GCU

Entity: Operating Company			
Upgraded	**Type**	**Rating**	**Outlook**
GCU	IFSR	A-	Stable

Methodology

Insurer & Insurance Holding Company Global Rating Methodology

ESG Global Rating Methodology

Analytical Contacts

Jack Morrison, Director
+1 (646) 731-2410
jack.morrison@kbra.com

Ethan Kline, Associate
+1 (646) 731-1278
ethan.kline@kbra.com

Peter Giacone, Managing Director
+1 (646) 731-2407
peter.giacone@kbra.com

Rating Summary:

The rating upgrade reflects GCU's continued favorable growth trends in surplus and overall capital base which remain underpinned by its demonstrated, consistent trends of profitability. The company's balance sheet and membership base continue to grow against the headwinds of a challenging interest rate and investment environment. GCU continues to successfully demonstrate its ability to adjust crediting rates and maintain healthy spreads through year-end 2021. Maturation of the company's corporate governance, investment management, and enterprise risk management processes continue and are consistent with its rating level. The company remains focused on controlled, strategic growth of its suite of products, particularly the recent launch of its fixed indexed annuity product. At the same time, writings of its whole life and final expense product continue to increase year over year.

Since year-end 2010, GCU's reported surplus has achieved a compound annual growth rate of nearly 24%, and total assets exceeded $2.3 billion. Favorably, the company maintains a low operating expense profile which is well below peer averages.

Balancing these credit strengths are GCU's noteworthy exposure to spread compression within its legacy annuity block due to high minimum guaranteed crediting rates. Although manageable, the company's investment portfolio has notable exposure to reinvestment and credit risk, particularly while seeking to replicate the historical trend of returns, which exceed 5.0%. GCU's business mix ultimately remains concentrated as reserves are almost entirely interest sensitive. While increased life sales is a strategic focus, material expansion of its geographic reach and diversification of business mix will more likely occur over the medium to long term.

Outlook

The Stable Outlook reflects KBRA's expectations that GCU will continue to preserve its current capitalization through continued operating profitability, grow its life and annuity businesses in a controlled manner, maintain sound investment portfolio credit quality, avoid significant spread compression through active management of crediting rates, retain key members of its management team, and will successfully manage its fixed indexed annuity hedging program.

Key Credit Considerations	+/−
Continued Growth in Capital Base and Profitability Strong capitalization growth and highly favorable trends in total adjusted capital (TAC). Year-end 2020 TAC was $191.1 million, reflecting an increase of over 550% since 2010. TAC is expected to strengthen in 2021 as surplus through 3Q 2021 is up nearly 9% from a year prior. Risk based capital (RBC) company action level (CAL) has settled in the 350-400% range. Net gains from operations have averaged a strong $26.9 million across the 2015-2020 period.	+
Expanding Membership Well-established fraternal with roughly 47,600 members, representing a 16.4% increase from 2011. Management believes distribution strategies, attractive rates and commissions, and excellent customer service continue to drive membership. Most fraternals are experiencing membership declines, so GCU's membership trends remain favorable relative to peers.	+
Strategic Diversification Efforts Explicitly targeting a diversification of its business, GCU plans to grow its life insurance portfolio, optimize distribution, and target new geographies and demographics. Life premiums through November 2021 totaled $8.8 million compared to $5.5 million for 2020. Life premiums remain just over 3% of total premium writings.	+
Potential for Spread Compression Annuity block is susceptible to spread compression (as of 3Q 2021, 59% of annuity reserves are held in products with a guaranteed rate of 3.0% or higher) and disintermediation (75% of annuity reserves have no or minimal surrender charge). However, GCU's consistently above-average investment yield (5.0% or higher across the 2015-2020 period) and generally high-credit quality invested asset portfolio are mitigants.	−

Further, the launch of its fixed indexed annuity product may provide some insulation from the current prolonged low interest rate environment.	
Exposure to Reinvestment Risk Notable exposure to reinvestment risk given product portfolio and required yield to meet guaranteed rates in the annuity block. However, target spreads are still being achieved as the society continues to actively manage its credited rates across product offerings and refines asset reallocations to maximize yield.	–
Lack of Business Diversification Business mix is highly concentrated as reserves are almost entirely interest-sensitive (between 95% and 96% as measured at YE 2016-2020).	–

