

Black **Gold** Re -- Moody's announces completion of a periodic review of ratings of Black **Gold** Re

Moody's **Moody's** July 29, 2020

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Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Black **Gold** Re

Global Credit Research - 29 Jul 2020

New York, July 29, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Black **Gold** Re and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Black **Gold** Re Limited's (BGR) Baa3 Insurance Financial Strength (IFS) rating considers the support and integration with parent company, **Ecopetrol** S.A. (**Ecopetrol**, Baa3), which incorporates BGR into its global risk-management strategy. BGR is an important component of **Ecopetrol**'s risk management retention program and is the sole captive used in **Ecopetrol**'s property insurance and business interruption program worldwide. Coverage includes an array of protection ranging from surety to business interruption but BGR currently retains risk in surety, sabotage and terrorism, property, and cyber risk lines. BGR relies on external global reinsurers protection. The company maintains adequate capitalization, consistent capital levels exceeding regulatory margins, and an investment portfolio, primarily consisting of securities that are at an investment-grade category. BGR has rating constraints due to high gross limits and focused single risk exposures, potentially resulting in high-severity gross losses.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Reinsurers Methodology published in November 2019. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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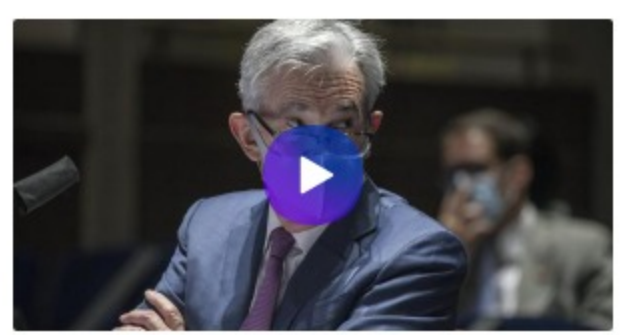
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