

- 1) Solving model for the benchmark parameterization.
  - Set the value of files sigma.txt, beta.txt, d0.txt, d1.txt, dur\_excl.txt, delta.txt, premium.txt, output\_cost.txt equal to the values for the benchmark parameterization.
  - Compile and run file solve\_2014-0443.f90. After deviation  $< 10^{(-r)}$ , change lines 1315 and 1609 by setting indicator\_external = 1, and indicator\_global\_search = 0.
  - Compile and run sim\_2014-0443.f90 to simulate the model.
- 2) Solving model with exclusion longer than one period.
  - Set the value of file dur\_excl.txt equal to 4.
  - Compile and run file solve\_2014-0443.f90. After deviation  $< 10^{(-r)}$ , change lines 1315 and 1609 by setting indicator\_external = 1, and indicator\_global\_search = 0.
  - Compile and run sim\_2014-0443.f90 to simulate the model.
- 3) Solving model for alternative parameterizations.
  - Follow the steps in 1) after changing the content of the .txt file that defines the value of the parameter we want to change.

Simulation models are generated by the matlab file simulate\_2014\_0443.m