

U-HAUL HOLDING CO /NV/

FORM 10-K (Annual Report)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended March 31, 2019

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

**Commission
File Number**

**Registrant, State of Incorporation
Address and Telephone Number**

**I.R.S. Employer
Identification No.**

AMERCO

1-11255

AMERCO

88-0106815

(A Nevada Corporation)

5555 Kietzke Lane, Ste. 100

Reno, Nevada 89511

Telephone (775) 688-6300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common stock, \$0.25 par value

NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of AMERCO common stock held by non-affiliates on September 28, 2018 was \$3,167,360,502. The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on such date. Shares held by executive officers, directors and persons owning directly or indirectly more than 5% of the outstanding common stock have been excluded from the preceding number because such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at May 24, 2019.

Documents incorporated by reference: portions of AMERCO's definitive proxy statement for the 2019 annual meeting of stockholders, to be filed within 120 days after AMERCO's fiscal year ended March 31, 2019, are incorporated by reference into Part III of this report.

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PART I

Item 1. Business

Company Overview

We are North America's largest "do-it-yourself" moving and storage operator through our subsidiary U-Haul International, Inc. ("U-Haul"). U-Haul is synonymous with "do-it-yourself" moving and storage and is a leader in supplying products and services to help people move and store their household and commercial goods. Our primary service objective is to "provide a better and better product and service to more and more people at a lower and lower cost." Unless the context otherwise requires, the terms "AMERCO," "Company," "we," "us," or "our" refer to AMERCO, a Nevada corporation, and all of its legal subsidiaries, on a consolidated basis.

We were founded in 1945 as a sole proprietorship under the name "U-Haul Trailer Rental Company" and have rented trailers ever since. Starting in 1959, we rented trucks on a one-way and in-town basis exclusively through independent U-Haul[®] dealers. In 1973, we began developing our network of U-Haul[®] managed retail stores, through which we rent our trucks and trailers, self-storage units and portable moving and storage units and sell moving and self-storage products and services to complement our independent dealer network.

We rent our distinctive orange and white U-Haul[®] trucks and trailers as well as offer self-storage units through a network of 1,981 Company-operated retail moving stores and over 20,000 independent U-Haul[®] dealers. We also sell U-Haul[®] brand boxes, tape and other moving and self-storage products and services to "do-it-yourself" moving and storage customers at all of our distribution outlets and through our uhaul.com[®] and [eMove](http://emove.com)[®] websites.

We believe U-Haul[®] is the most convenient supplier of products and services addressing the needs of the United States and Canada's "do-it-yourself" moving and storage markets. Our broad geographic coverage throughout the United States and Canada and our extensive selection of U-Haul[®] brand moving equipment rentals, self-storage units, portable moving and storage units and related moving and storage products and services provide our customers with convenient "one-stop" shopping.

Since 1945, U-Haul[®] has incorporated sustainable practices into its everyday operations. We believe that our basic business premise of equipment sharing helps reduce greenhouse gas emissions and reduces the inventory of total large capacity vehicles. We continue to look for ways to reduce waste within our business and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

Through Repwest Insurance Company ("Repwest") and ARCOA Risk Retention Group ("ARCOA"), our property and casualty insurance subsidiaries, we manage the property, liability and related insurance claims processing for U-Haul[®]. Oxford Life Insurance Company ("Oxford"), our life insurance subsidiary, sells life insurance, Medicare supplement insurance, annuities and other related products to the senior market.

Available Information

AMERCO[®] and U-Haul[®] are each incorporated in Nevada. The internet address for U-Haul is uhaul.com. On AMERCO's investor relations website, amerco.com, we post the following filings as soon as practicable after they are electronically filed with or furnished to the United States Securities and Exchange Commission ("SEC"): our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, proxy statements related to meetings of our stockholders, and any amendments to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We also use our investor relations website as a means of disclosing material information and for complying with our disclosure obligations under Regulation FD. All such filings on our website are available free of charge. Additionally, you will find these materials on the SEC's website at sec.gov.

Products and Rental Equipment

Our customers are primarily “do-it-yourself” household movers. U-Haul[®] moving equipment is specifically designed, engineered and manufactured for the “do-it-yourself” household mover. These “do-it-yourself” movers include individuals and families moving their belongings from one home to another, college students moving their belongings, vacationers and sports enthusiasts needing extra space or having special towing needs, people trying to save on home furniture and home appliance delivery costs, and “do-it-yourself” home remodeling and gardening enthusiasts who need to transport materials.

As of March 31, 2019, our rental fleet consisted of approximately 167,000 trucks, 120,000 trailers and 43,000 towing devices. This equipment and our U-Haul brand of self-moving products and services are available through our network of managed retail moving stores and independent U-Haul dealers. Independent U-Haul dealers receive rental equipment from the Company, act as rental agents and are paid a commission based on gross revenues generated from their U-Haul[®] rentals.

Our rental truck chassis are engineered by domestic truck manufacturers. These chassis are joined with the U-Haul[®] designed and manufactured van boxes primarily at U-Haul[®] operated manufacturing and assembly facilities strategically located throughout the United States. U-Haul[®] rental trucks feature our proprietary Lowest DeckSM, which provides our customers with extra ease of loading. The loading ramps on our trucks are the widest in the industry, which reduce the effort needed to move belongings. Our trucks are fitted with convenient, padded rub rails with tie downs on every interior wall. Our Gentle Ride SuspensionSM helps our customers safely move delicate and prized possessions. Also, the engineers at our U-Haul Technical Center determined that the softest ride in our trucks was at the front of the van box. Consequently, we designed the part of the van box that hangs over the front cab of the truck to be the location for our customers to place their most fragile items during their move. We call this area Mom's Attic[®].

Our distinctive trailers are also manufactured at these same U-Haul[®] operated manufacturing and assembly facilities. These trailers are well suited to the low profile of many of today's newly manufactured automobiles. Our engineering staff is committed to making our trailers easy to tow, safe, aerodynamic and fuel efficient.

To provide our self-move customers with added value, our rental trucks and trailers are designed with fuel efficiency in mind. Many of our trucks are fitted with fuel economy gauges, another tool that assists our customers in conserving fuel. To help make our rental equipment more reliable, we routinely perform extensive preventive maintenance and repairs.

We also provide customers with equipment to transport their vehicles. We provide two towing options: auto transport, in which all four wheels are off the ground, and a tow dolly, in which the front wheels of the towed vehicle are off the ground.

To help our customers load their boxes and larger household appliances and furniture, we offer several accessory rental items. Our utility dolly has a lightweight design and is easy to maneuver. Another rental accessory is our four wheel dolly, which provides a large, flat surface for moving dressers, wall units, pianos and other large household items. U-Haul[®] appliance dollies provide the leverage needed to move refrigerators, freezers, washers and dryers easily and safely. These utility, furniture and appliance dollies, along with the low decks and the wide loading ramps on U-Haul[®] trucks and trailers, are designed for easy loading and unloading of our customers' belongings.

The total package U-Haul[®] offers to the “do-it-yourself” household mover doesn't end with trucks, trailers and accessory rental items. Our moving supplies include a wide array of affordably priced U-Haul[®] brand boxes, tape and packing materials. We also provide specialty boxes for dishes, computers and sensitive electronic equipment, as well as tape, security locks, and packing supplies. U-Haul[®] brand boxes are specifically sized to make loading easier.

We estimate that U-Haul[®] is North America's largest seller and installer of hitches and towing systems. In addition to towing U-Haul[®] equipment, these hitching and towing systems can tow jet skis, motorcycles, boats, campers and horse trailers. Each year, more than one million customers visit our locations for expertise on complete towing systems, trailer rentals and the latest in towing accessories.

U-Haul[®] has one of North America's largest propane refilling networks, with over 1,100 locations providing this convenient service. We employ trained, certified personnel to refill propane cylinders and alternative fuel vehicles. Our network of propane dispensing locations is one of the largest automobile alternative refueling networks in North America.

Our self-storage business was a natural outgrowth of our self-moving operations. Conveniently located U-Haul[®] self-storage rental facilities provide clean, dry and secure space for storage of household and commercial goods. Storage units range in size from 6 square feet to over 1,000 square feet. As of March 31, 2019, we operate 1,631 self-storage locations in the United States and Canada, with nearly 697,000 rentable storage units comprising 60.7 million square feet of rentable storage space. Our self-storage centers feature a wide array of security measures, ranging from electronic property access control gates to individually alarmed storage units. At many centers, we offer climate-controlled storage units to protect temperature sensitive goods such as video tapes, albums, photographs and precious wood furniture.

Another extension of our strategy to make "do-it-yourself" moving and storage easier is our U-Box[®] program. A U-Box[®] portable moving and storage unit is delivered to a location of our customer's choosing either by the customers themselves through the use of a U-Box[®] trailer, with the assistance of a Moving Helper or by Company personnel. Once the U-Box[®] portable moving and storage unit is filled, it can be stored at the customer's location, or taken to one of our Company operated locations, a participating independent dealer, or moved to a location of the customer's choice.

Additionally, we offer moving and storage protection packages such as Safemove[®] and Safetow[®]. These programs provide moving and towing customers with a damage waiver, cargo protection and medical and life insurance coverage. Safestor[®] provides protection for storage customers from loss on their goods in storage. Safestor Mobile[®] provides protection for customers stored belongings when using our U-Box[®] portable moving and storage units. For our customers who desire additional coverage over and above the standard Safemove[®] protection, we also offer our Safemove Plus[®] product. This package provides the rental customer with a layer of primary liability protection.

We believe that through our website, uhaul.com, we have aggregated the largest network of customers and independent businesses in the self-moving and self-storage industry. In particular, our Moving Helper program connects "do-it-yourself" movers with thousands of independent service providers in the United States and Canada to assist our customers in packing, loading, unloading, cleaning and performing other services.

Through the U-Haul Storage Affiliates[®] program, independent storage businesses can join one of the world's largest self-storage reservation systems. Self-storage customers making a reservation through uhaul.com[®] can access all of the U-Haul self-storage centers and all of our independent storage affiliate partners for even greater convenience to meet their self-storage needs. For the independent storage operator, our network gives them access to products and services allowing them to compete with larger operators more cost effectively.

We own numerous trademarks and service marks that contribute to the identity and recognition of our Company and its products and services. Certain of these marks are integral to the conduct of our business, a loss of any of which could have a material adverse affect on our business. We consider the trademark "U-Haul[®]" to be of material importance to our business in addition, but not limited to, the U.S. trademarks and service marks "AMERCO[®]", "eMove[®]", "Gentle Ride SuspensionSM", "In-Town[®]", "Lowest DecksSM", "Moving made Easier[®]", "Make Moving Easier[®]", "Mom's Attic[®]", "Moving Help[®]", "Moving Helper[®]", "Safemove[®]", "Safemove Plus[®]", "Safestor[®]", "Safestor Mobile[®]", "Safetow[®]", "U-Box[®]", "uhaul.com[®]", "U-Haul Investors Club[®]", "U-Haul Truck Share[®]", "U-Haul Truck Share 24/7[®]", "U-Note[®]", "WebSelfStorage[®]", and "U-Haul Smart Mobility Center[®]", among others, for use in connection with the moving and storage business.

Description of Operating Segments

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO[®], U-Haul[®], and Amerco Real Estate Company ("Real Estate"), and the subsidiaries of U-Haul[®] and Real Estate,
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA, and
- Life Insurance, comprised of Oxford and its subsidiaries.

Financial information for each of our operating segments is included in the Notes to Consolidated Financial Statements as part of Item 8: Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Moving and Storage Operating Segment

Moving and Storage operating segment ("Moving and Storage") consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

Net revenue from Moving and Storage was approximately 94.0%, 91.3% and 90.8% of consolidated net revenue in fiscal 2019, 2018 and 2017, respectively.

The total number of rental trucks in the fleet increased during fiscal 2019 as the pace of new additions was greater than those trucks removed for retirement and sale. These additions and replacements to the fleet were a combination of U-Haul® manufactured vehicles and purchases. As new trucks are added to the fleet, we typically remove older trucks from the fleet.

Within our truck and trailer rental operation, we are focused on expanding our independent dealer network to provide added convenience for our customers. U-Haul® maximizes vehicle utilization by managing distribution of the truck and trailer fleets among the 1,981 Company-operated stores and 20,000 independent dealers. Utilizing its proprietary reservations management system, our centers and dealers electronically report their inventory in real-time, which facilitates matching equipment to customer demand. Over half of all U-Move® rental revenue originated from our operated centers.

