

USAA-1041
USAA v. PACid Technologies
IPR2025-00751



SERVING THOSE WHO SERVED.

It's not just what we do, it's who we are.

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ON THE COVER
Former Navy Lt. Cmdr. Ken Peterson and his wife, Kristina, both USAA members, lost their home in the Palisades Fire that devastated parts of Southern California in January 2025. As USAA members for more than 50 years, the Petersons knew that USAA would have their back. Their claim was paid in just four days, driven by advanced technology and a streamlined claims process.

A MESSAGE FROM OUR CHAIRMAN

FOR OVER A CENTURY, USAA has been a source of strength for its members. I've always been proud of how the association has fulfilled the mission and shown up for members and 2024 was no exception.

Alongside the Board of Directors, my primary focus is ensuring USAA maintains the highest standard of member service, and the financial strength to deliver on its promises. USAA did just that in 2024, even amid changing member needs, an uncertain economic environment and rising costs. To build on that success and ensure USAA can serve in the years to come, USAA will continue to find ways to operate more efficiently, improve competitiveness and enhance the value of membership.

Delivering on the mission also means evolving to meet members' needs. One of the most significant enhancements the association made in 2024 was a bylaw change, approved by voting members that enables all of USAA's military members to have ownership and voting rights within the association, based on certain requirements. This ensures they have a share in the association's success and a voice in its future, and marks the next step in a journey USAA began in 1996 — to honor all who have worn the uniform through ownership and voting rights. As a Navy veteran with 34 years of service, I am proud to see how USAA continues to serve those who serve through changing times and the evolving needs of new generations.

Having the right CEO in place is critical, and selecting the leader who will carry forward USAA's legacy is the Board's most important decision. On April 2, we bid fair winds and following seas to Wayne Peacock and welcomed Juan C. Andrade as the 12th CEO. Wayne led USAA with a passion for our mission, members and teammates, and I'm grateful for his 36-year career and his leadership as CEO for the past five years. Juan brings a deep appreciation for the military community, having worked alongside service members of all branches during his time in national security with the U.S. Government. As a very successful CEO in financial services and with four years on USAA's Board of Directors, Juan understands the complexities of USAA's business, the importance of exceptional service and the weight of the responsibility to protect members and the association. I am confident in his leadership and in his commitment to taking care of our nation's military families.

Thank you for your service and for trusting USAA with your family's financial well-being.



JAMES M. ZORTMAN
VICE ADMIRAL, USN (RET.)
CHAIRMAN, USAA BOARD OF DIRECTORS

> "As a Navy veteran with 34 years of service, I am proud to see how USAA continues to serve those who serve through changing times and evolving needs of new generations."





A MESSAGE FROM WAYNE PEACOCK, FORMER PRESIDENT AND CEO

USAA HAS THE HONOR OF SERVING military families, and we take that responsibility as seriously today as we did a century ago when 25 Army officers began the experiment that has become our great association.

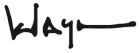
In 2024, more than 1 million new members joined USAA and 96% of existing members stayed with us, a powerful testament to the enduring bond between our association and the military community. Today, nearly 80% of our members trust us to meet multiple financial needs. That's mission fulfillment for our members, and for our 38,000 teammates who are committed to empowering you to build long-term financial security by providing exceptional service, trusted advice and the products you need. I am incredibly proud of Team USAA and the way every teammate brings their passion and talent to our mission every day.

Delivering for you requires a dedication to operational excellence, as well as maintaining the financial strength to meet our commitments. USAA continued to stand tall for members in 2024, especially on members' toughest days. We responded to 74 catastrophes, handled nearly 439,000 catastrophe-related claims with empathy and care, and paid $4.3 billion to help members restore their lives. We enhanced our service quality and introduced new product offerings. We continue investing in our people, technology and operational efficiency as we work to ensure our insurance and banking products are competitive, affordable and available, and your membership is highly valued.

Because of your loyalty, our association strengthened our profits and remained resilient. We further solidified our balance sheet, ensuring we can withstand external pressures and ongoing uncertainty without missing a beat. And, as members, you share in the association's success. We returned $2.2 billion to you through distributions, dividends, and bank rebates and rewards. That's not just a number; it's a reflection of our commitment to operate in alignment with our values and share our collective success.

It's been an honor to lead this association and serve our nation's finest. Juan Andrade brings profound respect for our mission and an unwavering dedication to serving you with excellence. I have great confidence in his leadership and the future of USAA.

Thank you for your trust, your loyalty and the honor of serving you over the last 36 years. You inspire me, and all of Team USAA every day.



WAYNE PEACOCK
FORMER PRESIDENT AND
CHIEF EXECUTIVE OFFICER,
FEBRUARY 2020-APRIL 2025

A MESSAGE FROM JUAN C. ANDRADE, OUR NEW PRESIDENT AND CEO

IT IS MY HONOR TO SERVE you and lead our association as the 12th CEO. From my early days in public service in national security roles, working alongside our service members, I have great respect for the military community that has defended our democracy, values and way of life. I have long admired USAA's mission, legacy of service and ability to mobilize passionate teammates to serve you with excellence. My commitment is to build on these strengths and continue to enhance USAA's legacy.

My focus is clear: Do what is best for you and the association. We will stay relentlessly focused on providing you with exceptional service, and we will continue building an internal culture that focuses on integrity, purpose and innovation. I firmly believe that when our teammates thrive, our members will, too. We will channel our teammates' passion for the mission into improving our ability to understand your individual needs and goals, and help meet them by enhancing the trusted advice and competitive products we provide. With our strong balance sheet, we will fulfill our commitments to each member, while continuing our investments in innovative technologies that enable us to serve you better and faster. And, like we have for the 102 years since our founding, we will serve beyond products and advice. We will advocate for members on the issues that matter most, including being a champion for veteran and military-spouse employment, whether at USAA or elsewhere, as well as education and mental and financial health for those who have served.