Rating Sensitivities	
▪ Sustained earnings and continued favorable capital trends ▪ Significant controlled growth in life insurance sales which materially improves reserve mix ▪ Maintenance of above-average investment performance without compromising credit quality ▪ Favorable, sustained growth of indexed annuity product without undue impact on surplus or risk adjusted capital	+
▪ Material change in risk profile ▪ Sustained decline in earnings or material investment losses ▪ Lack of credited rates discipline ▪ Failure to execute upon business plans or substantial uncontrolled growth which pressures surplus ▪ Departure of key members of the management team	–

Recent Developments

- GCU remains focused on controlled, strategic growth of its suite of products. Earnings and surplus growth remain favorable as its balance sheet continues to strengthen. To date, COVID-19 has not had a material adverse impact on mortality or financial operations.
- GCU had a soft launch of its fixed indexed annuity (FIA) product in October 2021, which will complement its deferred fixed rate annuity product in the current low interest rate environment. Management expects a full roll out of the product by March 2022. FIA premiums of $165 million are budgeted for 2022. GCU launched its final expense product in the fourth quarter of 2020.
- GCU's distribution model remains unchanged. Distribution remains driven through independent marketing organizations, managing general agencies, and select field marketing organizations. The company is focused on building relationships with productive agents. Further, cross selling opportunities between annuities and life products are being leveraged.
- GCU's balance sheet remains sound. As of 3Q 2021, total assets were $2.4 billion, and surplus strengthened to $198.7 million. Net income totaled $21.8 million compared to $3.1 million through the same period in 2020.
- 2021 RBC CAL estimate is 340% from 355% at year-end 2020. The decrease is primarily driven by the new C-1 bond factors. Inclusive of the new factors, 2020 RBC would have been estimated at 332%, a decrease of approximately 23 RBC points.
- Despite the sustained low interest rate environment and the impact of the COVID-19 pandemic, GCU maintained favorable operating margins in 2020. For year-end 2020, net gain from operations was $29.7 million.
- Through 11 months ended 2021, total premium revenue was $274.7 million, an increase of over 42% from the same period a year prior. Life premiums ($8.8 million) increased 126% while annuity premium and exchanges ($265.4 million) increased over 40%. Life sales remain driven by its whole life single premium and final expense products.
- Operating expenses, before increase in reserves, totaled $207.8 million through 11-months 2021, an increase of 46%. This was largely driven by increased annuity benefit expenses (up 53%) and increased commissions (up 31%) which tracks the growth in premiums.
- Net gain from operations through 11-months 2021 totaled $27.9 million, an increase of $6.8 million or 31% year over year. Net income through 11 months 2021 totaled $28.0 million, an increase of nearly $25 million, as 2020 results through the same period included approximately $18.0 million of investment losses related to the write down of OTTI credits which were materially impacted by the market dislocation related to the pandemic. Through the same period, surplus grew to $204.8 million which was primarily driven by favorable net income offset by increased AVR.
- Active rate management by GCU resulted in average crediting rates which trended downward in 2021. Through 3Q 2021, average crediting rates were 3.11%, down 5 basis points (bps) from 2020. Through the same period, average earned spreads by GCU were 1.97%, which mirrors full year 2020.
- Due to the sustained low interest rate environment, GCU remains strategically focused on asset allocation. Throughout 2021, GCU increased its allocations on the margins to alternatives and common stocks, though each still represent less than 1.5% of total invested assets. The increased allocation to alternatives primarily reflects additional real estate-based LP funds.
- As part of the launch of its FIA product, GCU initiated a derivative hedging program. GCU utilizes a static strategy to hedge the equity linked liability embedded within the FIA product. The product offering should serve to diversity its premiums.