At our owned and operated retail stores we are implementing new initiatives to improve customer service. These initiatives include improving management of our rental equipment to provide our retail centers with the right type of rental equipment, at the right time and at the most convenient location for our customers, effectively marketing our broad line of self-moving related products and services, expanding accessibility to provide more convenience to our customers, and enhancing our ability to properly staff locations during our peak hours of operations by attracting and retaining "moonlighters" (part-time U-Haul® employees with full-time jobs elsewhere) during our peak hours of operation. As of April 2017, U-Haul expanded its offering of U-Haul Truck Share 24/7® to our entire network in the United States and Canada. U-Haul currently has several U.S. Patents pending on its U-Haul Truck Share 24/7® system.

Our self-moving related products and services, such as boxes, pads and insurance, help our customers have a better moving experience and help them to protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the "do-it-yourself" moving and storage customer in mind.

Our self-storage business operations consist of the rental of self-storage units, portable moving and storage units, sales of self-storage related products, the facilitation of sales of services, and the management of self-storage facilities owned by others.

U-Haul® is one of the largest North American operators of self-storage and has been a leader in the self-storage industry since 1974. U-Haul® operates nearly 697,000 rentable storage units, comprising 60.7 million square feet of rentable storage space with locations in 50 states and 10 Canadian provinces. Our owned and managed self-storage facility locations range in size up to 309,000 square feet of storage space, with individual storage units in sizes ranging from 6 square feet to over 1,000 square feet.

The primary market for storage units is the storage of household goods. We believe that our self-storage services provide a competitive advantage through such things as Max Security, an electronic system that monitors the storage facility 24 hours a day, climate control in select units, individually alarmed units, extended hours access, and an internet-based customer reservation and account management system.

Moving Help[®] and U-Haul Storage Affiliates[®] on uhaul.com are online marketplaces that connect consumers to independent Moving Help[®] service providers and thousands of independent Self-Storage Affiliates. Our network of customer-rated Moving Help[®] and affiliates provide pack and load help, cleaning help, self-storage and similar services all over the United States and Canada. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Compliance with environmental requirements of federal, state and local governments significantly affects our business. Our truck and trailer rental business is subject to regulation by various federal, state and foreign governmental entities. Specifically, the U.S. Department of Transportation and various state, federal and Canadian agencies exercise broad powers over our motor carrier operations, safety, and the generation, handling, storage, treatment and disposal of waste materials. In addition, our storage business is also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Environmental laws and regulations are complex, change frequently and could become more stringent in the future.

Moving and Storage business is seasonal and our results of operations and cash flows fluctuate significantly from quarter to quarter. Historically, revenues have been stronger in the first and second fiscal quarters due to the overall increase in moving activity during the spring and summer months. The fourth fiscal quarter is generally our weakest.

Property and Casualty Insurance Operating Segment

Our Property and Casualty Insurance operating segment ("Property and Casualty Insurance") provides loss adjusting and claims handling for U-Haul through regional offices across the United States and Canada. Property and Casualty Insurance also underwrites components of the Safemove[®], Safetow[®], Safemove Plus[®], Safestore Mobile[®] and Safestor[®] protection packages to U-Haul customers. We attempt to price our products to be a good value to our customers. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs.

Net revenue from Property and Casualty Insurance was approximately 1.9%, 2.0% and 2.0% of consolidated net revenue in fiscal 2019, 2018 and 2017, respectively.

Life Insurance Operating Segment

Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Net revenue from Life Insurance was approximately 4.1%, 6.7% and 7.2% of consolidated net revenue in fiscal 2019, 2018 and 2017, respectively.

Employees

As of March 31, 2019, we employed over 30,000 people throughout the United States and Canada with approximately 99% of these employees working within Moving and Storage and approximately 54% of these employees working on a part-time basis.

Sales and Marketing

We promote U-Haul[®] brand awareness through direct and co-marketing arrangements. Our direct marketing activities consist of web-based initiatives, print and social media as well as trade events, movie and television cameos of our rental fleet and boxes, and industry and consumer communications. We believe that our rental equipment is our best form of advertisement. We support our independent U-Haul[®] dealers through marketing U-Haul[®] moving and self-storage rentals, products and services.

Our marketing plan focuses on maintaining our leadership position in the "do-it-yourself" moving and storage industry by continually improving the ease of use and economy of our rental equipment, by providing added convenience to our retail centers, through independent U-Haul dealers, and by expanding the capabilities of our U-Haul websites.

A significant driver of rental transaction volume is our utilization of an online reservation and sales system, through uhaul.com and our 24-hour 1-800-GO-U-HAUL telephone reservations system. These points of contact are prominently featured and are a major driver of customer lead sources.

Competition

Moving and Storage Operating Segment

The truck rental industry is highly competitive and includes a number of significant national, regional and local competitors. Generally speaking, we consider there to be two distinct users of rental trucks: commercial and “do-it-yourself” residential users. We primarily focus on the “do-it-yourself” residential user. Within this segment, we believe the principal competitive factors are convenience of rental locations, availability of quality rental moving equipment, breadth of essential products and services, and total cost to the user. Our major national competitors in both the in-town and one-way moving equipment rental market include Avis Budget Group, Inc. and Penske Truck Leasing. We have numerous competitors throughout the United States and Canada who compete with us in the in-town market.

The self-storage market is large and very fragmented. We believe the principal competitive factors in this industry are convenience of storage rental locations, cleanliness, security and price. Our largest competitors in the self-storage market are Public Storage Inc., Extra Space Storage, Inc., CubeSmart and Life Storage, Inc.

Insurance Operating Segments

The insurance industry is highly competitive. In addition, the marketplace includes financial services firms offering both insurance and financial products. Some of the insurance companies are owned by stockholders and others are owned by policyholders. Many competitors have been in business for a longer period of time or possess substantially greater financial resources and broader product portfolios than our insurance companies. We compete in the insurance business based upon price, product design, and services rendered to agents and policyholders.

Financial Data of Segment and Geographic Areas

For financial data of our segments and geographic areas please see Note 21, Financial Information by Geographic Area, and Note 21A, Consolidating Financial Information by Consolidating Industry Segment, of our Notes to Consolidated Financial Statements.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K (“Annual Report”), contains “forward-looking statements” regarding future events and our future results of operations. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Such statements may include, but are not limited to, estimates of capital expenditures, plans for future operations, products or services, financing needs and plans, our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us, liquidity and the availability of financial resources to meet our needs, goals and strategies, plans for new business, storage occupancy, growth rate assumptions, pricing, costs, and access to capital and leasing markets the impact of our compliance with environmental laws and cleanup costs, our used vehicle disposition strategy, the sources and availability of funds for our rental equipment and self-storage expansion and replacement strategies and plans, our plan to expand our U-Haul storage affiliate program, that additional leverage can be supported by our operations and business, the availability of alternative vehicle manufacturers, our estimates of the residual values of our equipment fleet, our plans with respect to off-balance sheet arrangements, our plans to continue to invest in the U-Box[®] program, the impact of interest rate and foreign currency exchange rate changes on our operations, the sufficiency of our capital resources and the sufficiency of capital of our insurance subsidiaries as well as assumptions relating to the foregoing. The words “believe,” “expect,” “anticipate,” “plan,” “may,” “will,” “could,” “estimate,” “project” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could significantly affect results include, without limitation, the risk factors enumerated below under the heading "Risk Factors" and other factors described in this Annual Report or the other documents we file with the SEC. These factors, the following disclosures, as well as other statements in this Annual Report and in the Notes to Consolidated Financial Statements, could contribute to or cause such risks or uncertainties, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized. We assume no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise, except as required by law.

Item 1A. Risk Factors

The following discussion of risk factors should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Consolidated Financial Statements and related notes. These risk factors may be important in understanding this Annual Report or elsewhere.

We operate in a highly competitive industry.

The truck rental industry is highly competitive and includes a number of significant national, regional and local competitors. We believe the principal competitive factors in this industry are convenience of rental locations, availability of quality rental moving equipment, breadth of essential services and products and total cost. Financial results for the Company can be adversely impacted by aggressive pricing from our competitors. Some of our competitors may have greater financial resources than we have. We cannot assure you that we will be able to maintain existing rental prices or implement price increases. Moreover, if our competitors reduce prices and we are not able or willing to do so as well, we may lose rental volume, which would likely have a materially adverse effect on our results of operations. Numerous potential competitors are working to establish paradigm shifting technologies from self-driving vehicles to ride-hailing services and other technologies that connect riders with vehicles.

The self-storage industry is large and highly fragmented. We believe the principal competitive factors in this industry are convenience of storage rental locations, cleanliness, security and price. Competition in the market areas in which we operate is significant and affects the occupancy levels, rental rates and operating expenses of our facilities. Competition might cause us to experience a decrease in occupancy levels, limit our ability to raise rental rates or require us to offer discounted rates that would have a material effect on results of operations and financial condition. Entry into the self-storage business may be accomplished through the acquisition of existing facilities by persons or institutions with the required initial capital. Development of new self-storage facilities is more difficult however, due to land use, zoning, environmental and other regulatory requirements. The self-storage industry has in the past experienced overbuilding in response to perceived increases in demand. We cannot assure you that we will be able to successfully compete in existing markets or expand into new markets.

We are highly leveraged.

As of March 31, 2019, we had total debt outstanding of \$4,210.2 million and total undiscounted operating and ground lease commitments of \$148.0 million. Although we believe, based on existing information, that additional leverage can be supported by our operations and revenues, our existing debt could impact us in the following ways among other considerations:

- require us to allocate a considerable portion of cash flows from operations to debt service and lease payments;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to obtain additional financing; and
- place us at a disadvantage compared to our competitors who may have less debt.

Our ability to make payments on our debt and leases depends upon our ability to maintain and improve our operating performance and generate cash flow. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, some of which are beyond our control. If we are unable to generate sufficient cash flow from operations to service our debt and meet our other cash needs, including our leases, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness and leases. If we must sell our assets, it may negatively affect our ability to generate revenue. In addition, we may incur additional debt or leases that would exacerbate the risks associated with our indebtedness.

Uncertainty regarding LIBOR may adversely impact our indebtedness under our credit and loan facilities.

On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time whether or not LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. In addition, in April 2018, the Federal Reserve System, in conjunction with the Alternative Reference Rates Committee, announced the replacement of LIBOR with a new index, calculated by short-term repurchase agreements collateralized by U.S. Treasury securities, called the Secured Overnight Financing Rate ("SOFR"). At this time, it is not possible to predict whether SOFR will attain market traction as a LIBOR replacement. Additionally, the future of LIBOR at this time is uncertain. Potential changes, or uncertainty related to such potential changes, may adversely affect the market for LIBOR-based securities, including our portfolio of LIBOR-indexed, floating-rate debt securities, or the cost of our borrowings. In addition, changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based securities, including the value of the LIBOR-indexed, floating-rate debt securities in our portfolio, or the cost of our borrowings. Additionally, if LIBOR ceases to exist, we may need to renegotiate our credit and loan facilities extending beyond 2021 that utilize LIBOR as a factor in determining the interest rate and certain of our existing credit facilities to replace LIBOR with the new standard that is established. The potential effect of the phase-out or replacement of LIBOR on our cost of capital and net investment income cannot yet be determined.

Economic conditions, including those related to the credit markets, may adversely affect our industry, business and results of operations.

Consumer and commercial spending is generally affected by the health of the economy, which places some of the factors affecting the success of our business beyond our control. Our businesses, although not as traditionally cyclical as some, could experience significant downturns in connection with or in anticipation of, declines in general economic conditions. In times of declining consumer spending we may be driven, along with our competitors, to reduce pricing which would have a negative impact on gross profit. We cannot predict if another downturn in the economy will occur, which could result in reduced revenues and working capital.

Should credit markets in the United States tighten or if interest rates increase significantly, we may not be able to refinance existing debt or find additional financing on favorable terms, if at all. If one or more of the financial institutions that support our existing credit facilities fails or opts not to continue to lend to us, we may not be able to find a replacement, which would negatively impact our ability to borrow under credit facilities. If our operating results were to worsen significantly and our cash flows or capital resources prove inadequate, or if interest rates increase significantly, we could face liquidity problems that could materially and adversely affect our results of operations and financial condition.