Our association stands tall for members, both in life's everyday moments and on the darkest of days. When you need us, we respond with the full power of Team USAA. And we are working every day to innovate, evolve and adapt to serve you better. Our history provides much to be proud of, but when it comes to serving you, we will be proud but never satisfied. We will continue to strive for service excellence, every day and with every interaction. It is my hope that you are not only proud to be a member, but are proud to pass your membership on to those you love, so we can continue taking care of future generations of military families.

Thank you for your continued trust in USAA. The future of our association is bright.



JUAN C. ANDRADE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

SECTION 1

Caring for Members

USAA is here for you every day through every milestone and all of life's ups and downs. We stand tall for members, whether it's helping you pick up the pieces after a natural disaster or having zero-interest loans ready for a potential government shutdown.



WHEN DISASTER STRIKES, WE RESPOND.

Longtime member Ken Peterson learned when your home is lost, hope is not.

"THIS IS A FINANCIALLY AND EMOTIONALLY distressing time for our family, and Josh relieved some of the stress," said retiree and former Navy Lt. Cmdr. Ken Peterson. Referring to his USAA adjuster, "He was extraordinarily responsive and got us everything as quickly as possible."

Peterson and his family were on a family vacation, watching news coverage of 70-80 mph wind gusts that fanned the Palisades Fire in California — acting like a blowtorch on a community they had called home for 33 years.

He knew that despite taking precautions available through USAA's Natural Disaster Center and Wildfire Response Program, their Malibu home was gone, along with irreplaceable mementos of family life and his Naval service.

He also knew from various claims in his 52 years of membership that USAA would have his back.

"You don't just buy insurance based on the price of the premium. You buy it for the company's service. I just want to know my company is going to be there when I need them," Peterson said. "USAA has always come through for me."

The Petersons are among thousands impacted by natural disasters every year. The California wildfires of January 2025 could be the costliest in U.S. history. And 2024 ranked second highest in U.S. history for the number of billion-dollar disasters, according to the National Centers for Environmental Information.

USAA is there when the unthinkable happens because service is at the forefront of all that we do. Firefighters contracted through USAA's Wildfire Response Program for the California wildfires helped save member homes and mitigate fire risk though proactive measures. And when the Petersons lost their home, USAA property general adjuster Josh Verner was there providing care and comfort.

"I want members to know we care because it makes all the difference in the world," Verner said. "I don't feel like I'm working most days. I'm helping people turn their lives around."

Thanks to technology and service enhancements, Verner settled the Petersons's home claim and issued payment in just four days, part of an estimated $1.8 billion paid to members impacted by the California wildfires. With more frequent natural disasters causing more damage in areas like California, USAA remains committed to helping members stay protected and caring for them when they need us most.

The quick settlement provided Peterson with peace of mind, but he also walked away with lessons learned — not just regularly reviewing his policy but also ensuring the coverage reflects current construction pricing. USAA insurance representatives help members get the best coverage at the best value, taking into account current market conditions and their specific needs.

WHAT YOU CAN DO:

Call or follow our tips to review your policy for the right coverage and best discounts during your renewal period or if you make major changes to your property.

KEY TAKEAWAYS

$4.3B

SERVING MEMBERS

USAA responded to 74 catastrophes, handling nearly 439,000 catastrophe-related claims while paying $4.3 billion in 2024 to help members restore their lives. Firefighters contracted through USAA's Wildfire Response Program responded to calls for more than 2,400 member properties in 2024, taking protective action and saving homes.

ONE WEEK

We know great service and speed matter, especially when disaster strikes. USAA is often first on scene after a natural disaster and uses advanced technology to quickly assess damage. With this technology, and a streamlined claims process and real-time workflow data that pinpoints bottlenecks, USAA has reduced how much time it takes to pay catastrophe claims from 14 to seven days — allowing members to pick up the pieces sooner. A large majority of claims are settled within a month.

90%

USAA settled 90% of the 2025 California wildfire claims within a month — and many were settled even earlier thanks to crews on the ground, technology and proactive outreach. Because many areas were leveled by the fires, USAA used aerial imagery and geotargeted data to proactively identify and reach out to impacted members to file and settle claims before the members even knew the extent of damage to their homes.



A firefighter works as the Hughes Fire burns on Jan. 22, 2025 in Castaic, California.

SECTION 2

The Value of Membership

Being a part of USAA means you're one of nearly 14 million members who understand military life and who together benefit from being part of our association. USAA is here to empower your financial security with advice and products designed to suit the unique needs of the military community and their families — delivered through exceptional service.





YOUR FAMILY IS OUR FAMILY

Membership starts with trusted advice that turns into relationships spanning generations.

"THE FINANCIAL STRESS WAS NOTHING compared to what it would have been if we didn't have pet insurance," said Kevin Bubolz, who was a pilot and captain in the U.S. Army. "I didn't have to think about the money and could focus on taking care of Ellie."

Bubolz and his wife, Katie, are better known as Ellie and Emma's parents. The golden retriever therapy dogs are the social media stars of "Golden Retriever Life," @elliegoldenlife, which is part of the couple's mission to spread smiles through pet therapy.

But Ellie got sick soon after they welcomed their first child in fall 2024. After five days at the vet ER with Bubolz by her side, dozens of tests and mounting medical expenses, Ellie made a full recovery. And thanks to pet insurance available through USAA Insurance Agency, the family's out-of-pocket expense was much lower than it could have been.

Bubolz first turned to USAA Federal Savings Bank as a cadet in the Army when he received a low-interest USAA Career Starter Loan for new officers that helps them with big purchases while building good credit and habits. Then the advice he received through USAA's deployment checklist helped him plan a budget, get life insurance and do much more — leading to a relationship that has grown deeper over the years.

With 14 years of membership, Bubolz and his family now rely on USAA for virtually all of their insurance and banking needs — from auto, renters and pet insurance to bank accounts and credit cards. And USAA has had their back through every milestone, giving them peace of mind during tough times like Ellie's health scare.

USAA is here to help families like the Bubolzes move through life with confidence and protection. As a financial services company, we offer trusted advice and a range of insurance and banking services for members' unique lifestyles.

In 2024, USAA welcomed 1 million new members who established deep ties with us from the start. We also evolved our membership to honor all who have served. Voting members approved a bylaw change that enables all of USAA's military members to have ownership and voting rights within the association based on certain requirements, so they share in the association's success and help shape our future.

