

## Serving the Military

An Interview with Wayne Peacock, President and Chief Executive Officer, USAA

**EDITORS' NOTE** Wayne Peacock has more than 30 years of experience at USAA. A proud USAA member since 1990, Peacock joined the company in 1988 in its real estate investment subsidiary and has served on the Executive Council since 2006. During his three decades at USAA, he has led teams across the organization, including contact centers, information technology, shared services, strategy, marketing and communications, security, and corporate real estate.



Wayne Peacock

Before becoming CEO in February 2020, Peacock was president of USAA's Property & Casualty Insurance Group, the fifth-largest auto insurance carrier and third-largest homeowners insurance carrier. Peacock is a member of USAA's Board of Directors and USAA's Federal Savings Bank Board of Directors. He is a member of the Business Roundtable, an association of CEOs of America's leading companies, and an inaugural member of the Federal Reserve Board's Insurance Policy Advisory Committee. He also serves on the Board of Trustees of The Institutes, a leading risk management and insurance knowledge provider, and on the Board of Directors for the Insurance Information Institute. He is past chairman of the San Antonio Economic Development Foundation. Peacock is active in various industry and trade groups and co-led the Mayor's Task Force on Corporate Recruitment and Retention in San Antonio. A proud Eagle Scout, he served on the executive board of the Alamo Area Council of the Boy Scouts of America. An industry leader, P&C Specialist ranked him fifth on its Top 25 Leaders of Personal Lines list of influencers and Fast Company named him among the 100 most creative people in business. Peacock graduated from Tulane University with a BA in economics. He has completed executive education programs at Harvard, Duke and Stanford universities and the American Institute of CPCU Executive Education Program at the Wharton School of the University of Pennsylvania.

**COMPANY BRIEF** Founded in 1922 by a group of military officers, USAA ([usaa.com](http://usaa.com)) is among the leading providers of insurance, banking and investment and retirement solutions to more than 13 million members of the U.S. military, veterans who have honorably served

and their families. Headquartered in San Antonio, Texas, USAA has offices in seven U.S. cities and three overseas locations and employs approximately 36,000 people worldwide. Each year, the company contributes to national and local nonprofits in support of military families and communities where employees live and work.

**Will you highlight the history and heritage of USAA and how the company has evolved?**

United Services Automobile Association (USAA) was founded as a business cooperative by 25 U.S. armed forces officers on June 20, 1922, in San Antonio, Texas. At the time, many Army officers – including our founders – had difficulty getting adequate insurance for their cars. They formed USAA to support each other with a self-insurance solution. Through the years, we expanded USAA's product and service offerings to meet the changing needs of the military community, adding insurance protection for homes, possessions and life; banking; and investing. Membership was also extended from Army officers to other military branches (1923), to enlisted (1996) and eventually to include all who have honorably served in the military (2009) and their families. Today USAA ranks 94th (2020) on the Fortune 500, and we have more than 13 million members. We employ approximately 36,000 people across the U.S. and in select European locations.

Our founders knew what it meant to serve, and that approach remains a tagline for USAA today. Our association aims to know the military better than anyone so we can serve military families better than any other financial services company. More than 20 percent of our workforce has a direct connection to the military, either through their own service or as a military spouse. Respect for the core values associated with military life is interwoven into USAA's mission and celebrated by employees through such events as companywide branch birthday celebrations, guest speakers, and charitable giving and volunteering that support military causes. All these efforts are designed to increase military acumen and appreciation among all our teammates.

**What have been the keys to the strength and leadership of USAA and how do you describe the USAA culture?**

USAA's core values – service, loyalty, honesty, integrity – are modeled after those of the military and keep us focused on our mission to serve the financial needs of the military community. Military life is an integral part of USAA's culture, and our core values reflect how we put our mission into action – how we behave, make decisions, treat each other and serve our members. These values also are key to how we treat our USAA teammates and represent our brand outside our walls.

Building a culture takes time and effort from everyone across the organization. At USAA, that starts with remaining grounded in our mission and focused on the members we serve. This is emphasized from the first day on the job for every employee. New Employee Orientation combines an introduction to USAA with a celebration of the military. We sustain military awareness and appreciation by starting each USAA event, meeting or presentation with reflection on our mission. This serves as a repeated reminder of the need to maintain an enduring connection to the mission in all we do.

Our core values also are modeled by leaders in how they interact with and lead their teams, creating inclusive environments that foster a feeling of belonging and encouragement to be authentic.

**Will you provide an overview of USAA's products and services?**

Our focus is on providing advice coupled with insurance and banking solutions that will help our members achieve financial security. Our products range from auto, home, renters and life insurance to credit card, checking, savings, and home and auto loans. Additionally, in the last few years, we teamed up with Victory Capital and Charles Schwab to offer our members a vast array of affordable investment options.