Our fleet rotation program can be adversely affected by financial market conditions.

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Our rental truck fleet rotation program is funded internally through operations and externally from debt and lease financing. Our ability to fund our routine fleet rotation program could be adversely affected if financial market conditions limit the general availability of external financing. This could lead us to operate trucks longer than initially planned and/or reduce the size of the fleet, either of which could materially and negatively affect our results of operations.

Another important aspect of our fleet rotation program is the sale of used rental equipment. The sale of used equipment provides us with funds that can be used to purchase new equipment. Conditions may arise that could lead to the decrease in demand and/or resale values for our used equipment. This could have a material adverse effect on our financial results, which could result in substantial losses on the sale of equipment and decreases in cash flows from the sales of equipment.

We obtain our rental trucks from a limited number of manufacturers.

Over the last twenty years, we purchased the majority of our rental trucks from Ford Motor Company and General Motors Corporation. Our fleet can be negatively affected by issues our manufacturers may face within their own supply chain. Also, it is possible that our suppliers may face financial difficulties or organizational changes which could negatively impact their ability to accept future orders or fulfill existing orders. The cost of acquiring new rental trucks could increase materially and negatively affect our ability to rotate new equipment into the fleet. Although we believe that we could contract with alternative manufacturers for our rental trucks, we cannot guarantee or predict how long that would take. In addition, termination of our existing relationship with these suppliers could have a material adverse effect on our business, financial condition or results of operations for an indefinite period of time.

A substantial amount of our shares is owned by a small contingent of stockholders.

Willow Grove Holdings LP, directly and through controlled entities ("WGHLP"), owns 8,309,584 shares of AMERCO common stock, and together with Edward J. Shoen and Mark V. Shoen, owns 8,361,731 shares (approximately 42.6%) of AMERCO common stock. The general partner of WGHLP controls the voting and disposition decisions with respect to the common stock of AMERCO owned by WGHLP, and is managed by Edward J. Shoen (the Chairman of the Board of Directors and Chief Executive Officer of AMERCO) and his brother, Mark V. Shoen. Accordingly, Edward J. Shoen and Mark V. Shoen are in a position to significantly influence our business and policies, including the approval of certain significant transactions, the election of the members of our Board of Directors (the "Board") and other matters submitted to our stockholders. There can be no assurance that their interests will not conflict with the interests of our other stockholders.

In addition, 1,084,571 shares (approximately 5.5%) of AMERCO common stock are owned under our Employee Stock Ownership Plan ("ESOP"). Each ESOP participant is entitled to vote the shares allocated to himself or herself in their discretion. In the event an ESOP participant does not vote his or her shares, such shares shall be voted by the ESOP trustee, in the ESOP trustee's discretion.

Our operations subject us to numerous environmental regulations and the possibility that environmental liability in the future could adversely affect our operations.

Compliance with environmental requirements of federal, state and local governments significantly affects our business. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Under environmental laws or common law principles, we can be held liable for hazardous substances that are found on real property we have owned or operated. We are aware of issues regarding hazardous substances on some of our real estate and we have put in place a remediation plan at each site where we believe such a plan is necessary. See Note 18, Contingencies, of the Notes to Consolidated Financial Statements. We regularly make capital and operating expenditures to stay in compliance with environmental laws. In particular, we have managed a testing and removal program since 1988 for our underground storage tanks. Despite these compliance efforts, the risk of environmental liability is part of the nature of our business.

Environmental laws and regulations are complex, change frequently and could become more stringent in the future. We cannot assure you that future compliance with these regulations, future environmental liabilities, the cost of defending environmental claims, conducting any environmental remediation or generally resolving liabilities caused by us or related third parties will not have a material adverse effect on our business, financial condition or results of operations.

We operate in a highly regulated industry and changes in existing regulations or violations of existing or future regulations could have a material adverse effect on our operations and profitability.

Our truck and trailer rental business is subject to regulation by various federal, state and foreign governmental entities. Specifically, the U.S. Department of Transportation and various state, federal and Canadian agencies exercise broad powers over our motor carrier operations, safety, and the generation, handling, storage, treatment and disposal of waste materials. In addition, our storage business is also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. The failure to comply with these laws and regulations may adversely affect our ability to sell or rent such property or to use the property as collateral for future borrowings. Compliance with changing regulations could substantially impair real property and equipment productivity and increase our costs. In addition, the Federal government may institute some regulation that limits carbon emissions by setting a maximum amount of carbon individual entities can emit without penalty. This would likely affect everyone who uses fossil fuels and would disproportionately affect users in the highway transportation industries. While there are too many variables at this time to assess the impact of the various proposed federal and state regulations that could affect carbon emissions, many experts believe these proposed rules could significantly affect the way companies operate in their businesses.

Our operations can be limited by land-use regulations. Zoning choices enacted by individual municipalities in the United States and Canada may limit our ability to serve certain markets with our products and services.

Our insurance companies are heavily regulated by state insurance departments and the National Association of Insurance Commissioners ("NAIC"). These insurance regulations are primarily in place to protect the interests of our policyholders and not our investors. Changes in these laws and regulations could increase our costs, inhibit new sales, or limit our ability to implement rate increases.

A significant portion of our revenues are generated through third-parties.

Our business plan relies upon a network of independent dealers strategically located throughout the United States and Canada. As of March 31, 2019 we had over 20,000 independent equipment rental dealers. In fiscal 2019, less than half of all U-Move[®] rental revenue originated through this network.

Our inability to maintain this network or its current cost structure could inhibit our ability to adequately serve our customers and may negatively affect our results of operations and financial position.

We face liability risks associated with the operation of our rental fleet, sales of our products and operation of our locations.

The business of renting moving and storage equipment to customers exposes us to liability claims including property damage, personal injury and even death. Likewise, the operation of our moving and storage centers along with the sale of our related moving supplies, towing accessories and installation, and refilling of propane tanks may subject us to liability claims. We seek to limit the occurrence of such events through the design of our equipment, communication of its proper use, exhaustive repair and maintenance schedules, extensive training of our personnel, proactive risk management assessments and by providing our customers with online resources for the proper use of products and services. Regardless, accidents still occur and we manage the financial risk of these events through third party insurance carriers. While these excess loss insurance policies are available today at reasonable costs, this could change and could negatively affect our results of operations and financial position.

Terrorist attacks could negatively impact our operations and profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations and profitability. Such attacks may damage our facilities and it is also possible that our rental equipment could be involved in a terrorist attack. Although we carry excess of loss insurance coverage, it may prove to be insufficient to cover us for acts of terror using our rental equipment. Moreover, we may suffer reputational damage that could arise from a terrorist attack which utilizes our rental equipment. The consequences of any terrorist attacks or hostilities are unpredictable and difficult to quantify. We seek to minimize these risks through our operational processes and procedures; however, we may not be able to foresee events that could have an adverse effect on our operations.

We are highly dependent upon our automated systems and the Internet for managing our business.

Our information systems are largely Internet-based, including our point-of-sale reservation system, payment processing and telephone systems. While our reliance on this technology lowers our cost of providing service and expands our abilities to better serve customers, it exposes us to various risks including natural and man-made disasters, terrorist attacks and cyber-attacks. We have put into place extensive security protocols, backup systems and alternative procedures to mitigate these risks. However, disruptions or breaches, detected or undetected by us, for any period of time in any portion of these systems could adversely affect our results of operations and financial condition and inflict reputational damage.

In addition, the provision of service to our customers and the operation of our networks and systems involve the storage and transmission of proprietary information and sensitive or confidential data, including personal information of customers, employees and others. Our information technology systems may be susceptible to computer viruses, attacks by computer hackers, malicious insiders, or catastrophic events. Hackers, acting individually or in coordinated groups, may also launch distributed denial of service attacks or ransom or other coordinated attacks that may cause service outages or other interruptions in our business and access to our data. In addition, breaches in security could expose us, our customers, or the individuals affected, to a risk of loss or misuse of proprietary information and sensitive or confidential data. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, may be difficult to detect for a long time and often are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures.

Any of these occurrences could result in disruptions in our operations, the loss of existing or potential customers, damage to our brand and reputation, and litigation and potential liability for the Company. In addition, the cost and operational consequences of implementing further data or system protection measures could be significant and our efforts to deter, identify, mitigate and/or eliminate any security breaches may not be successful.

A.M. Best financial strength ratings are crucial to our life insurance business.

In June 2018, A.M. Best affirmed the financial strength rating for Oxford and Christian Fidelity Life Insurance Company ("CFLIC") of A- with a stable outlook and affirmed the financial strength rating for North American Insurance Company ("NAI") of B++ with a stable outlook. Financial strength ratings are important external factors that can affect the success of Oxford's business plans. Accordingly, if Oxford's ratings, relative to its competitors, are not maintained or do not continue to improve, Oxford may not be able to retain and attract business as currently planned, which could adversely affect our results of operations and financial condition.

We may incur losses due to our reinsurers' or counterparties' failure to perform under existing contracts or we may be unable to secure sufficient reinsurance or hedging protection in the future.

We use reinsurance and derivative contracts to mitigate our risk of loss in various circumstances; primarily at Repwest and for Moving and Storage. These agreements do not release us from our primary obligations and therefore we remain ultimately responsible for these potential costs. We cannot provide assurance that these reinsurers or counterparties will fulfill their obligations. Their inability or unwillingness to make payments to us under the terms of the contracts may have a material adverse effect on our financial condition and results of operations.

At December 31, 2018, Repwest reported \$2.3 million of reinsurance recoverables, net of allowances and \$94.9 million of reserves and liabilities ceded to reinsurers. Of this, Repwest's largest exposure to a single reinsurer was \$60.6 million.

Recent changes to U.S. tax laws may adversely affect our financial condition or results of operations and create the risk that we may need to adjust our accounting for these changes.

The Tax Cuts and Jobs Act ("Tax Reform Act") made significant changes to U.S. tax laws and includes numerous provisions that affect businesses, including ours. For instance, as a result of lower corporate tax rates, the Tax Reform Act tends to reduce both the value of deferred tax assets and the amount of deferred tax liabilities. It also limits interest expense deductions and the amount of net operating losses that can be used each year and alters the expensing of capital expenditures. Other provisions have international tax consequences for businesses like ours that operate internationally. The Tax Reform Act is unclear in certain respects and will require interpretations and implementing regulations by the IRS, as well as state tax authorities, and the Tax Reform Act could be subject to amendments and technical corrections, any of which could lessen or increase the adverse (and positive) impacts of the Tax Reform Act. The accounting treatment of these tax law changes was complex, and some of the changes affected both current and future periods. Others primarily affected future periods. As discussed elsewhere in this Annual Report, our analysis and computations of the tax effects of the Tax Reform Act on us was complete as of December 22, 2018.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company, through its legal subsidiaries, owns property, plant and equipment that are utilized in the manufacturing, repair and rental of U-Haul[®] equipment and storage space, as well as providing office space for us. Such facilities exist throughout the United States and Canada. We also manage storage facilities owned by others. We operate 1,981 U-Haul[®] retail centers of which 488 U-Haul branded locations are managed for subsidiaries of WGHLP and Mercury, and 11 manufacturing and assembly facilities. We also operate over 141 fixed-site repair facilities located throughout the United States and Canada. These facilities are used primarily for the benefit of Moving and Storage.

Item 3. Legal Proceedings

Litigation

On July 1, 2014, a 100-pound propane cylinder exploded while in use on a food truck in Philadelphia, Pennsylvania. The explosion killed two people and injured eleven. Following the incident, the injured parties and their estates filed a number of lawsuits in the Philadelphia Court of Common Pleas against U-Haul and its subsidiary, U-Haul Co. of Pennsylvania ("UHPA"), alleging that UHPA improperly filled propane cylinders that were overdue for periodic requalification and offered such cylinders for transportation, which allegedly caused the deaths and injuries. One plaintiff also sued AMERCO. All U-Haul defendants denied the allegations. The parties reached agreements to settle the civil cases by April 2018. We have paid a total of \$27.9 million, representing our self-insured retention and attorney's fees for all related civil matters.