Insurance Entity Financials

GCU	3Q2021	2020	2019	2018	2017	2016
Balance Sheet						
Total Assets	$2,372,639,817	$2,200,816,342	$2,052,334,084	$1,890,844,697	$1,712,285,488	$1,549,960,643
Capital & Surplus (C&S)	$ 198,708,167	$ 182,647,591	$ 162,741,532	$ 154,269,000	$ 133,042,421	$ 108,531,975
Asset Valuation Reserve (AVR)	$ 18,465,215	$ 8,316,048	$ 18,746,796	$ 19,311,098	$ 18,662,238	$ 17,556,902
Total Adjusted Capital (TAC)	NA	$ 191,113,639	$ 181,638,328	$ 173,706,527	$ 151,854,659	$ 126,238,877
Change in TAC	*NA*	*5.2%*	*4.6%*	*14.4%*	*20.3%*	*21.3%*
C&S to Liabilities	9.1%	9.1%	8.6%	8.9%	8.4%	7.5%
Surplus Notes/TAC	NA	0.0%	0.0%	0.0%	0.0%	0.0%
NAIC RBC (CAL)	NA	355%	363%	379%	390%	277%
BIG Bonds to TAC	NA	41.2%	37.3%	56.8%	74.1%	160.5%
Profitability						
Net Gain From Operations	$ 21,626,091	$ 29,669,049	$ 31,685,737	$ 25,596,182	$ 28,455,531	$ 23,705,811
Net Income	$ 21,774,135	$ 12,817,911	$ 27,712,796	$ 22,182,737	$ 25,707,763	$ 20,636,081
Net Investment Yield	NA	5.0%	5.4%	5.3%	5.4%	5.6%
Net Return on Avg Admitted Assets w/o Sep Accounts	NA	0.60%	1.41%	1.23%	1.58%	1.42%
1 Yr. Oper ROAC&S	NA	17.2%	20.0%	17.8%	23.6%	23.8%
Key Insurance Metrics						
% Interest Sensitive Reserves	NA	94.6%	96.3%	95.9%	95.5%	95.3%
% Annuities w/no surrender charge	NA	69.6%	64.1%	61.8%	61.1%	71.0%
Current Liquidity	105.1%	105.9%	105.9%	106.3%	105.7%	105.0%
General Insurance Expenses/Total Revenue	NA	2.0%	1.9%	1.9%	1.4%	1.8%

Stress Testing

KBRA employed a stress testing approach to assess the potential impact of adverse economic scenarios on GCU, including reviewing the asset adequacy analysis, as required by state regulators, and performing our own asset stress test. Given its solid risk-adjusted capital position, which continues to strengthen, KBRA believes GCU's financial strength can withstand a range of stress scenarios to either side of the balance sheet. As GCU's liability profile is almost entirely interest-sensitive and its investment portfolio is generally conservative, KBRA believes the company's most significant exposure is to changes in interest rates.

KBRA reviewed GCU's year-end 2020 asset adequacy analysis. GCU's appointed actuary, Allen Bailey, utilized seven deterministic interest scenarios as well as four sensitivity tests: (1) a 10% increase in expenses; (2) a 10% decrease in lapses; (3) a 10% increase in lapses; and (4) a 10% increase in mortality. In aggregate and by product line, all scenarios and sensitivities projected a positive present value of 40^{th} year ending value of surplus based on both book value and market value. There were no interim periods in the projections where surplus became negative. Results were generally consistent from a year prior.

KBRA also examined the preliminary cash flow testing results for 2021. All seven scenarios (NY7) projected a positive present value ending value of surplus, though the increasing interest rate scenario (NY2) had the most punitive impact on the ending value of surplus compared to 2020 results. Given that GCU has nearly $199 million of total adjusted capital, KBRA believes that GCU's balance sheet is able to weather these severe stress scenarios.

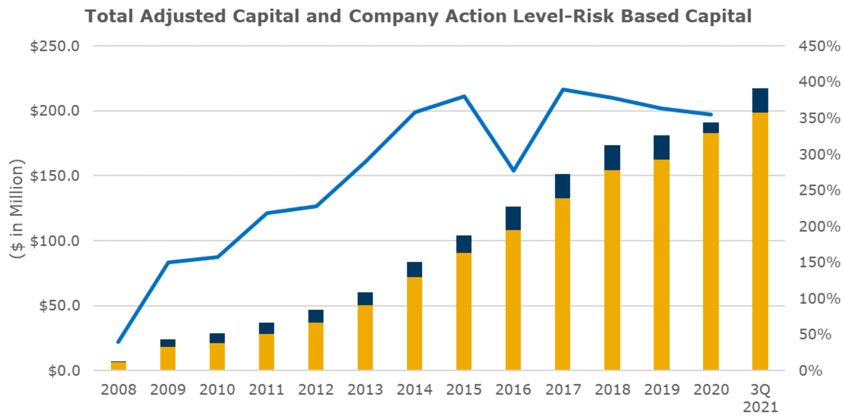
KBRA also performed an asset credit stress test on GCU's fixed income portfolio. The results were consistent with GCU's current IFSR.