> "The financial stress was nothing compared to what it would have been if we didn't have pet insurance," said Kevin Bubolz, who was a pilot and captain in the Army. "I didn't have to think about the money and could focus on taking care of Ellie." **KEVIN BUBOLZ**, ARMY VETERAN

KEY TAKEAWAYS

10+ YEARS
BUILT TO LAST
More than half of our nearly 14 million members have been with USAA for 10-plus years and a quarter have been with us for 25-plus years.

80%
Members often start with one experience that eventually leads to USAA becoming the one-stop shop for their insurance and banking needs. USAA meets more than one financial need for nearly 80% of our members.

$2.2B
BACK TO MEMBERS
In 2024, we returned $2.2 billion through distributions, dividends, and bank rebates and rewards.

SECTION 3

Providing Support and Advice

Through personalized guidance, discount incentives, fee reductions and preventative measures, we help members navigate rising costs and stay consumer savvy.



EVERY DOLLAR COUNTS

Through advice and support, Martha Maynard learned how USAA can save her money.

"SHE [THE REPRESENTATIVE] SAVED ME $2 here and $6 there, saying, 'Every penny counts,'" Martha Maynard said about her policy review with a USAA teammate. "She was amazing."

Maynard earned her membership through her father, who served in the U.S. Navy and was aboard the USS Bataan in the Korean War. After 30-plus years of membership, she knows every time she talks to USAA, she has an advocate. When she called to review her auto and home policies, the representative spent more than an hour reviewing everything to ensure she got the best rates and coverage. She offered tips like taking defensive driving so Maynard could save money on her auto insurance and helped her establish an umbrella policy as an extra layer of protection.

RATE IMPACTS

We know it's getting harder to make the dollar stretch as prices increase across the board. While insurance is a necessity, the price of protection has been rising due to a number of factors, according to Sean Kevelighan, CEO of the Insurance Information Institute (Triple-I), which monitors insurance trends to educate policymakers, industry and consumers.

Rising costs in goods and labor, more frequent and severe catastrophes, more people living in high-risk areas, and more claims lawsuits have impacted insurance premiums. Most notably, the industry is still dealing with inflation. According to Triple-I, replacement costs for cars and homes spiked as high as 45% and 59% by 2023, respectively, because of the pandemic and are now at 28% and 30%. The cost of labor also is rising because today's technology-filled cars require more skilled technicians.

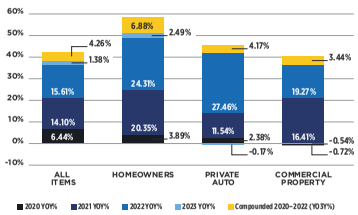
"The insurance industry is having to catch up with inflation because repairs are more expensive. And when repairs are more expensive, premiums are more expensive," Kevelighan said. "Replacement costs are leveling off, but this is the new normal because costs won't go down as much as they went up."

Lawsuits used to be the last resort for settling claims and now they're often a first step. More plaintiff attorneys are using litigation to dispute claims and settlement amounts are increasing, according to Triple-I. Legal system abuse drives up costs for all policyholders and companies while adding more time to the settlement process.

INFLATION CONTRIBUTING TO WIDESPREAD INCREASED INSURANCE COSTS

CUMULATIVE AUTO AND HOME REPLACEMENT COST INCREASES FROM 2019 TO 2023

ALL P&C COMPANIES AND KEY LINES (YOY% AND YO4Y%)



Replacement costs for all P&C lines increased 42.45% from 2019 to 2023 — even after the recent decreases in U.S. CPI.

CUMULATIVE P&C REPLACEMENT COSTS INCREASES (YO4Y% 2019-23)

- All P&C Lines: 42.5%
- Homeowners: 59%
- Private Auto: 45%
- Commercial Property: 39%



> She [the representative] saved me $2 here and $6 there, saying, 'Every penny counts.' She was amazing."
>
> MARTHA MAYNARD



ADDRESSING AFFORDABILITY

TO ADDRESS AFFORDABILITY, USAA is focused on streamlining our operations and modernizing our systems to drive more efficiency. Our financial strength allows us to invest in new products, enhance our service experience and return a portion of earnings to members each year.

USAA also advocates for our membership, from supporting federal legislation that increases military pay to working with policymakers in addressing issues that impact insurance and banking affordability.

Through our trusted advice, we help members make educated decisions and take preventative measures to help you save money and prevent headaches down the road.

To make banking more affordable, USAA Bank has 100,000-plus ATMs[1] throughout the U.S. where members can make surcharge-free cash withdrawals. We offer insurance policy bundling discounts[2] and discounts for preventative maintenance, good driving[3] and even good grades[4] for student drivers.

Through USAA Perks®, which celebrated 40 years in 2024, members have access to discounts on everything from travel to shopping. A free service, USAA Perks has saved members more than $1.2 billion over the past five years. Check out USAA Perks for savings and discounts.

SAFER DRIVING, MONEY SAVED

Members can save up to 30% on insurance premiums at renewal through USAA SafePilot®, [5] our behavior-based program. You also can save up to 20% for lower mileage and an earned driving discount of up to 20% off your premium upon renewal for driving safely through USAA SafePilot Miles™, [5] our usage-based program.

More than 1.3 million members are enrolled in SafePilot, which tracks driving habits through the USAA DriveSafe™ [5] app and provides safe driving tips. Fewer members are braking harshly or using their phones while driving — signs that members are staying focused on the road — and USAA has seen accidents decrease overall. Across the industry, reducing distracted driving has helped prevent more than 55,000 crashes and saved close to $2.2 billion in economic damages, according to data in "The State of US Road Risk in 2024" from Cambridge Mobile Telematics, which provides telematics data for the industry.

WHAT YOU CAN DO: To start saving today, call or click to enroll in USAA SafePilot, which is available in most U.S. locations, or USAA SafePilot Miles, which will be available in most U.S. locations by the end of 2025.