In June 2018, following the resolution of the civil claims, the United States Attorney's Office for the Eastern District of Pennsylvania filed an initial 6-count indictment and a superseding 7-count indictment against UHPA. In January 2019, the U.S. Attorney's Office agreed to dismiss Counts 1 through 5 alleging UHPA improperly filled propane cylinders that were overdue for periodic requalification and offering such cylinders for transportation. UHPA entered a guilty plea with respect to Counts 6 and 7 relating to a failure to properly train UHPA employees dispensing propane and documentation thereof. On May 7, 2019, the United States District Court for the Eastern District of Pennsylvania accepted the plea agreement and imposed a \$1 million fine and two years of probation on UHPA. UHPA was also ordered to pay \$800 in associated court fees.

Environmental

Compliance with environmental requirements of federal, state and local governments may significantly affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary. Since 1988, Real Estate has managed a testing and removal program for underground storage tanks.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on AMERCO's financial position or results of operations.

Other

We are named as a defendant in various other litigations and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on our financial position and results of operations.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of May 9, 2019, there were approximately 2,800 holders of record of our common stock. We derived the number of our stockholders using internal stock ledgers and utilizing Mellon Investor Services Stockholder listings. AMERCO's common stock is listed on the NASDAQ Global Select Market under the trading symbol "UHAL".

Dividends

AMERCO[®] does not have a formal dividend policy. The Board periodically considers the advisability of declaring and paying dividends to common stockholders in light of existing circumstances.

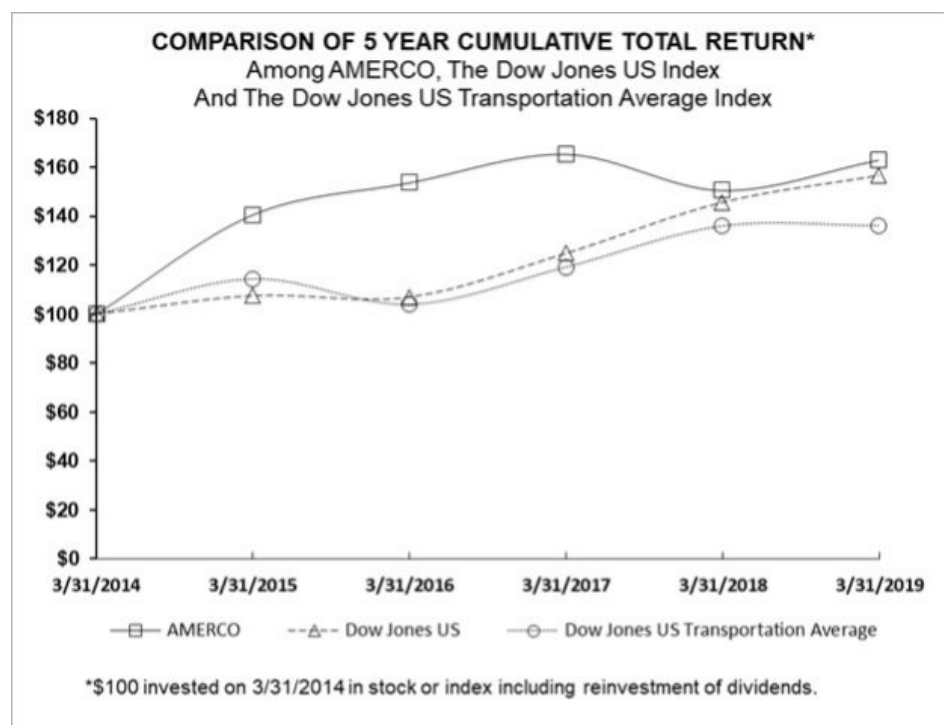
The following table lists the dividends that have been declared and issued since July 2017.

Common Stock Dividends			
Declared Date	Per Share Amount	Record Date	Dividend Date
March 6, 2019	\$ 0.50	March 21, 2019	April 4, 2019
December 5, 2018	0.50	December 20, 2018	January 7, 2019
August 23, 2018	0.50	September 10, 2018	September 24, 2018
June 6, 2018	0.50	June 21, 2018	July 5, 2018
March 8, 2018	0.50	March 23, 2018	April 6, 2018
December 6, 2017	0.50	December 21, 2017	January 5, 2018
July 5, 2017	1.00	July 20, 2017	August 3, 2017

See Note 20, Statutory Financial Information of Insurance Subsidiaries, of the Notes to Consolidated Financial Statements for a discussion of certain statutory restrictions on the ability of the insurance subsidiaries to pay dividends to AMERCO.

Performance Graph

The following graph compares the cumulative total stockholder return on the Company's common stock for the period March 31, 2014 through March 31, 2019 with the cumulative total return on the Dow Jones US Total Market and the Dow Jones US Transportation Average. The comparison assumes that \$100 was invested on March 31, 2014 in the Company's common stock and in each of the comparison indices. The graph reflects the value of the investment based on the closing price of the common stock trading on NASDAQ on March 31, 2015, 2016, 2017, 2018 and 2019.



Fiscal years ended March 31:

	2014	2015	2016	2017	2018	2019
AMERCO	\$ 100	\$ 141	\$ 154	\$ 165	\$ 151	\$ 163
Dow Jones US Total Market	100	108	107	125	146	157
Dow Jones US Transportation Average	100	114	104	119	136	136

Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with the MD&A, and the Consolidated Financial Statements and related notes in this Annual Report.

Listed below is selected financial data for AMERCO and consolidated subsidiaries for each of the last five years:

	Years Ended March 31,				
	2019	2018	2017	2016	2015
	(In thousands, except share and per share data)				
<i>Summary of Operations:</i>					
Self-moving equipment rentals	\$ 2,653,497	\$ 2,479,742	\$ 2,362,833	\$ 2,297,980	\$ 2,146,391
Self-storage revenues	367,276	323,903	286,886	247,944	211,136
Self-moving and self-storage products and service sales	264,146	261,557	253,073	251,541	244,177
Property management fees	29,148	29,602	29,075	26,533	25,341
Life insurance premiums	63,488	154,703	163,579	162,662	156,103
Property and casualty insurance premiums	60,853	57,100	52,334	50,020	46,456
Net investment and interest income	110,934	110,473	102,276	86,617	84,728
Other revenue	219,365	184,034	171,711	152,171	160,199
Total revenues	3,768,707	3,601,114	3,421,767	3,275,468	3,074,531
Operating expenses	1,981,180	1,807,056	1,567,181	1,469,260	1,478,675
Commission expenses	288,408	276,705	267,230	262,627	249,642
Cost of sales	162,142	160,489	152,485	144,990	146,072
Benefits and losses	100,277	185,311	182,710	167,436	158,760
Amortization of deferred policy acquisition costs	28,556	24,514	26,218	23,272	19,661
Lease expense	33,158	33,960	37,343	49,780	79,798
Depreciation, net gains on disposals (a)	554,043	543,247	449,025	291,235	279,107
Net gains on disposal of real estate	(44)	(195,414)	(3,590)	(545)	(942)
Total costs and expenses	3,147,720	2,835,868	2,678,602	2,408,055	2,410,773
Earnings from operations	620,987	765,246	743,165	867,413	663,758
Other components of net periodic benefit costs	(1,013)	(927)	(902)	(787)	(734)
Interest expense	(142,445)	(126,706)	(113,406)	(97,715)	(97,525)
Fees and amortization on early extinguishment of debt	—	—	(499)	—	(4,081)
Pretax earnings	477,529	637,613	628,358	768,911	561,418
Income tax benefit (expense)	(106,672)	152,970	(229,934)	(279,910)	(204,677)
Earnings available to common shareholders	\$ 370,857	\$ 790,583	\$ 398,424	\$ 489,001	\$ 356,741
Basic and diluted earnings per common share	\$ 18.93	\$ 40.36	\$ 20.34	\$ 24.95	\$ 18.21
Weighted average common shares outstanding: Basic and diluted	19,592,048	19,588,889	19,586,606	19,596,110	19,586,633
Cash dividends declared and accrued Common stock	39,180	39,175	39,171	97,960	19,594
<i>Balance Sheet Data:</i>					
Property, plant and equipment, net	\$ 7,933,971	\$ 6,816,741	\$ 5,957,735	\$ 5,017,511	\$ 4,107,637
Total assets	11,891,713	10,747,422	9,405,840	8,109,288	6,855,600
Notes, loans and leases payable, net	4,163,323	3,513,076	3,262,880	2,647,396	2,174,294
Stockholders' equity	3,692,389	3,408,708	2,619,744	2,251,406	1,884,359

(a) Net gains were (\$27.0) million, (\$11.8) million, (\$32.5) million, (\$98.2) million and (\$73.7) million for fiscal 2019, 2018, 2017, 2016 and 2015, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

We begin this MD&A with the overall strategy of AMERCO, followed by a description of, and strategy related to, our operating segments to give the reader an overview of the goals of our businesses and the direction in which our businesses and products are moving. We then discuss our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. Next, we discuss our results of operations for fiscal 2019 compared with fiscal 2018, and for fiscal 2018 compared with fiscal 2017, which are followed by an analysis of liquidity changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our outlook for fiscal 2020.

This MD&A should be read in conjunction with the other sections of this Annual Report, including Item 1: Business, Item 6: Selected Financial Data and Item 8: Financial Statements and Supplementary Data. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption, Cautionary Statements Regarding Forward-Looking Statements, all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this Annual Report and particularly under the section Item 1A: Risk Factors. Our actual results may differ materially from these forward-looking statements.

AMERCO has a fiscal year that ends on the 31st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31st of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of financial position or results of operations. We disclose all material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2018, 2017 and 2016 correspond to fiscal 2019, 2018 and 2017 for AMERCO.

Overall Strategy

Our overall strategy is to maintain our leadership position in the North American "do-it-yourself" moving and storage industry. We accomplish this by providing a seamless and integrated supply chain to the "do-it-yourself" moving and storage market. As part of executing this strategy, we leverage the brand recognition of U-Haul with our full line of moving and self-storage related products and services and the convenience of our broad geographic presence.

Our primary focus is to provide our customers with a wide selection of moving rental equipment, convenient self-storage rental facilities and portable moving and storage units and related moving and self-storage products and services. We are able to expand our distribution and improve customer service by increasing the amount of moving equipment and storage units and portable moving and storage units available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our eMove capabilities.

Property and Casualty Insurance is focused on providing and administering property and casualty insurance to U-Haul and its customers, its independent dealers and affiliates.

Life Insurance is focused on long-term capital growth through direct writing and reinsuring of life, Medicare supplement and annuity products in the senior marketplace.

Description of Operating Segments

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate;
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA; and
- Life Insurance, comprised of Oxford and its subsidiaries.

See Note 1, Basis of Presentation, Note 21, Financial Information by Geographic Area, and Note 21A, Consolidating Financial Information by Industry Segment, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

Moving and Storage Operating Segment

Moving and Storage consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

With respect to our truck, trailer, specialty rental items and self-storage rental business, we are focused on expanding our dealer network, which provides added convenience for our customers and expanding the selection and availability of rental equipment to satisfy the needs of our customers.

U-Haul® brand self-moving related products and services, such as boxes, pads and tape allow our customers to, among other things, protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the “do-it-yourself” moving and storage customer in mind.

uhaul.com® is an online marketplace that connects consumers to our operations as well as independent Moving Help® service providers and thousands of independent Self-Storage Affiliates. Our network of customer-rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services throughout the United States and Canada. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Since 1945, U-Haul has incorporated sustainable practices into its everyday operations. We believe that our basic business premise of equipment sharing helps reduce greenhouse gas emissions and reduces the inventory of total large capacity vehicles. We continue to look for ways to reduce waste within our business and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

Property and Casualty Insurance Operating Segment

Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices in the United States and Canada. Property and Casualty Insurance also underwrites components of the Safemove®, Safetow®, Safemove Plus®, Safestor® and Safestor Mobile® protection packages to U-Haul® customers. We continue to focus on increasing the penetration of these products into the moving and storage market. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul® related programs.

Life Insurance Operating Segment

Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with the generally accepted accounting principles (“GAAP”) in the United States. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. Note 3, Accounting Policies, of the Notes to Consolidated Financial Statements in Item 8: Financial Statements and Supplementary Data, in this Annual Report summarizes the significant accounting policies and methods used in the preparation of our consolidated financial statements and related disclosures. Certain accounting policies require us to make difficult and subjective judgments and assumptions, often as a result of the need to estimate matters that are inherently uncertain.

