



**SUBSCRIBER'S  
ACCOUNT KEEPING USAA  
FINANCIALLY STRONG**

<sup>1</sup>There is no guarantee or promise of future Subscriber's Account allocations or distributions. Subscriber's Account applies only to policies issued by United Services Automobile Association (USAA) and not by any affiliated insurer. Subscriber's Accounts do not apply to policies written by other USAA affiliated companies, including USAA Limited, USAA Casualty Insurance Company, USAA County Mutual Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, and USAA Texas Lloyd's Company; to policies written through USAA Insurance Agency, Inc.; or to business assigned/accepted because of state insurance plans. Any Subscriber's Account allocation or distribution (other than Subscriber's Account distributions made after termination of membership) is subject to approval by the USAA Board of Directors in its sole discretion. All amounts credited to Subscriber's Accounts remain an asset of USAA until (i) a distribution approved by the USAA Board of Directors in its sole discretion is distributed, or (ii) a distribution is made after termination of membership in accordance with USAA Bylaws.

<sup>2</sup> A Subscriber's Account distribution is considered a return of premium, so it generally is considered tax-free to the members. Consult your tax adviser for more specific information.

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## **SUBSCRIBER'S ACCOUNTS ARE A UNIQUE FEATURE OF USAA MEMBERSHIP.**

When a member purchases his/her first property and casualty policy<sup>1</sup>, we open a Subscriber's Account in that member's name to hold a portion of USAA's capital. These accounts contribute to the financial strength of the association, are available to support current and future operations, and provide capital to satisfy legal and regulatory requirements.

## **HOW IS MONEY PUT IN A SUBSCRIBER'S ACCOUNT?**

If there are sufficient funds at the end of the year, the USAA Board of Directors may allocate funds to all Subscriber's Accounts, but these allocations are not guaranteed. The following factors affect the decision and how much money may be allocated:

- Regulatory and financial requirements
- Investment portfolio and operational performance
- Total property and casualty insurance premiums
- The member's Subscriber's Account balance

A first-year policyholder's allocation is based on a percentage of his/her property and casualty premiums. After the first year, the allocation is based on premiums paid by the member that year and the account's current balance.

**» IF YOU HAVE QUESTIONS ABOUT YOUR SUBSCRIBER'S ACCOUNT, CALL 1-800-495-5957.**

## **HOW IS MONEY DISTRIBUTED FROM A SUBSCRIBER'S ACCOUNT?**

When USAA's total capital exceeds that required by regulatory authorities or for the financial stability of USAA as determined by the USAA Board of Directors, a Subscriber's Account distribution may be authorized under rules formulated by the USAA Board of Directors<sup>2</sup>. If authorized, funds will be disbursed in December.

To recognize members with more than 40 years of membership, the USAA Board of Directors may also authorize a Senior Bonus, which is an additional distribution from the member's Subscriber's Account. If authorized, funds will be disbursed in February.

## **CAN I MAKE DEPOSITS OR WITHDRAWALS FROM MY SUBSCRIBER'S ACCOUNT?**

No, this is not a bank account where you can make deposits or withdrawals. Rather, it's an account in your name where USAA capital is held and managed by the USAA Board of Directors, according to the USAA Bylaws.

Because these accounts are an integral part of USAA's capital structure, they are managed by the Board of Directors. The account remains in the member's name as long as he/she has at least one property and casualty policy with USAA. When a member terminates all property and casualty policies, the balance of the Subscriber's Account is disbursed about six months later. After the termination of all of a member's property and casualty policies, the member must reapply and go through the underwriting process to re-establish coverage.