**At USAA, you have members – not customers or clients. Why is that a meaningful distinction for you?**

Being a member implies a deeper relationship than simply being a customer. USAA members are part of a family that shares common values. We have their backs. They recommend us, defend us and act as our constant inspiration through the example of their selfless service. Our strategic direction is guided by what will benefit our membership. We are hyper-focused on keeping members' needs at the forefront. Operations are built to make members' lives easier.

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**How has USAA adapted its business to address the challenges caused by the pandemic and how proud are you to see the resilience of the USAA workforce during this challenging and uncertain time?**

The pandemic required us to think quicker and be more innovative in how we manage and empower our workforce. When we are working at a faster pace, as we have since March 2020, we use the best information we have to make the best decisions we can and we commit to change and adapt as needed. Agility matters.

Before the pandemic, members already could conduct most USAA banking and insurance transactions digitally or by phone. We had hoped to facilitate nearly 100 percent contactless insurance claims by 2022. Last year’s events pushed us to make significant, accelerated strides in that direction, and in some cases, we reduced the time it takes to complete an insurance claim from hours to seconds.

For years before the pandemic, we had wrestled with the puzzle of accommodating more employees to work from home. In March 2020, we successfully transitioned approximately 30,000 employees to work from home – in just nine days. Combined with the thousands already permanently working from home, that added up to approximately 98 percent of our workforce working remotely. We provided equipment and during the early days of the pandemic, we provided groceries and prepared food from drive-thru sites at many of our campus locations. Also, we offered employees free coronavirus testing and treatment, three weeks of paid emergency leave, and a \$1,000 bonus to help ease some of the financial stress caused by the pandemic.

We are actively reimagining the workplace and workforce of the future with innovations in recruiting and hiring talent. The success of working from home over the last year has allowed us to draw the best talent from anywhere, increasing our competitiveness and boosting the diversity USAA needs to remain relevant and attuned to member needs. In addition, we are committed to upskilling our current employees by creating robust learning experiences and career development opportunities that include holistic, personalized and remote learning programs.

**How critical is it for USAA to build a diverse and inclusive workforce in order to bring diverse perspectives and experiences to the table when making business decisions?**

The military community is incredibly diverse. Our membership reflects that, and so should our workforce. We want to be able to engage members in ways that reflect their unique experiences and needs. Those are just a few reasons why diversity and inclusion is one of our six strategic priorities at USAA. We’ve spent a lot of time over the past year encouraging and participating in candid conversations about diversity. It is important to ask questions and listen to ideas so that we can achieve our goal of a more diverse, inclusive environment. It will benefit our members and enable all employees to feel like they belong and that they have the opportunity to reach their full potential at work. We recognize that employees scrutinize how a company enables D&I to help determine if they want to work there, so it is important for building a strong workforce in the future. Also, we believe healthy D&I enables USAA to be a more effective corporate citizen in the communities where we live and work.

For several years we have supported a variety of D&I business working groups. Last year we created a CEO D&I Council to help us develop action steps that will make our D&I goals a reality. Also last year, we announced a three-year, \$50 million commitment to advance racial equity in the cities where USAA has a presence as an employer.

We believe that when more voices and perspectives are heard, we make better decisions for members and employees.

**Will you discuss USAA’s corporate responsibility efforts and focus on community engagement?**

USAA has a noble mission to facilitate the financial security of military families who make great sacrifices to preserve and protect our enduring freedoms. Beyond providing highly competitive products and services, we are committed to serving the communities where we live and work.

Since the onset of the pandemic, USAA and The USAA Foundation, Inc., have committed nearly \$41 million to support military-focused and local nonprofits helping those in need in our communities. This includes \$20

million for U.S. military aid societies and organizations serving active duty military, veterans and their families.

Attention to corporate responsibility and community engagement is a way of life for USAA. Last year, employees continued their longstanding tradition of giving by donating \$10.1 million to nonprofit organizations. Because USAA matched employee donations, dollar for dollar, up to \$1,000 per employee last year, the giving was multiplied. Even amid the pandemic, employees still volunteered more than 185,000 hours to help support their communities in 2020.

**What do you see as the keys to effective leadership and how do you define your management style?**

On my first day as CEO, I made five commitments to employees and members:

- To serve with excellence
- To serve with integrity
- To protect the membership and our Association
- To create an environment where employees can be and do their best every day
- To prepare USAA for its second century, which starts next year

Leadership is a challenge, no matter what career you choose and regardless of the obstacles before you. I think it’s critical for leaders to choose their own personal mindset, lead from the front, advocate for change and inspire no matter the challenge. Rather than focusing on what’s hard, great leaders look at these challenges as periods of opportunity when they can match their skills and passions to solve problems and map a positive course forward.

**What advice do you offer to young people beginning their careers during this difficult and unprecedented time?**

Be a great teammate. Build skills now in being competent, trustworthy, respectful and reliable. Do what you say you’re going to do, every single time. Develop strong analytical skills. Corporate America will live and die on the ability to gather, understand and use data to problem solve. Use both sides of your brain. People who can equally use the creative and analytical sides of their brains will be the most successful in leading companies in the future. Be aspirational. Set goals to leave whatever you work on better than you find it. ●