Following is a detailed description of the accounting policies that we deem most critical to us and that require management’s most difficult and subjective judgments. These estimates are based on historical experience, observance of trends in particular areas, information and valuations available from outside sources and on various other assumptions that are believed to be reasonable under the circumstances and which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from these estimates under different assumptions and conditions, and such differences may be material.

We also have other policies that we consider key accounting policies, such as revenue recognition; however, these policies do not meet the definition of critical accounting estimates, because they do not generally require us to make estimates or judgments that are difficult or subjective. The accounting policies that we deem most critical to us, and involve the most difficult, subjective or complex judgments include the following:

Principles of Consolidation

We apply Accounting Standards Codification ("ASC") 810 - *Consolidation* ("ASC 810") in our principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a variable interest entity ("VIE"). A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

A VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration. After a reconsideration event occurs the facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(ies) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary. Determination of the primary beneficiary, if any, is based on a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, and b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

We will continue to monitor our relationships with the other entities regarding who is the primary beneficiary, which could change based on facts and circumstances of any reconsideration events.

Recoverability of Property, Plant and Equipment

Our property, plant and equipment is stated at cost. Interest expense, if any, incurred during the initial construction of buildings is considered part of cost. Depreciation is computed for financial reporting purposes using the straight-line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment, other than real estate ("personal property"), are netted against depreciation expense when realized. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed. As a result of changes in IRS regulations regarding the capitalization of assets, beginning in the first quarter of fiscal 2017, we raised the value threshold before certain assets are capitalized within our depreciation policy. This change in threshold, results in the immediate recognition of reported operating costs with a lagging decrease in depreciation expense over the term that these assets would have been depreciated. This change in threshold benefited us through the immediate recognition of tax deductible costs.

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets are shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the remaining life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts. We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. If asset residual values are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

For our box truck fleet we utilize an accelerated method of depreciation based upon a declining formula. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced by approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% of cost during years one through seven, respectively, and then reduced on a straight line basis to a salvage value of 15% by the end of year fifteen. Comparatively, a standard straight line approach would reduce the book value by approximately 5.7% per year over the life of the truck.

Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including but not limited to, the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle. We typically sell our used vehicles at our sales centers throughout the United States and Canada, on our website at uhaul.com/trucksales or by phone at 1-866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

Insurance Reserves

Liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. In addition, liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred, but not yet reported ("IBNR"). Liabilities for annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

Insurance reserves for Property and Casualty Insurance and U-Haul take into account losses incurred based upon actuarial estimates and are management's best approximation of future payments. These estimates are based upon past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. These reserves consist of case reserves for reported losses and a provision for IBNR losses, both reduced by applicable reinsurance recoverables, resulting in a net liability.

Due to the nature of the underlying risks and high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle these liabilities cannot be precisely determined and may vary significantly from the estimated liability, especially for long-tailed casualty lines of business such as excess workers' compensation. As a result of the long-tailed nature of the excess workers' compensation policies written by Repwest from 1983 through 2001, it may take a number of years for claims to be fully reported and finally settled.

On a regular basis insurance reserve adequacy is reviewed by management to determine if existing assumptions need to be updated. In determining the assumptions for calculating workers' compensation reserves, management considers multiple factors including the following:

- Claimant longevity,
- Cost trends associated with claimant treatments,
- Changes in ceding entity and third party administrator reporting practices,
- Changes in environmental factors including legal and regulatory,
- Current conditions affecting claim settlements, and
- Future economic conditions including inflation.

We have reserved each claim based upon the accumulation of current claim costs projected through each claimant's life expectancy, and then adjusted for applicable reinsurance arrangements. Management reviews each claim bi-annually or more frequently, if there are changes in facts or circumstances to determine if the estimated life-time claim costs have increased and then adjusts the reserve estimate accordingly at that time. We have factored in an estimate of what the potential cost increases could be in our IBNR liability. We have not assumed settlement of the existing claims in calculating the reserve amount, unless it is in the final stages of completion.

Continued increases in claim costs, including medical inflation and new treatments and medications could lead to future adverse development resulting in additional reserve strengthening. Conversely, settlement of existing claims or if injured workers return to work or expire prematurely, could lead to future positive development.

Impairment of Investments

Investments are evaluated pursuant to guidance contained in ASC 320 - *Investments - Debt and Equity Securities* to determine if and when a decline in market value below amortized cost is other-than-temporary. Management makes certain assumptions or judgments in its assessment including but not limited to: our ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. There were no write downs in fiscal 2019, 2018 and 2017.

Income Taxes

We file a consolidated tax return with all of our legal subsidiaries.

Our tax returns are periodically reviewed by various taxing authorities. The final outcome of these audits may cause changes that could materially impact our financial results. Please see Note 13, Provision for Taxes, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information.

Fair Values

Fair values of cash equivalents approximate carrying value due to the short period of time to maturity. Fair values of short-term investments, investments available-for-sale, long-term investments, mortgage loans and notes on real estate, and interest rate swap contracts are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded value.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables, reinsurance recoverables and notes receivable. Limited credit risk exists on trade receivables due to the diversity of our customer base and their dispersion across broad geographic markets. We place our temporary cash investments with financial institutions and limit the amount of credit exposure to any one financial institution.

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of notes is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair values were determined using the discounted cash flow method and using interest rates currently offered for similar loans to borrowers with similar credit ratings.

The carrying amount of long-term debt and short-term borrowings are estimated to approximate fair value as the actual interest rate is consistent with the rate estimated to be currently available for debt of similar term and remaining maturity.

Other investments including short-term investments are substantially current or bear reasonable interest rates. As a result, the carrying values of these financial instruments approximate fair value.

Subsequent Events

Please see Note 22, Subsequent Events, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Recent Accounting Pronouncements

Please see Note 3, Accounting Policies, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

AMERCO and Consolidated Subsidiaries**Fiscal 2019 Compared with Fiscal 2018**

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2019 and fiscal 2018:

	Year Ended March 31,	
	2019	2018
	(In thousands)	
Self-moving equipment rentals	\$ 2,653,497	\$ 2,479,742
Self-storage revenues	367,276	323,903
Self-moving and self-storage products and service sales	264,146	261,557
Property management fees	29,148	29,602
Life insurance premiums	63,488	154,703
Property and casualty insurance premiums	60,853	57,100
Net investment and interest income	110,934	110,473
Other revenue	219,365	184,034
Consolidated revenue	<u>\$ 3,768,707</u>	<u>\$ 3,601,114</u>

Self-moving equipment rental revenues increased \$173.8 million during fiscal 2019, compared with fiscal 2018. During fiscal 2019 we expanded the number of Company-owned locations along with independent dealers, and increased the number of trucks, trailers and towing devices in our rental fleet. In the third and fourth quarters we saw revenue improvements in our corporate account business. Revenue and transactions for both the One-way and in-town markets improved compared to fiscal 2018.

Self-storage revenues increased \$43.4 million during fiscal 2019, compared with fiscal 2018. The average monthly amount of occupied square feet increased by 12.0% during fiscal 2019 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. Over the last twelve months, we added approximately 5.3 million net rentable square feet, a 17.0% increase, with approximately 1.5 million of that occurring on during the fourth quarter of fiscal 2019.

Sales of self-moving and self-storage products and services increased \$2.6 million during fiscal 2019, compared with fiscal 2018, primarily from the sales of moving supplies and propane.

Life insurance premiums decreased \$91.2 million during fiscal 2019, compared with fiscal 2018. In the fourth quarter of fiscal 2019, Oxford agreed to terminate a reinsurance contract with one of our reinsurers ("Reinsurance contract termination"). As a result there was a one-time decrease in life insurance premiums of \$78.4 million due to the transfer of liabilities to the reinsurer for termination of the contract, along with decreased Medicare supplement premiums.

Property and casualty insurance premiums increased \$3.8 million during fiscal 2019, compared with fiscal 2018 due to an increase in Safetow[®] and Safestor[®] sales which corresponds with increased equipment and storage rental transactions.

Net investment and interest income increased \$0.5 million during fiscal 2019, compared with fiscal 2018 due to a larger invested asset base at our life insurance subsidiary. Updated accounting guidance now requires changes in the market value of equity securities held for investment at our insurance subsidiaries to be recognized through income. This accounted for a \$5.7 million decrease in fiscal 2019.

Other revenue increased \$35.3 million during fiscal 2019, compared with fiscal 2018, caused primarily by growth in our U-Box[®] program.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2019 and 2018. The insurance companies' years ended December 31, 2018 and 2017.

	Year Ended March 31,	
	2019	2018
	(In thousands)	
Moving and storage		
Revenues	\$ 3,545,809	\$ 3,290,667
Earnings from operations before equity in earnings of subsidiaries	569,241	712,700
Property and casualty insurance		
Revenues	75,837	74,571
Earnings from operations	27,406	25,878
Life insurance		
Revenues	154,714	243,862
Earnings from operations	25,481	27,959
Eliminations		
Revenues	(7,653)	(7,986)
Earnings from operations before equity in earnings of subsidiaries	(1,141)	(1,291)
Consolidated Results		
Revenues	3,768,707	3,601,114
Earnings from operations	620,987	765,246

Total costs and expenses increased \$116.5 million during fiscal 2019, compared with fiscal 2018, excluding changes to net (gains) losses on disposal of real estate. The Moving and Storage segment accounted for a \$203.2 million increase and our insurance segments total costs and expenses decreased \$86.9 million largely due to a one-time decrease of \$76.4 million in life benefits due to the Reinsurance contract termination. Operating expenses for Moving and Storage increased \$180.0 million, largely from increased personnel, maintenance repairs, shipping costs associated with U-Box[®], building maintenance and property taxes. Repair costs accounted for \$45.6 million of the increase. Net gains from the disposal of rental equipment increased \$15.1 million. Compared with fiscal 2018, we sold more used trucks and the average sales proceeds per truck improved. Depreciation expense associated with our rental fleet increased \$13.2 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements, increased \$17.9 million. Net gains on disposal of real estate decreased \$195.4 million. The decrease was caused by the sale of a portion of our Chelsea, New York property in October 2017, which resulted in a pre-tax gain of \$190.7 million in fiscal 2018.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to \$621.0 million for fiscal 2019, compared with \$765.2 million for fiscal 2018.

Interest expense for fiscal 2019 was \$142.4 million, compared with \$126.7 million for fiscal 2018 due to an increase in borrowings in fiscal 2019.

Income tax benefit (expense) was (\$106.7) million for fiscal 2019, compared with \$153.0 million for fiscal 2018 due to the effects of the Tax Reform Act as enacted on December 22, 2017. Our effective tax rate was 22.3% of net income before taxes for fiscal 2019, compared to (24.0%) in the prior-year period. The decrease in our deferred tax liability in fiscal 2018 resulting from the application of the new federal income tax rate accounted for a \$371.5 million decrease, partially offset by a \$10.7 million one-time increase resulting from the deemed repatriation of foreign earnings and a \$4.2 million one-time increase resulting from Phase Three tax on our Life Insurance subsidiary. Excluding the one-time benefits and charges mentioned above, our effective tax rate for all of fiscal 2018, post Tax Reform Act, was 31.8%. See Note 13, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information on income taxes.

As a result of the above-mentioned items, earnings available to common shareholders were \$370.9 million for fiscal 2019, compared with \$790.6 million for fiscal 2018.

Basic and diluted earnings per common share for fiscal 2019 were \$18.93, compared with \$40.36 for fiscal 2018.

The weighted average common shares outstanding basic and diluted were 19,592,048 for fiscal 2019, compared with 19,588,889 for fiscal 2018.

AMERCO and Consolidated Subsidiaries

Fiscal 2018 Compared with Fiscal 2017

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2018 and fiscal 2017:

	Year Ended March 31,	
	2018	2017
	(In thousands)	
Self-moving equipment rentals	\$ 2,479,742	\$ 2,362,833
Self-storage revenues	323,903	286,886
Self-moving and self-storage products and service sales	261,557	253,073
Property management fees	29,602	29,075
Life insurance premiums	154,703	163,579
Property and casualty insurance premiums	57,100	52,334
Net investment and interest income	110,473	102,276
Other revenue	184,034	171,711
Consolidated revenue	\$ 3,601,114	\$ 3,421,767

Self-moving equipment rental revenues increased \$116.9 million during fiscal 2018, compared with fiscal 2017 largely due to growth in both one-way and In-Town[®] transactions. Over the course of fiscal 2018 we added new Company-owned locations to our retail network and increased the number of trucks, trailers, and towing devices in our rental fleet.

