to be data mining.)

A primary reason for using data mining is to assist in the analysis of collections of observations of behavior. Such data are vulnerable to co linearity because of unknown interrelations. An unavoidable fact of data mining is that the (sub-)set(s) of data being analyzed may not be representative of the whole domain, and therefore may not contain examples of certain critical relationships and behaviors that exist across other parts of the domain. To address this sort of issue, the analysis may be augmented using experiment-based and other approaches, such as choice modeling for human-generated data. In these situations, inherent correlations can be either controlled for, or removed altogether, during the construction of the experimental design.
Problem of study

Two major problems arise in insurance: these are called moral hazard and adverse selection. These problems also arise in many other markets, including those for financial assets and labor services, so the concepts have important general applications.

Purpose of study

Every person takes insurance policy in his life to protect him and his family from financial cries at the time of risk but when he thinks to take any policy the first question which arise in his mind is what amount should I insured? And what will be reasonable premium for that?

But for an ordinary people it is difficult to know is exact worth of articles or requirement after the losses or how many financial cries will be there to the survivals after the insured. He also does not able to calculate the amount of premium against the sum assured and time period of insurance police. The current research is for finding the solution to above problem as computer software and its utility to solve such problems.