ADVICE TO ACTION

USAA's Advice Center is a hub for advice-driven resources catering to the military community to help you make informed decisions. There is education and information for every life milestone, from preparing for a PCS move to planning for retirement. The center's advice has prompted thousands of members to take action such as increasing emergency savings and lowering debt.

SUPPORTING YOUR FINANCIAL WELL-BEING

The USAA Educational Foundation® financial readiness materials reached 3.3 million service members and military spouses in 2024 with free advice and resources tailored to the unique needs of military life.

In 2024, the Educational Foundation's launched the Caregiver Financial Journey in cooperation with the Elizabeth Dole Foundation to help caregivers manage and improve their finances. This initiative builds on the foundation's practical learning guides and resources — and can be a valuable resource for the more than 14 million military caregivers caring for wounded, ill and injured service members and veterans.

AN OUNCE OF PREVENTION

Services like the Connected Home[6] and PreFix programs combine technology and home maintenance to detect and prevent issues before they cause costly damage or claims for your biggest asset — your home.

KEY TAKEAWAYS

32%

AVOIDING COSTLY REPAIRS

USAA's Connected Home detects water leaks before they become major issues. Participating members experience a 32% reduction in water damage claims stemming from non-weather issues while saving up to 8% on homeowners insurance.[6] USAA pays more than $840 million annually for these kinds of water claims, so when members enroll in Connected Home, it saves the association millions in costs — money that is reinvested into your products and pricing.

WHAT YOU CAN DO: Enroll now in Connected Home.

$1,500

SAVED ANNUALLY

With a biannual 30-point inspection service and repair discounts, PreFix can save enrolled members an average of $1,500 annually on maintenance costs and prevent costly damage. While still a pilot, PreFix has the potential to save millions in costly home repairs each year — a benefit for members and the association.

WHAT YOU CAN DO: Check if you're in an eligible PreFix area.



13

“I want members to know we care because it makes all the difference in the world. I don’t feel like I’m working most days. I’m helping people turn their lives around.”

JOSH VERNER, USAA PROPERTY GENERAL ADJUSTER

SECTION 4

Evolving With Your Needs

Knowing that life moves fast, we make it easier to do business with us by enhancing your experience to focus on speed, convenience and financial resources.





An aerial view of homes that burned in the Eaton Fire on Jan. 21, 2025 in Altadena, California.

LEADING THE WAY

As an industry leader that knows military life, we're enhancing experiences to fit your needs.

INNOVATION POWERS MANY of our member experiences. USAA deploys AI and technology to improve our products and services to members. As part of USAA's preventative measures that include home maintenance programs, we use aerial imagery to ensure members have adequate property insurance coverage, which ensures your assets are covered if there is a claim.

For damages like water pipes bursting, we have streamlined the process to help members get back on their feet quickly. In many cases, USAA uses digital solutions like 3D technology to virtually assess damage so we can estimate repair costs and issue payment, often within one interaction. For more complex damage, we rely on our adjusters and trusted contractors who assess and expedite quality repairs.

ENHANCING EXPERIENCES

Serving the unique needs of the military community shapes how USAA uses technology to make life easier for members. Since its launch in 2006, USAA's patented remote deposit capture technology has enabled customers across the banking industry to deposit checks via mobile phones and home scanners. The innovation was born out of a need to help military members deployed abroad deposit checks into their accounts without having to step foot in a bank.

These days, members do most of their interactions with USAA on mobile devices, from checking your accounts to paying bills. We made it easier for you to do more in less time on our mobile app by redesigning the account summary page, resulting in better navigation and faster page load times.

EMPOWERING FINANCIAL SECURITY

USAA's first-ever Financial Wellbeing Index released in 2024 gave the industry better insights into how our military members save and spend. The bottom line is that members are saving more and carrying less credit card debt.

To help members stay on track and manage their credit, USAA provides credit card holders free access to their credit score details in the new USAA Credit Toolbox™ powered by VantageScore 3.0.[7] Coupled with USAA's credit score advice, these resources provide tips to maintain good credit and achieve your financial goals.

SUPPORTING THE MILITARY

Many of USAA's products and services are focused on making it easier for military members to focus on *their* mission.

In 2024, USAA launched a program to proactively identify and offer Servicemembers Civil Relief Act (SCRA) benefits to eligible members using data from the U.S. Department of Defense. SCRA's lending-focused benefits include interest rate reductions and fee waivers for military members who are called to active duty to ease financial burdens while they serve.

Knowing many service members may not be aware of SCRA benefits or how to take action, USAA proactively enrolled about 18,000 eligible service members initially. It meant that some USAA military members received unexpected funds, including one longtime member who received a check for SCRA benefits that he didn't know he was eligible for.

ENHANCING USAA BANK'S CREDIT CARD REWARDS

Earning credit card rewards for what you spend can save you money and bring you more value.[8] USAA introduced a new Shop with Rewards redemption program in 2024 that allows eligible credit card users to redeem rewards in real time to cover a charge at participating retail locations including Walmart®[9] and Murphy USA®[10] gas stations. You also can redeem your earned points or cash back for statement credits, merchandise and more.

MAKING LIFE INSURANCE EASIER TO GET

Approximately half of U.S. adults currently do not have life insurance, according to the 2024 Insurance Barometer Study by LIMRA and Life Happens. But it is one of the best ways to protect your family and ensure their financial future when the unimaginable happens.

To make life insurance more accessible, USAA has made it possible for qualifying members to skip the in-person medical exam and get insurance in minutes versus weeks.[11] In 2024, USAA launched USAA Eagle Express, a digital term life insurance product designed for 18- to 60-year-olds.

KEY TAKEAWAYS

460 PATENTS

With 460 patents issued in 2024, USAA ranks #101 on the Patent 300® list of the top 300 global companies and leads the insurance industry.

DESIGNED WITH THE MILITARY IN MIND

Because of the military community USAA serves, Eagle Express and some of our other life insurance products offer military-specific benefits,[12] such as severe injury benefit and the option to get additional coverage equal to Servicemember's Group Life Insurance (SGLI) coverage upon separation without a medical exam.[13] We also make it easy for deploying members to get coverage fast through our expedited application process, ensuring protection at a critical time.