Self-storage revenues increased \$37.0 million during fiscal 2018, compared with fiscal 2017. The average monthly amount of occupied square feet increased by 8.9% during fiscal 2018, compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2018, we added approximately 3.7 million net rentable square feet, or a 13.4% increase, with approximately 1.2 million of that coming on during the fourth quarter of fiscal 2018.

Sales of self-moving and self-storage products and services increased \$8.5 million during fiscal 2018, compared with fiscal 2017. Increases were recognized in the sales of moving supplies, propane and towing accessories and related installations.

Life insurance premiums decreased \$8.9 million during fiscal 2018, compared with fiscal 2017 primarily due to decreased Medicare supplement premiums.

Property and casualty insurance premiums increased \$4.8 million during fiscal 2018, compared with fiscal 2017 due to an increase in Safetow[®] and Safestor[®] sales, which is a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased \$8.2 million during fiscal 2018, compared with fiscal 2017 due to a larger invested asset base at our insurance companies.

Other revenue increased \$12.3 million during fiscal 2018, compared with fiscal 2017, caused primarily by growth in our U-Box[®] program.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2018 and 2017. The insurance companies' years ended December 31, 2017 and 2016.

	Year Ended March 31,	
	2018	2017
	(In thousands)	
Moving and storage		
Revenues	\$ 3,290,667	\$ 3,113,000
Earnings from operations before equity in earnings of subsidiaries	712,700	689,815
Property and casualty insurance		
Revenues	74,571	68,986
Earnings from operations	25,878	27,161
Life insurance		
Revenues	243,862	245,599
Earnings from operations	27,959	27,646
Eliminations		
Revenues	(7,986)	(5,818)
Earnings from operations before equity in earnings of subsidiaries	(1,291)	(1,457)
Consolidated Results		
Revenues	3,601,114	3,421,767
Earnings from operations	765,246	743,165

Total costs and expenses increased \$157.3 million during fiscal 2018, compared with fiscal 2017. Our insurance segments accounted for \$4.8 million of the increase.

Excluding net gains on the disposal of real estate, total costs and expenses increased \$349.1 million during fiscal 2018, compared with fiscal 2017. Operating expenses at Moving and Storage increased \$238.2 million. In the second quarter of fiscal 2017, we recognized the difference between the accrued amount and actual settlement amount of the PODS Enterprises, Inc. ("PEI") case as a \$24.6 million reduction of operating expenses. Excluding this effect in the prior year, operating expenses for Moving and Storage increased \$213.6 million. This was primarily due to increased personnel costs, equipment maintenance, payment processing fees, new facility related costs and property tax. Repair costs, primarily associated with the portion of the fleet nearing resale, accounted for \$72.9 million of the increase for fiscal 2018. Personnel bonuses associated with tax reform for the entire workforce combined with bonuses for our field management team accounted for \$31.1 million of the increase. Lease expense decreased \$3.4 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Net gains from the disposal of rental equipment decreased \$20.7 million. Compared with fiscal 2017, we sold more used trucks, however on average the trucks sold in fiscal 2018 had a higher average cost than in fiscal 2017 and average sales proceeds per truck were lower in fiscal 2018. Depreciation expense associated with our rental fleet increased \$56.5 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased \$17.0 million. Net gains on disposal of real estate increased \$191.8 million. The increase resulted from the sale of a portion of our Chelsea, New York property which resulted in a pre-tax gain of \$190.7 million.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased to \$765.2 million for fiscal 2018, compared with \$743.2 million for fiscal 2017.

Interest expense for fiscal 2018 was \$126.7 million, compared with \$113.4 million for fiscal 2017 due to an increase in borrowings in fiscal 2018 partially offset by lower borrowing costs. In addition, we incurred costs associated with the early extinguishment of debt during the third quarter of fiscal 2017 of \$0.5 million for the write-off of unamortized transaction costs related to defeased debt.

Income tax benefit (expense) was \$153.0 million for fiscal 2018, compared with (\$229.9) million for fiscal 2017 due to the effects of the Tax Reform Act as enacted on December 22, 2017. Our effective tax rate was (24.0%) of net income before taxes for fiscal 2018, compared to 36.6% in the prior-year period. The decrease in our deferred tax liability resulting from the application of the new federal income tax rate accounted for a \$371.5 million decrease, partially offset by a \$10.7 million one-time increase resulting from the deemed repatriation of foreign earnings and a \$4.2 million one-time increase resulting from Phase Three tax on our Life Insurance subsidiary. Excluding the one-time benefits and charges mentioned above, our effective tax rate for all of fiscal 2018, post Tax Reform Act, was 31.8%, compared with 36.6% for fiscal 2017. See Note 13, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information on income taxes.

As a result of the above-mentioned items, earnings available to common shareholders were \$790.6 million for fiscal 2018, compared with \$398.4 million for fiscal 2017.

Basic and diluted earnings per common share for fiscal 2018 were \$40.36, compared with \$20.34 for fiscal 2017.

The weighted average common shares outstanding basic and diluted were 19,588,889 for fiscal 2018, compared with 19,586,606 for fiscal 2017.

Moving and Storage

Fiscal 2019 Compared with Fiscal 2018

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2019 and fiscal 2018:

	Year Ended March 31,	
	2019	2018
	(In thousands)	
Self-moving equipment rentals	\$ 2,656,327	\$ 2,483,956
Self-storage revenues	367,276	323,903
Self-moving and self-storage products and service sales	264,146	261,557
Property management fees	29,148	29,602
Net investment and interest income	13,857	12,232
Other revenue	215,055	179,417
Moving and Storage revenue	<u>\$ 3,545,809</u>	<u>\$ 3,290,667</u>

Self-moving equipment rental revenues increased \$172.4 million during fiscal 2019, compared with fiscal 2018. During fiscal 2019 we expanded the number of Company-owned locations along with independent dealers, and increased the number of trucks, trailers and towing devices in our rental fleet. In the third and fourth quarters we saw revenue improvements in our corporate account business. Revenue and transactions for both the One-way and in-town markets improved compared to fiscal 2018.

Self-storage revenues increased \$43.4 million during fiscal 2019, compared with fiscal 2018. The average monthly amount of occupied square feet increased by 12.0% during fiscal 2019 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. Over the last twelve months, we added approximately 5.3 million net rentable square feet, a 17.0% increase, with approximately 1.5 million of that coming on during the fourth quarter of fiscal 2019.

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned storage locations follows:

	Year Ended March 31,	
	2019	2018
	(In thousands, except occupancy rate)	
Unit count as of March 31	428	366
Square footage as of March 31	36,237	30,974
Average monthly number of units occupied	275	246
Average monthly occupancy rate based on unit count	68.7%	71.6%
Average monthly square footage occupied	24,862	22,203

Over the last twelve months we added approximately 5.3 million net rentable square feet of new storage to the system. This was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was 9.5%.

Sales of self-moving and self-storage products and services increased \$2.6 million during fiscal 2019, compared with fiscal 2018 primarily from the sales of moving supplies and propane.

Other revenue increased \$35.6 million during fiscal 2019, compared with fiscal 2018, caused primarily by growth in our U-Box[®] program.

Total costs and expenses increased \$203.2 million during fiscal 2019, compared with fiscal 2018, excluding changes to net (gains) losses on disposal of real estate. Operating expenses for Moving and Storage increased \$179.6 million, largely from increased personnel, maintenance repairs, shipping costs associated with U-Box[®], building maintenance and property taxes. Repair costs accounted for \$45.6 million of the increase. Net gains from the disposal of rental equipment increased \$15.1 million. Compared with fiscal 2018, we sold more used trucks and the average sales proceeds per truck improved. Depreciation expense associated with our rental fleet increased \$13.2 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased \$17.9 million. Net gains on disposal of real estate decreased \$195.4 million. The decrease was caused by the sale of a portion of our Chelsea, New York property in October 2017 which resulted in a pre-tax gain of \$190.7 million in fiscal 2018.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries decreased to \$569.2 million for fiscal 2019 as compared with \$712.7 million for fiscal 2018.

Equity in the earnings of AMERCO's insurance subsidiaries decreased \$5.2 million for fiscal 2019, compared with fiscal 2018.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to \$611.1 million for fiscal 2019, compared with \$759.7 million for fiscal 2018.

Moving and Storage

Fiscal 2018 Compared with Fiscal 2017

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2018 and fiscal 2017:

	Year Ended March 31,	
	2018	2017
	(In thousands)	
Self-moving equipment rentals	\$ 2,483,956	\$ 2,366,526
Self-storage revenues	323,903	286,886
Self-moving and self-storage products and service sales	261,557	253,073
Property management fees	29,602	29,075
Net investment and interest income	12,232	9,688
Other revenue	179,417	167,752
Moving and Storage revenue	<u>\$ 3,290,667</u>	<u>\$ 3,113,000</u>

Self-moving equipment rental revenues increased \$117.4 million during fiscal 2018, compared with fiscal 2017, largely due to growth in both one-way and In-Town[®] transactions. Over the course of fiscal 2018 we added new Company-owned locations to our retail network and increased the number of trucks, trailers, and towing devices in our rental fleet.

Self-storage revenues increased \$37.0 million during fiscal 2018, compared with fiscal 2017. The average monthly amount of occupied square feet increased by 8.9% during fiscal 2018, compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2018, we added approximately 3.7 million net rentable square feet, or a 13.4% increase, with approximately 1.2 million of that coming on during the fourth quarter of fiscal 2018.

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned storage locations follows:

	Year Ended March 31,	
	2018	2017
	(In thousands, except occupancy rate)	
Unit count as of March 31	366	318
Square footage as of March 31	30,974	27,305
Average monthly number of units occupied	246	226
Average monthly occupancy rate based on unit count	71.6%	75.8%
Average monthly square footage occupied	22,203	20,386

The approximately 3.7 million net rentable square feet that we've added during fiscal 2018 was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was approximately 5%.

Sales of self-moving and self-storage products and services increased \$8.5 million during fiscal 2018, compared with fiscal 2017. Increases were recognized in the sales of moving supplies, propane and towing accessories and related installations.

Other revenue increased \$11.7 million during fiscal 2018, compared with fiscal 2017, primarily coming from growth in our U-Box[®] program.

Excluding net gains on the disposal of real estate, total costs and expenses increased \$346.6 million during fiscal 2018, compared with fiscal 2017. Operating expenses at Moving and Storage increased \$238.2 million. In the second quarter of fiscal 2017, we recognized the difference between the accrued amount and actual settlement amount of the PEI case as a \$24.6 million reduction of operating expenses. Excluding this effect in fiscal 2017, operating expenses for Moving and Storage increased \$213.6 million. This was primarily due to increased personnel costs, equipment maintenance, payment processing fees, new facility related costs and property tax. Repair costs, primarily associated with the portion of the fleet nearing resale, accounted for \$72.9 million of the increase for fiscal 2018. Personnel bonuses associated with tax reform for the entire workforce combined with bonuses for our field management team accounted for \$31.1 million of the increase. Lease expense decreased \$3.3 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Net gains from the disposal of rental equipment decreased \$20.7 million. Compared with fiscal 2017, we sold more used trucks, however on average the trucks sold in fiscal 2018 had a higher average cost than in fiscal 2017 and the average sales proceeds per truck were lower in fiscal 2018. Depreciation expense associated with our rental fleet increased \$56.5 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased \$17.0 million. Net gains on disposal of real estate increased \$191.8 million. The increase was caused by the sale of a portion of our Chelsea, New York property which resulted in a pre-tax gain of \$190.7 million.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries increased to \$712.7 million for fiscal 2018 as compared with \$689.8 million for fiscal 2017.

Equity in the earnings of AMERCO's insurance subsidiaries increased \$11.2 million for fiscal 2018, compared with fiscal 2017.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased to \$759.7 million for fiscal 2018, compared with \$725.6 million for fiscal 2017.

Property and Casualty Insurance

2018 Compared with 2017

Net premiums were \$63.5 million and \$58.8 million for the years ended December 31, 2018 and 2017, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment and interest income was \$12.3 million and \$15.8 million for the years ended December 31, 2018 and 2017, respectively. The main driver of the change in net investment income was the increase in realized losses of \$5.7 million due to market changes in our equity securities for the twelve months ended December 31, 2018. Updated accounting guidance now requires changes in the market value of equity securities held for investment to be recognized through income.