Balance Sheet Management

Quality of Capital/Underwriting Leverage

Since 2009, GCU has exhibited exceptionally strong and consistent growth in total adjusted capital and operating results have been favorable. GCU has been able to successfully leverage new distribution platforms, revitalize products, and add new products to drive growth in annuity sales. The sizeable income generation exhibited in recent years continues to foster substantial surplus and balance sheet growth. KBRA further notes that GCU continues to maintain a conservative asset makeup on its balance sheet with no financial leverage.

GCU currently holds a sufficient level of risk adjusted capital (RBC CAL 355% and 363% as of YE 2020 and YE 2019, respectively) which is sound, but somewhat below similarly rated fraternal peers. An RBC CAL of 340% is projected for 2021. Nevertheless, GCU's current level of risk-based capital remains adequate, in KBRA's opinion, given (1) the company has consistently added to capital over the last several years and has a very low expense base which will facilitate continued growth; and (2) the company's investment portfolio remains primarily focused on lower risk assets.



Asset Quality and Investment Risk

GCU currently has three investment advisors who manage its bond portfolio: Northern Trust (about 43% of invested assets as of 3Q 2021), PNC (32%), and Prosperity Capital Advisors (24%), with all managers operating under the same guidelines. GCU's investment guidelines are reviewed annually.

GCU maintains a conservative portfolio with a focus which remains on fixed income securities. The investment portfolio, consisting primarily of investment grade corporate bonds, increased to $2.3 billion at 3Q 2021. Bonds comprise nearly 94% of GCU's assets, with an average maturity of over 20 years and an option adjusted duration of just under 12 years. The portfolio quality remains high with 95.7% of the bonds in the two highest NAIC rating classes and an overall average rating of BBB+. Book yield remains over 5.0%. There were no impairments recognized through the first three quarters of 2021.

Bond Portfolio Quality						
(In Thousands)		**2020 BV**	**%**		**3Q21 BV**	**%**
NAIC 1	$	493,476	24.2%	$	487,318	22.2%
NAIC 2	$	1,463,376	71.9%	$	1,604,483	73.2%
NAIC 3	$	65,800	3.2%	$	63,904	2.9%
NAIC 4	$	11,961	0.6%	$	35,635	1.6%
NAIC 5	$	-	0.0%	$	-	0.0%
NAIC 6	$	1,013	0.0%	$	105	0.0%
Total Bonds	**$**	**2,035,625**	**100%**	**$**	**2,191,446**	**100%**
BIGs/TAC		**41.2%**		**NA**		

The below investment grade (BIG) portion of the fixed income portfolio has been reduced considerably from historical levels – less than 41.2% of total adjusted capital as of year-end 2020. The increase in BIG holdings reflect the purchase of a high yield bond ETF, though BIG holdings still represent less than 5% of total bonds. Public corporates are GCU's largest allocation and are diversified by sector. The most significant concentrations are in financials (22.5% of total bond holdings), consumer-noncyclical (19%), communications (12%), energy (9%), and basic materials (8%); these percentages have not changed materially across the past year.

Bond Portfolio Maturity			
(In Thousands)		**3Q21 BV**	**%**
Less than 1 Year	$	1,252	0.1%
1 to 5 Years	$	99,791	4.6%
6 to 10 Years	$	223,743	10.2%
11 to 20 Years	$	717,162	32.7%
Over 20 Years	$	1,126,350	51.4%
No Maturity Date	$	23,148	1.1%
Total Bonds	**$**	**2,191,446**	**100%**

Additional assets are in preferred stocks (1.4% of invested assets as of 3Q 2021), other invested assets (0.7%) and common stocks (1.4%, although $11.4 million or 36% of the common stock holdings are investments in affiliates). Preferred stock exposure has decreased in favor of common stocks through 2021. These asset classes serve to provide diversity and balance to the portfolio, as well as provide the benefit of higher growth potential.