SECTION 5

We've Got Your Back

USAA is there to protect your finances, whether it's fighting fraud or providing financial assistance when the unexpected happens. We move fast to provide protection and relief.



IN YOUR CORNER

We've got your back when the unexpected happens.

"USAA HAD MY BACK," RET. MSGT. RUBEN ALFONSO said. "That's the bottom line of every experience — that I will always be taken care of. And you can't put a price on that."

Alfonso remembers when he became a USAA member for life. It was the day his bank account was fraudulently drained after a PCS move from Tampa to Japan. Living in a hotel and awaiting permanent housing, he was devastated to find his military-issued reimbursement check and personal funds gone.

In just one call and two hours later, USAA Bank restored his money and secured his account, then took care of the investigation and paperwork.

The quick response and care gave him peace of mind. Now, Alfonso is paying it forward. After retiring from a 20-year U.S. Air Force career, he joined USAA as a quantitative risk analyst through the Hiring Our Heroes program, a military-focused U.S. Chamber of Commerce Foundation hiring program. USAA welcomed 50 Hiring Our Heroes fellows in 2024.

Alfonso is focused on providing the same unwavering support he received from USAA to fellow service members. He is among the nearly quarter of USAA employees who are veterans or military spouses. Hiring those who wore the uniform is another way we provide solutions with our members in mind.

COMBATING FRAUD

Working together to protect your accounts means advanced detection on our part and proactive measures on your part.

With dedicated fraud teams and advanced technology, we work around the clock to monitor transactions, detect threats and prevent fraud — protecting members every day. We also enhanced online resources and outreach to help you stay aware and stay protected.

Security is a shared effort, and multifactor authentication (MFA) is the best and easiest way to protect yourself. It requires at least two forms of verification, like a pin, one-time code, fingerprint or face recognition, to access your account whether you call or click.

OFFERING FINANCIAL RELIEF

USAA has a history of stepping up during challenging times. Our government shutdown program offers zero-interest loans, and we offer special payment assistance programs[14] on USAA products for eligible impacted members. These programs help you meet your financial obligations without added stress.

KEY TAKEAWAYS

92%

Most but not all of our members are enrolled in MFA — a number we'd like to see at 100%. MFA can prevent almost all automated hacking attacks, according to the National Cybersecurity Alliance. And having members protected by MFA saves the association as much as $16 million a year in account takeover costs — money that is reinvested in your financial protection. Stay protected by entering two forms of verification for your account at usaa.com/support/security.

WHAT YOU CAN DO:
Follow our tips to identify scams at usaa.com/scams.

1. **Watch for red flags like texts, calls or emails demanding payment or asking for money.**
2. **Take your time to review information for anything suspicious before you act.**
3. **Protect your information by limiting what you share and use MFA for enhanced security.**

5B

USAA blocked nearly 5 billion cyberthreats in 2024 and thwarts an average of 400 million cyberthreats a month.

$34M

USAA has granted $34 million to military aid societies over the past five years to assist service members and their families with emergency grants in times of unexpected financial crises.



“USAA had my back. That’s the bottom line of every experience — that I will always be taken care of. And you can’t put a price on that.”

RUBEN ALFONSO, U.S. AIR FORCE VETERAN



SECTION 6

Supporting the Military Community

Serving those who serve is a way of life for USAA — and it shows up in our advocacy and community impact. We lead the way in raising awareness about issues that impact the military community and their families, from our fight against veteran suicide to our support for causes that foster financial resiliency.





USAA employees raise funds to benefit Face the Fight.

WE STAND WITH YOU

Our support for the military community extends far beyond our purpose-driven work.

MILITARY RESILIENCY

USAA's mission to empower the financial security of the military community comes alive in our purpose-driven work and passion-filled causes. Through our philanthropic efforts, we support military families who may need a helping hand, as we did for Sgt. Eric Morante.

Morante, who served in the Marines, was injured in combat. It impacted him physically and mentally.

"There are times where I'll need help ... and I think, 'Man, I can't believe I'm this vulnerable right now,'" Morante said of his journey.

USAA gifted him with a free refurbished truck through our participation in the National Auto Body Council® Recycled Rides®. We have gifted vehicles to more than 150 service members and veterans in the past few years. The truck is a lifeline to help Morante be more independent and pursue his education and career goals.

TEAM USAA

USAA teammates embrace our mission beyond work by giving their time, talent and treasures to causes that lift up the military community and their families.

In the summer of 2024, nearly 800 USAA teammates and their family members volunteered in The Mission Continues for Operation Military City Salute to support veterans in need. The volunteer event supported 60 projects throughout San Antonio — USAA's home base.

On Giving Tuesday 2024, current and retired employees donated $1.6 million to causes in their local communities. With USAA's 2-for-1 match, a collective $4.7 million was committed in a 24-hour period to support those in need.

All told in 2024, USAA, our employees and members gave nearly $62 million to more than 6,000 nonprofit causes. Employees also logged 279,000 volunteer hours and personally donated $16.4 million, bolstered by USAA's matching program. This significant contribution underscores our commitment to making a tangible difference in the lives of those we serve.

FACE THE FIGHT® AGAINST VETERAN SUICIDE

As a founding member of Face the Fight®, USAA joined forces with Reach Resilience and the Humana Foundation two years ago to help prevent veteran suicide and break the stigma around asking for help. The initiative has deployed more than $25 million in philanthropic support to 52 critical suicide prevention projects and has impacted more than 134,000 lives so far.

WHAT YOU CAN DO: Visit wefacethefight.org to get help, find resources or join the fight.

ADVOCATING FOR THE MILITARY

Like Face the Fight®, providing support and advocacy around key issues affecting our military community has long been part of USAA's mission. Through our association's collective community impact initiative, we have advocated for policy changes, from enhancing military spouse employment to improving financial support for housing.

Our investment choices also support the military community — including ongoing commitments to Veteran Low Income Housing Tax Credits, with $80 million allocated to the veteran community.