Net operating expenses were \$34.2 million and \$32.7 million for the years ended December 31, 2018 and 2017, respectively. The change was due to an increase in commissions, decreased loss adjusting fees and subrogation income.

Benefits and losses expenses were \$14.2 million and \$16.0 million for the years ended December 31, 2018 and 2017, respectively. The decrease resulted from favorable loss experience.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$27.4 million and \$25.9 million for the years ended December 31, 2018 and 2017, respectively.

Property and Casualty Insurance

2017 Compared with 2016

Net premiums were \$58.8 million and \$52.3 million for the years ended December 31, 2017 and 2016, respectively. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment and interest income was \$15.8 million and \$16.7 million for the years ended December 31, 2017 and 2016, respectively. The change was primarily due to a decrease in realized capital gains of \$0.9 million. The December 31, 2016 results were impacted by above average early pay-offs within the mortgage loan portfolio.

Net operating expenses were \$32.7 million and \$28.4 million for the years ended December 31, 2017 and 2016, respectively. This was due to an increase in commissions and loss adjusting fees.

Benefits and losses expenses were \$16.0 million and \$13.4 million for the years ended December 31, 2017 and 2016, respectively. The increase was due to an increase in policies sold and related claims activity.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were \$25.9 million and \$27.2 million for the years ended December 31, 2017 and 2016, respectively.

Life Insurance

2018 Compared with 2017

Net premiums were \$63.5 million and \$154.7 million for the years ended December 31, 2018 and 2017, respectively. There was a one-time decrease in life insurance premiums of \$78.4 million due to the transfer of liabilities as a result of the Reinsurance contract termination, effective November 30, 2018. Medicare Supplement premiums decreased by \$12.6 million due to the reduction in new sales and policy decrements on the existing business offset by premium rate increases. Premiums on other lines of business increased \$0.2 million. Deferred annuity deposits were \$370.1 million or \$73.8 million above the prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment and interest income was \$86.4 million and \$84.2 million for the years ended December 31, 2018 and 2017, respectively. Investment income from fixed maturities and other invested assets increased \$10.1 million from a larger invested asset base, partially offset by a \$2.8 million decrease in realized losses and a \$5.1 million loss on derivatives.

Net operating expenses were \$14.6 million and \$22.1 million for the years ended December 31, 2018 and 2017, respectively. The decrease was due to a one-time commission allowance of \$6.8 million received on the reinsurance agreement termination which was recorded as a reduction to commission expense and a reduction in commission expense from the decreased Medicare supplement premiums.

Benefits and losses expenses were \$86.1 million and \$169.3 million for the years ended December 31, 2018 and 2017, respectively. There was a one-time decrease of \$76.4 million in Life benefits due to the transfer of liabilities for the Reinsurance contract termination. Medicare supplement and other health benefits decreased \$9.8 million from the declined policies in force. Partially offsetting this was a \$3.2 million increase in interest credited to policyholders on a larger annuity deposit base.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was \$28.6 million and \$24.5 million for the years ended December 31, 2018 and 2017, respectively. The increase was primarily due to a one-time \$3.3 million VOBA write-off as a result of the Reinsurance contract termination. In addition, there was an increase in annuity DAC amortization due to the increased amount of annuity business sold over the last year. Conversely, DAC amortization associated with Medicare Supplement has decreased as a result of the declining business inforce.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$25.5 million and \$28.0 million for the years ended December 31, 2018 and 2017, respectively.

Life Insurance

2017 Compared with 2016

Net premiums were \$154.7 million and \$163.6 million for the years ended December 31, 2017 and 2016, respectively. Medicare Supplement premiums decreased by \$9.3 million due to the reduction in new sales and declined premiums on the existing business offset by rate increases on renewal premiums. The remaining lines of business had a net increase of \$0.4 million. Deferred annuity deposits were \$296.8 million or \$93.7 million above the prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment and interest income was \$84.2 million and \$77.5 million for the years ended December 31, 2017 and 2016, respectively. Investment income and realized gains from fixed maturities increased \$10.9 million from a larger invested asset base, partially offset by a \$4.3 million decrease in gains from our mortgage loan portfolio.

Net operating expenses were \$22.1 million and \$22.4 million for the years ended December 31, 2017 and 2016, respectively. The decrease was primarily due to a reduction in commission expense from decreased Medicare Supplement premiums.

Benefits and losses expenses were flat at \$169.3 million for both the years ended December 31, 2017 and 2016. A decrease of \$9.2 million in Medicare supplement benefits from an improved benefit to premium ratio was offset by an increase in the remaining lines of business. Life insurance benefits increased \$1.6 million with increased mortality while interest credited to policyholders increased by \$7.3 million from a larger annuity base. Other benefits increased \$0.3 million.

Amortization of DAC, SIA and VOBA was \$24.5 million and \$26.2 million for the years December 31, 2017 and 2016, respectively. The decrease was primarily due to additional DAC amortization in the prior year generated by added gains on discounted mortgage loan investments partially offset by the increased amortization from a larger DAC asset in fiscal 2018.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$28.0 million and \$27.6 million for the years ended December 31, 2017 and 2016, respectively.

Liquidity and Capital Resources

We believe our current capital structure is a positive factor that will enable us to pursue our operational plans and goals and provide us with sufficient liquidity for the foreseeable future. There are many factors which could affect our liquidity, including some which are beyond our control, and there is no assurance that future cash flows and liquidity resources will be sufficient to meet our outstanding debt obligations and our other future capital needs.

At March 31, 2019, cash and cash equivalents totaled \$673.7 million, compared with \$759.4 million at March 31, 2018. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). As of March 31, 2019 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and debt obligations of each operating segment were:

	Moving & Storage	Property and Casualty Insurance (a)	Life Insurance (a)
	(In thousands)		
Cash and cash equivalents	\$ 643,918	\$ 5,757	\$ 24,026
Other financial assets	149,842	463,079	2,207,099
Debt obligations	4,163,323	—	—

(a) As of December 31, 2018

At March 31, 2019, Moving and Storage had available borrowing capacity under existing credit facilities of \$80.6 million.

A summary of our consolidated cash flows for fiscal 2019, 2018 and 2017 is shown in the table below:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net cash provided by operating activities	\$ 975,583	\$ 937,684	\$ 1,059,455
Net cash used by investing activities	(1,571,136)	(898,304)	(1,183,908)
Net cash provided by financing activities	514,582	16,604	223,753
Effects of exchange rate on cash	(4,716)	5,598	(2,140)
Net increase (decrease) in cash flow	(85,687)	61,582	97,160
Cash at the beginning of the period	759,388	697,806	600,646
Cash at the end of the period	\$ 673,701	\$ 759,388	\$ 697,806

Net cash provided by operating activities increased \$37.9 million in fiscal 2019, compared with fiscal 2018 from reduced federal income tax payments in fiscal 2019 compared with fiscal 2018, a \$64.6 million cash transfer as a result of the Reinsurance contract termination in our Life Insurance segment during fiscal 2019 and the repayment of \$53.0 million in notes and interest from Blackwater in fiscal 2018.

Net cash used by investing activities increased \$672.8 million in fiscal 2019, compared with fiscal 2018. Purchases of property, plant and equipment, which are reported net of cash from sales and lease-back transactions, increased \$506.2 million. Cash from the sales of property, plant and equipment decreased \$93.5 million largely due to reduced fleet sales. Net cash deposited in real estate acquisitions escrow accounts decreased \$27.1 million. For our insurance subsidiaries, net cash used in investing activities increased \$45.7 million compared with the same period last year.

Net cash provided by financing activities increased \$498.0 million in fiscal 2019, compared with fiscal 2018. This was due to a combination of decreased debt and capital lease repayments of \$49.6 million, an increase in cash from borrowings of \$398.8 million, an increase in net annuity deposits from Life Insurance of \$48.0 million and an increase in common stock dividends paid of \$9.8 million.

Liquidity and Capital Resources and Requirements of Our Operating Segments

Moving and Storage

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily consisted of new rental equipment acquisitions and the buyouts of existing fleet from leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment and externally from debt and lease financing. In the future, we anticipate that our internally generated funds will be used to service the existing debt and fund operations. U-Haul estimates that during fiscal 2020 the Company will reinvest in its truck and trailer rental fleet approximately \$700 million, net of equipment sales and excluding any lease buyouts. For fiscal 2019, the Company invested, net of sales, approximately \$560 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2020 and beyond will be dependent upon several factors including the availability of capital, the truck rental environment and the used-truck sales market. We anticipate that the fiscal 2020 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations. The Company's plan for the expansion of owned storage properties includes the acquisition of existing self-storage locations from third parties, the acquisition and development of bare land, and the acquisition and redevelopment of existing buildings not currently used for self-storage. The Company expects to fund these development projects through a combination of internally generated funds along with borrowings against existing properties as they operationally mature. For fiscal 2019, the Company invested \$1,003 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2020, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, and the

identification and successful acquisition of target properties. U-Haul's growth plan in self-storage also includes the expansion of the U-Haul Storage Affiliate program, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment and lease proceeds) were \$1,263.7 million, \$663.9 million and \$932.0 million for fiscal 2019, 2018 and 2017, respectively. The components of our net capital expenditures are provided in the following table:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Purchases of rental equipment	\$ 1,162,909	\$ 1,006,503	\$ 1,178,908
Equipment lease buyouts	30,566	6,594	63,505
Purchases of real estate, construction and renovations	1,003,030	606,990	484,487
Other capital expenditures	21,831	140,627	139,448
Gross capital expenditures	<u>2,218,336</u>	<u>1,760,714</u>	<u>1,866,348</u>
Less: Lease proceeds	(348,368)	(396,969)	(446,843)
Less: Sales of property, plant and equipment	<u>(606,271)</u>	<u>(699,803)</u>	<u>(487,475)</u>
Net capital expenditures	<u>1,263,697</u>	<u>663,942</u>	<u>932,030</u>

Moving and Storage continues to hold significant cash and we believe has access to additional liquidity. Management may invest these funds in our existing operations, expand our product lines or pursue external opportunities in the self-moving and storage marketplace, pay dividends or reduce existing indebtedness where possible.

Property and Casualty Insurance

State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Property and Casualty Insurance's assets are generally not available to satisfy the claims of AMERCO, or its legal subsidiaries.

We believe that stockholders' equity at the Property and Casualty operating segment remains sufficient and we do not believe that its ability to pay ordinary dividends to AMERCO will be restricted per state regulations.

Our Property and Casualty operating segment stockholders' equity was \$222.4 million, \$211.2 million, and \$180.9 million as of December 31, 2018, 2017, and 2016, respectively. The increase in 2018 compared with 2017 resulted from net earnings of \$21.7 million, a reduction in accumulated other comprehensive income of \$20.2 million and an increase due to a one-time reclass of \$9.7 million between other comprehensive income and beginning retained earnings due to the implementation of ASU 2016-01. Property and Casualty Insurance does not use debt or equity issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio.

Life Insurance

Life Insurance manages its financial assets to meet policyholder and other obligations including investment contract withdrawals and deposits. Life Insurance's net deposit increase for the year ended December 31, 2018 was \$267.3 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's assets are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Our Life Insurance operating segment stockholders' equity was \$311.7 million, \$332.9 million, and \$296.1 million as of December 31, 2018, 2017 and 2016, respectively. The decrease in 2018 compared with 2017 resulted from earnings of \$20.1 million and a reduction in accumulated other comprehensive income of \$41.3 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio. Life Insurance has not historically used debt or equity issues to increase capital and therefore has not had any significant direct exposure to capital market conditions other than through its investment portfolio. However, as of December 31, 2018, Oxford had outstanding deposits of \$60.0 million through its membership in the Federal Home Loan Bank ("FHLB"). For a more detailed discussion of this deposit, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Cash Provided from Operating Activities by Operating Segments

Moving and Storage

Net cash provided by operating activities was \$958.9 million, \$858.6 million and \$983.6 million in fiscal 2018, 2017 and 2016 from operations, reduced federal income tax payments in fiscal 2019 and the repayment of \$53.0 million in notes and interest from Blackwater in fiscal 2018.