Total Invested Assets			
(BV In Thousands)		**3Q 2021**	**%**
Bonds	$	2,191,446	93.5%
Other Invested Assets		38,166	1.6%
Common Stock		31,957	1.4%
Preferred Stock		31,875	1.4%
Cash & Cash Equiv.		30,058	1.3%
Other Assets		16,075	0.7%
Mortgage Loans		3,823	0.2%
	$	**2,343,400**	**100%**

GCU also has a small alternative/Schedule BA allocation with notable investments in several real estate-based LP funds. Inclusive of unfunded commitments, management expects that allocations to its alternative investment strategy will grow to approximately $60 million through 2022.

GCU has consistently outperformed peers in net investment income due to its growing invested asset base as well as an above-average pre-tax investment yield. Despite the continued depressed interest rate environment, net investment yield on the portfolio in recent years has been in the range of 5-6%.

Financial Flexibility and Access to Capital

GCU has solid financial flexibility given its recent profitability and revenue generation. GCU's operating performance and internal capital generation allows for financial flexibility in funding its own growth initiatives in addition to current expenses. Currently, GCU maintains no debt and all financial obligations are supported by operations. Investment income is primarily reinvested.

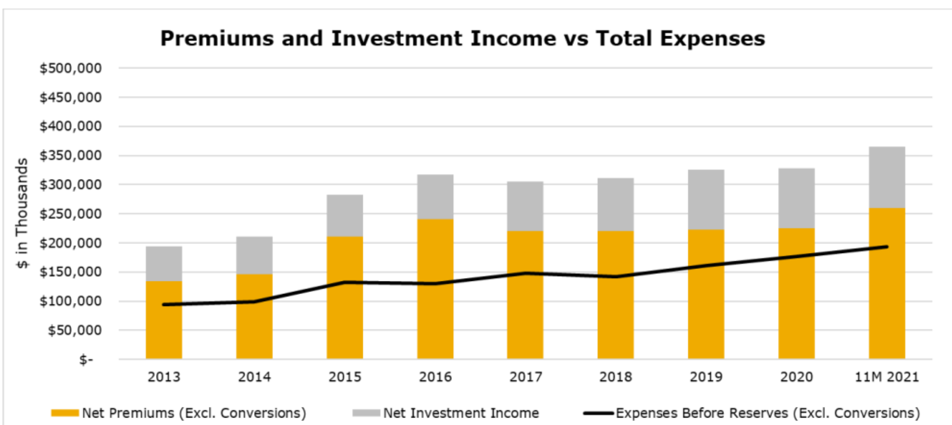
GCU is a member of the Federal Home Loan Bank of Pittsburgh (FHLBP), which provides the society with access to a secured asset-based borrowing capacity for funding agreements and backup liquidity. The company has a maximum borrowing capacity of approximately $21 million. As of 3Q 2021, GCU has borrowed $17 million via a funding agreement to enhance earnings (weighted average interest costs of 1.34%). The Board approved limit for borrowings is $22 million.

Liquidity and Asset/Liability Management

GCU's liability structure is heavily weighted in annuity reserves — 96%. GCU, like many fraternals, benefits from low lapses/withdrawals due to the strong affinity relationships that members have with the societies. However, KBRA believes that disintermediation risk would still be heightened if interest rates were to rise. KBRA notes that 75% of GCU's annuity contracts have surrender charges of 5% or less and 49% have no surrender charges. This particular concern is somewhat mitigated due to many of these contracts having guaranteed minimum interest crediting rates of 3.0% or higher (59% of fund value of annuities).

The life insurance block, largely whole life, provides a steady source of earnings for the company. While a small component of GCU's portfolio relative to annuities, it is a highly creditworthy product built on the cash value of the account. Additionally, GCU's lapse ratio has historically remained low.

The company's premium revenue stream (excluding conversions) – $260 million through November 2021, and net investment income of $105 million – continue to compare favorably to current benefits paid. GCU does not currently have a formal ALM strategy though investment durations are matched to meet the needs of insurance products and operational expenses. The company is looking to implement a strategy across the next couple years.