KEY TAKEAWAYS

SUPPORTING MILITARY FAMILIES

USAA's philanthropic support for the military community addresses issues on multiple fronts, from making childcare more affordable to fighting veteran homelessness. For example, we fund low- or no-cost childcare and afterschool care services for junior enlisted military families at nearly 100 military installations nationwide. To combat food insecurity for currently serving military families, we partnered with Feeding America and contributed more than $1 million in the past two years. And we help stem the tide of veteran homelessness by providing mitigation and wraparound services for approximately 10,000 veterans in key areas.

HURRICANE RECOVERY SUPPORT

USAA and our members donated nearly $3 million for Hurricanes Helene and Milton recovery efforts. It helped provide food and shelter to those who had lost their homes and supported cleanup and debris removal in impacted communities.

6,500 LIVES SAVED

Face the Fight®'s philanthropic grants are estimated to save 6,500 veteran lives by 2032.

4.5%

USAA advocates for military pay increases knowing that every dollar matters. The 4.5% expected increase this year is an opportunity to use The USAA Educational Foundation's tips on financial management.

SECTION 7

Our Year in Review

Despite challenges like historic catastrophes, inflation and industry-wide fraud, we reinforced our financial foundation through disciplined management. USAA remains well-positioned to weather any future challenges.



2024 HIGHLIGHTS

USAA WAS FOUNDED IN 1922, when 25 Army officers agreed to insure each other when no one else would.

The mindset of being in it together has defined our member-focused association, which today includes all who have honorably served and their families.

Our mission is to empower your financial security by providing competitive products and services. This includes trusted advice and resources to save you money on insurance and banking and to help you manage your financial well-being. We focus on operating efficiently and managing our operational costs so that we can invest in delivering the best products at the best value.

Together, we drive the strength of this association.

$2.2B

BACK TO MEMBERS

In 2024, we returned $2.2 billion through distributions, dividends, and bank rebates and rewards.

SAFER DRIVING, MONEY SAVED

Members can save up to 30% on insurance premiums at renewal through USAA Safe Pilot®,[5] our behavior-based program. You also can save up to 20% for lower mileage and an earned driving discount of up to 20% off your premium upon renewal for driving safely through USAA SafePilot Miles™,[5] our usage-based program.

WHAT YOU CAN DO: To start saving today, call or click to enroll in USAA SafePilot, which is available in most U.S. locations, or USAA SafePilot Miles, which will be available in most U.S. locations by the end of 2025.

$1.2B[15]

GET DISCOUNTS AND PERKS

Through USAA Perks®, which celebrated 40 years in 2024, members have access to discounts on everything from travel to shopping. A free service, USAA Perks has saved members more than $1.2B[15] over the past five years.

WHAT YOU CAN DO: Visit usaa.com/perks for savings and discounts.

80%

Members often start with one experience that eventually leads to USAA becoming the one-stop shop for their insurance and banking needs. USAA meets more than one financial need for nearly 80% of our members.

32%

AVOIDING COSTLY REPAIRS

USAA's Connected Home detects water leaks before they become major issues. Participating members experience a 32% reduction in water damage claims stemming from non-weather issues while saving up to 8% on homeowners insurance.[6] USAA pays more than $840 million annually for these kinds of water claims, so when members enroll in Connected Home, it saves the association millions in costs — money that is reinvested into your products and pricing.

WHAT YOU CAN DO: Enroll now in Connected Home.

To make banking more affordable, we offer one of the largest surcharge-free ATM networks in the U.S., with 100,000-plus ATMs.

100,000+

92%

Most but not all of our members are enrolled in MFA — a number we'd like to see at 100%. MFA can prevent almost all automated hacking attacks, according to the National Cybersecurity Alliance. And having members protected by MFA saves the association as much as $16 million a year in account takeover costs — money that is reinvested in your financial protection. Stay protected by entering two forms of verification for your account at usaa.com/support/security.

WHAT YOU CAN DO: Enroll in MFA at usaa.com/support/security and follow our tips to identify and avoid scams at usaa.com/scams.

5B

USAA blocked nearly 5 billion cyberthreats in 2024 and thwarts an average of 400 million cyberthreats a month.

6,500 LIVES SAVED

As a founding member of Face the Fight®, USAA joined forces with Reach Resilience and the Humana Foundation two years ago to help prevent veteran suicide and break the stigma around asking for help. So far, an estimated 6,500 veteran lives will be saved by 2032 as a direct result of Face the Fight's philanthropic grants.

WHAT YOU CAN DO: Visit wefacethefight.org to get help, find resources or join the fight.

The USAA Educational Foundation℠'s financial readiness materials reached 3.3 million service members and military spouses in 2024 with free advice and resources tailored to the unique needs of military life.

3.3M

OFFERING FINANCIAL RELIEF

USAA has a history of stepping up during challenging times. Our government shutdown program offers zero-interest loans, and we offer special payment assistance programs[14] on USAA products to eligible impacted members. These programs help you meet your financial obligations without added stress.

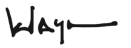
STRENGTH IN NUMBERS

Leading with Finances

MANAGEMENT ACTIONS TAKEN over the past several years built upon 2023's momentum, with 2024 seeing strong results and continued profitability. USAA once again overcame new and ongoing headwinds — including historic catastrophes, elevated interest rates and industry-wide fraud. We were proactive. We were disciplined. And those efforts strengthened our financial foundation.

These external pressures affected our business, as catastrophes and inflation again drove P&C losses, while elevated interest rates benefitted USAA Life Insurance Co. and USAA Federal Savings Bank. Investment gains from prudent, active management amid a favorable equity market helped offset underperformance in USAA's real estate portfolio. With a solid capital foundation, we are positioned to weather future challenges and continue meeting commitments to our members now and into the future.

The financial highlights shown here have been selected to give an overview of key measures of the association's 2024 financial performance. A copy of the complete audited consolidated financial statements of USAA, including Ernst & Young LLP's unqualified independent auditor's report thereon, is available upon request to USAA headquarters in San Antonio.



