

## **A FUZZY LOGIC BASED MODEL TO CALCULATE THE RISK OF CANCELLATION OF POLICIES**

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### **ABSTRACT**

The preventive avoidance of cancellation is a key problem facing insurance companies. A conversation with the client held prior to the latter's decision to cancel a contract increases the likelihood of contract continuity. So companies are in need of reliable expert system that can help them to evaluate the risk of cancellation of the policies in future. With the help of fuzzy system it is possible to identify clients who may potentially cancel and take timely measures to safeguard the portfolio. Here a model is presented, which is designed by using fuzzy mathematics and expert system to provide indicative results on the risk of cancellation of the policies in future.

Keywords: fuzzy logic, expert system, risk classification, insurance.