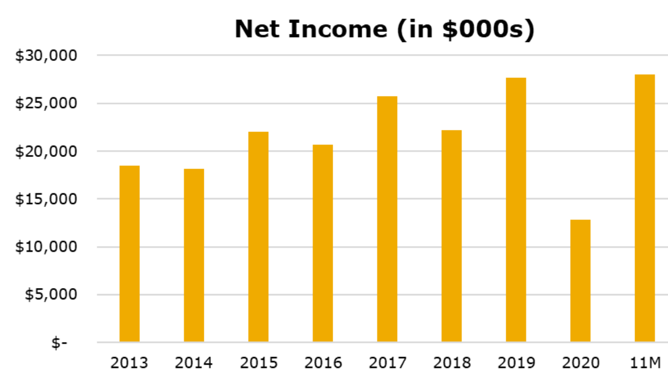


Operating Fundamentals

Drivers, and Consistency, of Profitability

GCU has successfully grown its net gain from operations over time, with $29.7 million in 2020 and $27.9 million YTD November 2021. The company has been able to maintain top line growth by expanding its membership base along with additional product offerings.

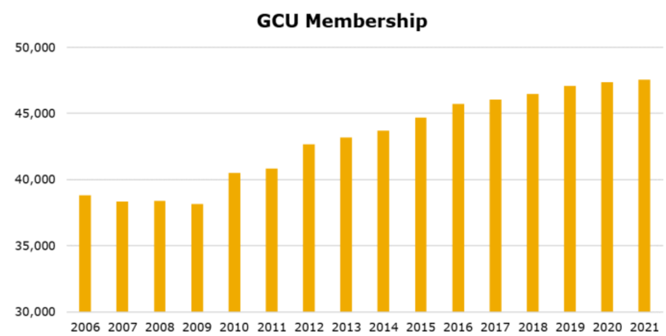
Net income at year-end 2020 was $12.8 million, which represented a nearly 54% decline from 2019. This was mostly attributable to approximately $16.9 million of realized losses due to the OTTI expense related to certain energy bonds. YTD November 2021 net income was $28.0 million, which was a positive variance to the 2021 budget (by $3.1 million) and was favorable to YE 2020 results.



In order to sustain its current level of profitability – above 16% return on capital – GCU will need to continue monitoring its crediting rate strategy on its annuity programs to maintain target spreads and remain responsive in both up and down rate environments. Paired with continued success in its annuity book, including the launch of its indexed annuity product, successful growth of the society's life insurance portfolio will provide further stability to its operating results. GCU's targeted spreads remain in the 150-200 basis points range.

Earnings Diversification: Product/Geography

KBRA notes that GCU's membership has been on a modest upward trajectory since 2009. Management acknowledges that it had historically employed a strategy to sell annuities at credited rates above the commercial market. This strategy has since been abandoned in favor of maintaining healthy margins in the persistent low interest rate environment via active management of credited rates. Nevertheless, GCU has been successful in growing membership within the products it is actively marketing, and this trend stands in contrast to the declining membership trends of many other fraternals.



GCU has a regional geographic spread with the majority of its business written in mid-Atlantic and mid-western sections of the United States. GCU's top 3 states (PA, WI, and CA) account for approximately 58% direct premiums written, ranging from 55% to 62% since 2012. The introduction of fixed indexed annuities should help GCU diversify its lines of business over time.

Exposure to Event Risk

Given its sound capitalization, conservative investments, and broad membership, KBRA believes GCU is well-positioned to withstand an economic downturn. Nevertheless, as noted previously, GCU's balance sheet profile exposes the enterprise to significant interest rate movements. GCU does not sell variable products and, as a fraternal, benefits from the affinity relationship of its member policyholders. Credited rates are generally higher than commercial carriers; hence, it is not as likely for a fraternal to experience a "run-on-the-bank" scenario. KBRA notes that a significant portion of annuities are outside of surrender though minimum rate guarantees continue to serve as a mitigant during periods of falling rates.

Company Profile and Risk Management

Management Profile and Strategy

GCU's management expertise is concentrated within several key persons who collectively have extensive experience in the company's products, operations, and historical events. In the past, KBRA has noted that GCU would benefit from a deeper bench of senior and mid-level managers to supplement and support the current team. Several hires over the last two years have rounded out its management team. Management remains disciplined and committed to controlled growth of its suite of products. GCU continues to leverage technology across its platform.

Management is trying to diversify its membership base in an attempt to be more community based, as opposed to a solely Catholic faith based fraternal. Included in this effort is a revamping of its community/membership activities as well as initiatives to induce more younger member participation.