WAYNE PEACOCK
FORMER PRESIDENT AND CHIEF EXECUTIVE OFFICER



BRETT SEYBOLD
CHIEF FINANCIAL OFFICER

23

CONSOLIDATED FINANCIALS (DOLLARS IN MILLIONS)

Years Ended Dec. 31	2024	2023	2022
Total revenues	48,560	42,493	36,297
Total losses, benefits and expenses	44,046	41,145	38,050
Net income attributable to USAA	3,885	1,213	(1,296)
Total comprehensive income	**4,027**	**3,277**	**(11,778)**
Total assets	220,583	211,638	204,005
Total liabilities	188,503	182,490	176,578
Net worth	32,080	29,148	27,427
Total liabilities and net worth	**220,583**	**211,638**	**204,005**
Total P&C dividends and distributions	1,419	1,047	1,111
Total returned to members (Dividends, distributions, and bank rebates and rewards)	**2,203**	**1,845**	**1,977**

HIGHLIGHTS

$3.9B

NET INCOME
Net income grew, thanks to prudent and purposeful management.

+14%

REVENUE GROWTH
More members turned to USAA for insurance, annuities and banking products in 2024.

$44 BILLION

TOTAL LOSSES, BENEFITS AND EXPENSES
$2.9 billion higher as we were there for members — including in the aftermath of historic catastrophes — and partially offset by lower non-catastrophe losses and disciplined expense management.

NET WORTH
Net worth grew 10%, further ensuring the financial strength necessary to serve members through extraordinary events like Hurricanes Helene and Milton.

$32 BILLION

$221B

ASSETS
Grew 4%, largely the result of strong investment performance and increases in P&C premiums.

$189B

LIABILITIES
Up 3%, the result of higher insurance reserves from increased P&C claims costs and growth in USAA's annuity business.

$2.2 BILLION

BACK TO USAA MEMBERS
In 2024, USAA returned $2.2 billion to our members through distributions, dividends, and bank rebates and rewards. These distributions demonstrated our continued appreciation for their loyalty and trust, as well as our commitment to enhance the value of membership.

DISCLOSURES

Investment and Insurance Products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

1 When you use a non-USAA Bank ATM outside of our preferred network, you may incur surcharge, usage, or other fees charged by the ATM operator or network. We refund up to $10 per monthly statement cycle in non-USAA Bank ATM surcharge or usage fees for transactions made at non-USAA Bank ATMs. 1% Foreign Transactions Fee may apply. See the Account and Service Fee Schedule for details.

2 Multiple product savings do not apply in all states or to all situations. Savings subject to change. Restrictions apply.

3 United Services Automobile Association discounts and savings for safe drivers may include, but are not limited to, the Premier Driver Level, Premier Driver Discount, Good Driver Discount (California) and Safe Driving program. Not available in all locations. Restrictions may apply.

4 Discounts may not be available in all locations and are subject to change, other restrictions may apply.

5 The USAA SafePilot® and USAA SafePilot Miles™ programs are optional programs available with USAA Auto Insurance. Member must have an active USAA Auto Insurance policy and enroll in USAA SafePilot or USAA SafePilot Miles to receive discounts and/or mileage based rates. These programs are only available in select states. Program availability and state restrictions apply. Smartphone, data plan and download of the USAA DriveSafe™ App required. USAA SafePilot and USAA SafePilot Miles: Earned driving discount is offered at renewal and is based on driving behavior of all the rated drivers on the policy. Discount will vary by program selected and may vary by state. Discounts are subject to change over the life of the policy. USAA SafePilot program: Participation discount expires at first renewal in which the earned driving discount is applied, not to exceed 365 days. USAA SafePilot Miles program: This program is best for those comfortable with a monthly bill that varies and if you drive less than 8,000 miles per year. Review the Program Terms and Conditions for more information.

6 The United Services Automobile Association (USAA) Connected Home program is optional. Must have an active USAA Homeowners Insurance Policy and agree to share data from connected home devices to receive discount. Smartphone, eligible connected home devices, and download of the applicable vendor's app also required. This program is only available in select states. Program availability and state restrictions apply.

7 USAA Credit Toolbox™ provides a credit score calculated using the VantageScore® 3.0 model. VantageScore 3.0, with scores ranging from 300 to 850, is a user-friendly credit score model developed by the three major nationwide credit reporting agencies, Experian®, TransUnion®, and Equifax®. VantageScore 3.0 is used by some but not all lenders. Higher scores represent a greater likelihood that you'll pay back your debts so you are viewed as being a lower credit risk to lenders. A lower score indicates to lenders that you may be a higher credit risk

There are three different major credit reporting agencies, Experian, TransUnion, and Equifax that maintain a record of your credit history known as your credit file. Credit scores are based on the information in your credit file at the time it is requested. Your credit file information can vary from agency to agency because some lenders report your credit history to only one or two of the agencies. So your credit scores can vary if the information they have on file for you is different. Since the information in your file can change over time, your credit scores also may be different from day-to-day. Different credit scoring models can also give a different assessment of the credit risk (risk of default) for the same consumer and same credit file.

There are different credit scoring models which may be used by lenders and insurers. Your lender, including USAA Federal Savings Bank, may not use VantageScore 3.0, so don't be surprised if your lender gives you a score that's different from your VantageScore. (And your VantageScore 3.0 may differ from your score under other types of VantageScores). Just remember that your associated risk level is often the same even if the number is not. For some consumers, however, the risk assessment of VantageScore 3.0 could vary, sometimes substantially, from a lender's score. If the lender's score is lower than your VantageScore 3.0, it is possible that this difference can lead to higher interest rates and sometimes credit denial.

8 You will earn rewards based on your Qualifying Purchases. Qualifying Purchases are the Purchases of products or services that post to your Account, minus any returns, refunds, or other adjustments made with your Account by you or an Authorized User of your Account. Certain restrictions apply, including limitations if your Account becomes delinquent or closed. Transactions that are not Qualifying Purchases do not earn rewards. See the Reward Program Terms and Conditions for more information.

9 Walmart® – In store only. Minimum purchase amount to qualify for the offer is $10.01. © Copyright 2025 Walmart. All rights reserved. USAA Bank American Express® credit cards are not eligible for participation at Walmart retail locations.

