

REM Newsletter 28/2021

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The Latest REM [Working Papers](#)

Research in Economics and Mathematics (REM) circulates research, notably by its affiliated members, as working papers intended for professional and public discussion and comment. The papers have not been peer reviewed.

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2. [Fiscal and current account imbalances: the cases of Germany and Portugal](#), António Afonso, José Carlos Coelho, *Working Paper 0208-2021*

Events

2021 REM Young Researcher Award, the prize awards the best Master thesis defended at ISEG in 2021, and whose supervisor is a member of REM in one ISEG Master courses. To apply, the candidates should send their thesis, together with the proof of the public defence and approval, by 31 December 2021, to rem@iseg.ulisboa.pt.

10th UECE Conference on Economic and Financial Adjustments, ISEG/UL – Lisbon School of Economics and Management/University of Lisbon, **July 22, 2022** (rooms and online). **5 June 2022**, submission deadline.

Keynote speakers:

[Xavier Debrun](#) (National Bank of Belgium); [Cecilio Tamarit](#) (University of Valencia)



Papers presented at the conference can be considered for the Special Issue of the [European Journal of Political Economy](#), according to selected topical guidelines to be set up.

REM [Working Papers](#)

[Building a hurricane risk map for continental Portugal based on loss data from hurricane Leslie](#), Andrea Hauser, Carlos Rosa, Rui Esteves, Alexandra Moura, Carlos Oliveira, *Working Paper 0209-2021*

A complete model to analyse and predict future losses in the property portfolio of an insurance company due to hurricanes is proposed. A novel statistical model, in which weather data is not required, is considered. Climate data may not be reliable, or may be difficult to deal with or to obtain, hence we reconstruct the storm behaviour through the registered claims and respective losses. The model is calibrated using the loss data of the property portfolio of the insurance company Fidelidade, from hurricane Leslie, which hit the center of continental Portugal in October 2018. Several scenarios are simulated and risk maps are built. The simulated scenarios can be used to compute risk premiums per risk class in the portfolio. These can be used to adjust the policy premiums accounting for a storm risk. The risk map of the company also depends on its portfolio, namely its exposure, providing a hurricane risk management tool for the insurance company.

[Fiscal and current account imbalances: the cases of Germany and Portugal](#), António Afonso, José Carlos Coelho, *Working Paper 0208-2021*

We investigate the bilateral relationship between government budget balances and current account balances for Portugal and Germany. We find that the response of the current account balance to the budget balance is greater in Portugal than in Germany. On the other hand, the response of the budget balance to the current balance is higher in Germany than in Portugal. In Portugal and Germany, a fiscal rules index has a negative impact on the current account balance and the government effectiveness index has a positive impact on the government balance. The public debt as a percentage of GDP positively affects the current account balance in Portugal, and in Germany it does not. During the period of implementation of the external assistance programme in Portugal, the current account balance improved, while the government balance did not.