Market Position

GCU has little market penetration in even its largest territories, and commercial carriers are seeking to broaden sales through a variety of strategies, such as product innovation, strategic relationships, cross-selling, worksite strategies, and disintermediation of agents. In response, GCU has contracted with new distribution platforms and taken steps to revitalize its brand image.

Distribution

GCU distributes its products through independent marketing organizations (IMO), managing general agencies (MGA), and select field marketing organizations (FMO). This strategy was implemented in 2013 to maximize the efforts of a small home office sales team and give higher value to the GCU contractual relationship. This distribution strategy has greatly increased GCU's access to target growth states through its working relationships with experienced, producing agents.

GCU has recently been focusing on distribution management initiatives such as gaining stronger commitment from its top producers, capitalizing on opportunities to diversify and recruit distribution from a regional and national perspective, as well as redefining and implementing agent productivity measures. To avoid overconcentration, GCU has a 20% premium limit from a single distribution source of its life and annuities business.

Risk Management
GCU established a formal enterprise risk management (ERM) program in 2017, which is detailed in its ERM Policy and incorporates an annual risk appetite statement. Since that time, GCU has developed, and implemented, a comprehensive risk and control framework, including the key financial reporting controls for GCU and its subsidiaries.

GCU's Board of Directors and Risk Committee board representatives are ultimately responsible for the approval and establishment of the ERM policies for the society, including reviewing and approving the reports from the Enterprise Risk Committee (ERC). The Risk Committee is comprised of five members of the Board of Directors and representatives from the executive management team. Members of the Risk Committee are appointed by the Chairman of the Board of Directors and serve for a four-year period.

The ERC is delegated by the Risk Committee to oversee risk management activities, manage day-to-day risk decision-making, review and assess risk management reports from all areas of GCU, and approve appropriate risk management procedures and measurement methodologies. The Chief Financial Officer (CFO) serves as the Chief Risk Officer and is responsible for the management and supervision of the ERC and implementation of the ERM Policy. GCU implemented a derivative use plan in early 2021 to manage its FIA hedging program. The CFO also serves as the derivative use officer, as appointed via the Board of Directors.

Reinsurance Utilization:
GCU's life product reinsurance program has remained largely unchanged. GCU has relationships with two insurers: Optimum Re Insurance Company and Aetna Life Insurance Company, respectively, provide reinsurance to the various life and Medicare supplement policies offered by the society. The reinsurance coverages in place do not have any third-party guarantees. All treaties are solely between GCU and the reinsurers.

ESG Management
KBRA's ratings incorporate all material credit factors including those that relate to Environmental, Social and Governance (ESG) factors. KBRA captures the impact of ESG factors in the same manner as all other credit-relevant factors. KBRA does not deploy ESG scores, but instead analyzes ESG factors through the lens of how company management plans for and manages relevant ESG risks and opportunities. More information on KBRA's approach to ESG can be found here. KBRA believes stakeholder perspectives and emerging disclosure requirements will remain prominent components of (re)insurer approaches to ESG.

Environmental Factors
As a fraternal membership organization offering individual life and annuities as core lines of business, GCU's liability profile is not directly exposed to environmental factors such as climate risk and natural catastrophe exposure. However, as the company needs long dated assets to match liabilities, sustainability of investments is a priority. Management has had discussions with its asset managers on the impacts of ESG with respect to the company's bond credit quality, investment returns, regulatory concerns, and reputation, though ESG initiatives or mandates are not formally incorporated within the company's investment policy statements at this time.

Social Factors
As a faith-based fraternal financial services organization, GCU's members are its key stakeholders. The company remains committed to its fraternal mission of providing financial security to its members and giving back to its communities.

Governance Factors
GCU has made many changes to its by-laws, governance structure, policies, and procedures in recent years in efforts to streamline and modernize the organization. This list includes governance structure, director independence, Board composition and effectiveness, and risk management framework. GCU's cyber security program utilizes best practices and leverages an expanding internal staff which focuses on improving GCU's cyber security initiatives. GCU maintains a cyber liability policy.

External Considerations
Since GCU is the top company in the structure and the subsidiaries are strategic and risk-neutral, there are no external considerations for this rating.

Transfer Risk
As GCU is domiciled in the United States (AAA/Stable), only writes business in the United States and only has USD denominated securities in its asset portfolio, there is no currency transfer risk.