10 Murphy USA® – Only at participating Murphy USA stations. Single use only, valid up to 20 gallons.

11 Eagle Express Term Life Insurance - Quotes are for estimate purposes only, and your actual premium will be determined after underwriting review and may vary by state, age, birth sex, and risk class. Risk class is determined by factors such as tobacco use, health, family medical history and lifestyle. Life insurance products may have limitations and conditions and may not be available in all states. Approval for coverage is based on your answers to underwriting questions and may require a medical exam. Premiums remain level for the duration of the policy. Form (ICC23506321 04-23) issued by USAA Life Insurance Company, San Antonio, TX 78288. Not available in New York.

12 Military Protection Plus is level term life insurance with Military Severe Injury Benefit Rider and Military Future Insurability Rider. Eagle Express Life Insurance: coverage and premiums remain level for the duration of the policy. Term Policy Form (ICC24516783 11-24) (may vary by state). Not available in New York. Military Severe Injury Benefit Rider provides $25,000 to help with the expenses in the event of certain injuries while performing eligible military duties. Rider Form LBR67140ST 05-07 (may vary by state). Military Future Insurability Rider provides an option to obtain additional life insurance coverage upon separation from the military, subject to rider terms and conditions and characterization of military separation. New policy's level term period is dependent on the length of base policy's remaining level term period. Rider Form ICC23509575 11-23 (may vary by state). Military Severe Injury Benefit Rider not available in New York.

13 Increases in coverage more than two times the base policy face amount up to the current maximum Servicemembers' Group Life Insurance (SGLI) amount depends on your health and is subject to underwriting approval.

14 Restrictions apply and are subject to change without notice.

15 Savings figures are based on information collected by Alliance Services Company, LLC and are based on purchases of discounted goods and services during the calendar years of 2020-2024. Due to the nature of individual member program usage, actual savings might differ from the estimated figures.

Use of the term "member" or "membership" refers to membership in USAA Membership Services and does not convey any legal or ownership rights in USAA. Restrictions apply and are subject to change. To join USAA, separated military personnel must have received a discharge type of Honorable or General Under Honorable Conditions. Eligible family members may also join USAA.

"USAA Bank" means USAA Federal Savings Bank.

USAA Federal Savings Bank offers deposit, credit card, consumer lending, mortgage, and other banking products and services. USAA Federal Savings Bank is a Member of FDIC. Credit card, mortgage and other lending products not FDIC-insured.

All credit cards subject to approval.

American Express is a federally registered service mark of American Express and is used by USAA Federal Savings Bank as the credit card issuer pursuant to a license.

Life insurance and annuities provided by USAA Life Insurance Company, San Antonio, TX and in New York by USAA Life Insurance Company of New York, Highland Falls, NY. All insurance products are subject to state availability, issue limitations and contractual terms and conditions. Each company has sole financial responsibility for its own products.

An annuity is a long-term insurance contract issued by an insurance company designed to provide a retirement income stream for life. Once the contract principal is converted into an income stream, you will no longer have access to your principal as a lump sum. Terms, conditions, limitations and surrender charges may apply.

The USAA Educational Foundation (the "Foundation") is a nonprofit organization sponsored by USAA. The purpose of the Foundation is to lead and inspire actions that improve financial readiness in the military and local community. Its resources are available online and free of charge. The Foundation does not endorse or promote any commercial supplier, product or service.

USAA is not affiliated with PreFix Inc., nor does it guarantee the quality of PreFix Inc. services. Although USAA receives compensation from and may promote and/or recommend the products offered by PreFix Inc., consumers should review the services carefully prior to making a purchasing decision. Restrictions apply and are subject to change.

PreFix Inc. - expected savings for single family home participating in PreFix program for one continuous 12-month period, utilizing 2 preventive maintenance visits and 1 PreFix Home Manager service visit for an appliance repair.

Property and casualty insurance underwritten by United Services Automobile Association (USAA), USAA Casualty Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, NOBLR Reciprocal Exchange, based in San Antonio, Texas; USAA Limited (UK) and USAA S.A. (Europe) and is available only to persons eligible for property and casualty group membership. Each company has sole financial responsibility for its own products. Coverages subject to the terms and conditions of the policy.

USAA Insurance Agency means USAA Insurance Agency, Incorporated or USAA of Texas Insurance Agency (collectively the "Agency"). California License #0D78305, Texas License #7096. 9800 Fredericksburg Road, San Antonio, Texas 78288. The Agency contracts with insurance carriers that are not affiliated with USAA and offers products and services ("third-party insurance products") on their behalf. Third-party insurance products are not underwritten by USAA or its affiliates. The Agency receives a commission on the sale or renewal of third-party insurance products and may receive other performance-based compensation from them. Purchase of third-party insurance products does not establish USAA membership. Product and coverage descriptions are brief. All coverages are subject to the terms and conditions of your policy. Read your policy for details. Product and coverage availability may vary in some locations and all applications for insurance are subject to underwriting by the insurance carrier.

Pet health insurance is administered by Embrace Pet Insurance Agency, Limited Liability Company (CA License 0G89328) and underwritten by one of the licensed insurers of American Modern Insurance Group, Incorporated, including American Modern Home Insurance Company doing business in California as American Modern Insurance Company (License Number 2222-8), and American Southern Home Insurance Company. Coverage is subject to policy terms, conditions, limitations, exclusions, underwriting, review, and approval, and may not be available for all risks or in all states. Rates and discounts vary, are determined by many factors and are subject to change. Wellness rewards are offered as a supplementary benefit to the pet health insurance policy and are not an insurance product. Wellness rewards are offered and administered by Embrace Pet Insurance Agency in the United States. The USAA Insurance Agency receives compensation on the sale or renewal of third-party products. © 2025 American Modern Insurance Group, Incorporated.

The USAA Perks program is provided through USAA Alliance Services LLC, a wholly owned subsidiary of USAA. USAA Alliance Services contracts with companies not affiliated with USAA to offer their products and services to members and customers. USAA Alliance Services receives compensation from these companies based on the sale of these products or services. When you purchase a product or service from one of these companies, that company is responsible for protecting your data and its processes and procedures may differ from those of USAA. These companies have sole financial responsibility for their products and services.

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