

Explanatory Memo

As discussed in our email to Will Wilder (Rates & Forms) December 15, 2025, a strategic review by USAA's senior leadership led to a recommendation to broaden subscriber eligibility to include tenured enlisted members. The purpose of this proposed expansion is to extend the benefits of subscriber membership to all those who have worn the uniform and demonstrated loyalty to USAA. The reciprocal subscribers approved the recommendation, and the USAA bylaws were updated to reflect that change.

We anticipate beginning the transition of tenured enlisted members from their current underwriting company to the reciprocal for policies effective mid-2027. The plan is for new subscribers to receive the USAA Subscribers Agreement and Limited Power of Attorney ("the Agreement") as an endorsement to their policies. They will indicate their acceptance of the terms of the Agreement by paying the premium. This will be a new, streamlined process that eliminates the need for signatures.

This filing consists of the Subscriber Member Endorsement ("the Endorsement") that will be added to all policies issued to subscribers insured through the USAA reciprocal for new and renewal business. The Endorsement contains the Agreement that is a requirement for a subscriber to be insured through the USAA reciprocal. The Agreement is the way that subscribers appoint an attorney-in-fact, as designated by the USAA board of directors ("the Board"), to issue policies of USAA under the Board's supervision. In addition, each subscriber agrees to be governed by the By-laws of USAA. The Endorsement includes the full terms and conditions of the Agreement.

We respectfully request an effective date of June 22, 2027, for both new and renewal business.