Property and Casualty Insurance

Net cash provided by operating activities was \$19.8 million, \$21.9 million, and \$19.6 million for the years ended December 31, 2018, 2017, and 2016, respectively. The decrease was the result of changes in intercompany balances and the timing of payables activity.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolios amounted to \$11.2 million, \$17.0 million, and \$20.7 million as of December 31, 2018, 2017, and 2016, respectively. These balances reflect funds in transition from maturity proceeds to long-term investments. Management believes this level of liquid assets, combined with budgeted cash flow, is adequate to meet foreseeable cash needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

Life Insurance

Net cash provided (used) by operating activities was (\$3.2) million, \$57.2 million and \$56.3 million for the years ended December 31, 2018, 2017 and 2016, respectively. The decrease in operating cash flows was primarily due to a \$64.6 million cash transfer as a result of the Reinsurance contract termination, offset by an increase in investment income along with a decrease in benefits and commissions.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are available through Life Insurance's short-term portfolio and its membership in the FHLB. As of December 31, 2018, 2017 and 2016, cash and cash equivalents and short-term investments amounted to \$24.1 million, \$50.7 million and \$20.6 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

Liquidity and Capital Resources - Summary

We believe we have the financial resources needed to meet our business plans including our working capital needs. We continue to hold significant cash and have access to existing credit facilities and additional liquidity to meet our anticipated capital expenditure requirements for investment in our rental fleet, rental equipment and storage acquisitions and build outs.

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment leases. As part of this strategy, we seek to ladder maturities and fix interest rates. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management believes it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit facilities to meet the current and expected needs of the Company over the next several years. As of March 31, 2019, we had available borrowing capacity under existing credit facilities of \$80.6 million. It is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit. We believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

Fair Value of Financial Instruments

Certain assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three tiered approach to valuation. ASC 820 requires that financial assets and liabilities recorded at fair value be classified and disclosed in a Level 1, Level 2 or Level 3 category. For more information, please see Note 15, Fair Value Measurements, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

The available-for-sale securities held by the Company are recorded at fair value. These values are determined primarily from actively traded markets where prices are based either on direct market quotes or observed transactions. Liquidity is a factor considered during the determination of the fair value of these securities. Market price quotes may not be readily available for certain securities or the market for them has slowed or ceased. In situations where the market is determined to be illiquid, fair value is determined based upon limited available information and other factors including expected cash flows. As of March 31, 2019, we had \$0.2 million of available-for-sale assets classified in Level 3.

The interest rate swaps held by us as hedges against interest rate risk for our variable rate debt are recorded at fair value. These values are determined using pricing valuation models which include broker quotes for which significant inputs are observable. They include adjustments for counterparty credit quality and other deal-specific factors, where appropriate and are classified as Level 2.

Disclosures about Contractual Obligations and Commercial Commitments

The following table provides contractual commitments and contingencies as of March 31, 2019:

Contractual Obligations	Total	Payment due by Period (as of March 31, 2019)			
		04/01/19 -	04/01/20 -	04/01/22 -	Thereafter
		03/31/20	03/31/22	03/31/24	
		(In thousands)			
Notes and loans payable - Principal	\$ 2,190,191	\$ 174,812	277,063	\$ 504,119	\$ 1,234,197
Notes and loans payable - Interest	698,905	93,723	169,906	138,891	296,385
Revolving credit agreements - Principal	959,400	—	630,556	328,844	—
Revolving credit agreements - Interest	101,307	35,928	53,696	11,683	—
Capital leases - Principal	1,042,652	301,086	386,458	232,703	122,405
Capital leases - Interest	93,942	31,030	39,138	18,697	5,077
Operating leases	94,288	25,042	33,191	29,991	6,064
Ground leases	53,758	1,024	2,054	2,061	48,619
Property and casualty obligations (a)	134,050	12,845	14,930	9,317	96,958
Life, health and annuity obligations (b)	3,414,305	400,914	570,992	527,739	1,914,660
Self insurance accruals (c)	406,640	116,950	159,216	75,059	55,415
Post retirement benefit liability	19,143	1,037	2,672	3,571	11,863
Total contractual obligations	\$ 9,208,581	\$ 1,194,391	\$ 2,339,872	\$ 1,882,675	\$ 3,791,643

(a) These estimated obligations for unpaid losses and loss adjustment expenses include case reserves for reported claims and IBNR claims estimates and are net of expected reinsurance recoveries. The ultimate amount to settle both the case reserves and IBNR is an estimate based upon historical experience and current trends and such estimates could materially differ from actual results. The assumptions do not include future premiums. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

(b) These estimated obligations are based on mortality, morbidity, withdrawal and lapse assumptions drawn from our historical experience and adjusted for any known trends. These obligations include expected interest crediting but no amounts for future annuity deposits or premiums for life and Medicare supplement policies. The cash flows shown above are undiscounted for interest and as a result total outflows for all years shown significantly exceed the corresponding liabilities of \$2,039.4 million included in our consolidated balance sheet as of March 31, 2019. Life Insurance expects to fully fund these obligations from their invested asset portfolio. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

(c) These estimated obligations are primarily the Company's self insurance accruals for portions of the liability coverage for our rental equipment. The estimates for future settlement are based upon historical experience and current trends. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

As presented above, contractual obligations on debt and guarantees represent principal payments while contractual obligations for operating leases represent the notional payments under the lease arrangements.

ASC 740 - *Income Taxes* liabilities and interest of \$46.7 million is not included above due to uncertainty surrounding ultimate settlements, if any.

Off Balance Sheet Arrangements

The Company uses off-balance sheet arrangements in situations where management believes that the economics and sound business principles warrant their use.

We utilize operating leases for certain rental equipment and facilities with terms expiring substantially through 2024. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed \$5.2 million of residual values as of March 31, 2019 for these assets at the end of their respective lease terms. AMERCO has been leasing rental equipment since 1987. To date, we have not experienced residual value shortfalls related to these leasing arrangements. Using the average cost of fleet related debt as the discount rate, the present value of AMERCO's minimum lease payments and residual value guarantees was \$6.4 million as of March 31, 2019.

During the 1990s, we used certain off-balance sheet arrangements in connection with the expansion of our self-storage business. For more information please see Note 19, Related Party Transactions, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report. These arrangements were primarily used when our overall borrowing structure was more limited. We do not face similar limitations currently and off-balance sheet arrangements have not been utilized in our self-storage expansion in recent years. In the future, we will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to us and our stockholders. SAC Holdings, Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini are substantially controlled by Blackwater. Blackwater is wholly-owned by WGHLP, which is owned by Mark V. Shoen (a significant shareholder) and various trusts associated with Edward J. Shoen (our Chairman of the Board, President and a significant shareholder) and Mark V. Shoen.

We currently manage the self-storage properties owned or leased by Blackwater and Mercury pursuant to a standard form of management agreement, under which we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of \$30.0 million, \$29.5 million and \$27.8 million from the above mentioned entities during fiscal 2019, 2018 and 2017, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by Mark V. Shoen, James P. Shoen, and a trust benefitting the children and grandchildren of Edward J. Shoen.

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of Blackwater. Total lease payments pursuant to such leases were \$2.7 million for fiscal years 2019, 2018 and 2017. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased by us.

As of March 31, 2019, subsidiaries of Blackwater acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based on equipment rental revenues. We paid the above mentioned entities \$61.4 million, \$58.6 million and \$57.1 million in commissions pursuant to such dealership contracts during fiscal 2019, 2018 and 2017, respectively.

These agreements with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of \$24.0 million, expenses of \$2.7 million and cash flows of \$21.3 million during fiscal 2019. Revenues and commission expenses related to the Dealer Agreements were \$288.2 million and \$61.4 million, respectively during fiscal 2019.

Fiscal 2020 Outlook

We will continue to focus our attention on increasing transaction volume and improving pricing, product and utilization for self-moving equipment rentals. Maintaining an adequate level of new investment in our truck fleet is an important component of our plan to meet our operational goals. Revenue in the U-Move[®] program could be adversely impacted should we fail to execute in any of these areas. Even if we execute our plans, we could see declines in revenues primarily due to unforeseen events including adverse economic conditions or heightened competition that is beyond our control.

With respect to our storage business, in fiscal 2019 we have added new locations and expanded existing locations. In fiscal 2020, we are actively looking to complete current projects, increase occupancy in our existing portfolio of locations and acquire new locations. New projects and acquisitions will be considered and pursued if they fit our long-term plans and meet our financial objectives. We will continue to invest capital and resources in the U-Box[®] program throughout fiscal 2020.

Property and Casualty Insurance will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove[®], Safetow[®], Safemove Plus[®], Safestor[®], and Safestor Mobile[®] protection packages to U-Haul customers.

Life Insurance is pursuing its goal of expanding its presence in the senior market through the sales of its Medicare supplement, life and annuity policies. This strategy includes growing its agency force, expanding its new product offerings, and pursuing business acquisition opportunities.

Quarterly Results (unaudited)

The quarterly results shown below are derived from unaudited financial statements for the eight quarters beginning April 1, 2017 and ending March 31, 2019. We believe that all necessary adjustments have been included in the amounts stated below to present fairly, and in accordance with GAAP, such results. Moving and Storage operations are seasonal and proportionally more of the Company's revenues and net earnings from its Moving and Storage operations are generated in the first and second quarters of each fiscal year (April through September). The operating results for the periods presented are not necessarily indicative of results for any future period.

	Quarter Ended			
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(In thousands, except for share and per share data)			
Total revenues	\$ 725,532	\$ 919,091	\$ 1,104,507	\$ 1,019,577
Earnings from operations	27,237	138,102	250,944	204,704
Earnings available to common shareholders	831	78,635	163,542	127,849
Basic and diluted earnings per common share	\$ 0.04	\$ 4.01	\$ 8.35	\$ 6.53
Weighted average common shares outstanding: basic and diluted	19,594,008	19,591,963	19,591,312	19,590,585

	Quarter Ended			
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
	(In thousands, except for share and per share data)			
Total revenues	\$ 757,621	\$ 842,882	\$ 1,042,686	\$ 957,925
Earnings from operations	3,002	303,368	229,613	229,263
Earnings available to common shareholders	10,843	528,894	124,639	126,207
Basic and diluted earnings per common share	\$ 0.56	\$ 27.00	\$ 6.36	\$ 6.44
Weighted average common shares outstanding: basic and diluted	19,589,871	19,589,218	19,588,571	19,587,891

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, including changes in interest rates and currency exchange rates. To mitigate these risks, we may utilize derivative financial instruments, among other strategies. We do not use derivative financial instruments for speculative purposes.

Interest Rate Risk

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations and one variable rate operating lease. We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations. Following is a summary of our interest rate swaps agreements at March 31, 2019:

	Notional Amount	Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
	(In thousands)					
\$	7,604	—	4/16/2012	4/1/2019	1.28%	1 Month LIBOR
	15,188	139	1/15/2013	12/15/2019	1.07%	1 Month LIBOR

As of March 31, 2019, we had \$1,084.1 million of variable rate debt obligations. If the London Inter-Bank Offer Rate were to increase 100 basis points, the increase in interest expense on the variable rate debt would decrease future earnings and cash flows by \$10.6 million annually (after consideration of the effect of the above derivative contracts). Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule.

Additionally, our insurance subsidiaries' fixed income investment portfolios expose us to interest rate risk. This interest rate risk is the price sensitivity of a fixed income security to changes in interest rates. As part of our insurance companies' asset and liability management, actuaries estimate the cash flow patterns of our existing liabilities to determine their duration. These outcomes are compared to the characteristics of the assets that are currently supporting these liabilities assisting management in determining an asset allocation strategy for future investments that management believes will mitigate the overall effect of interest rates.

We use derivatives to hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair market value on our balance sheet. At March 31, 2019 and 2018, these derivative hedges had a net market value of \$1.5 million and \$4.4 million, with notional amounts of \$284.0 million and \$227.4 million, respectively. These derivative instruments are included in Investments, other; on the consolidated balance sheets.

Although the call options are employed to be effective hedges against our policyholder obligations from an economic standpoint, they do not meet the requirements for hedge accounting under GAAP. Accordingly, the call options are marked to fair value on each reporting date with the change in fair value, plus or minus, included as a component of net investment and interest income. The change in fair value of the call options includes the gains or losses recognized at the expiration of the option term and the changes in fair value for open contracts.

Foreign Currency Exchange Rate Risk

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 4.6%, 4.6% and 4.4% of our revenue was generated in Canada in fiscal 2019, 2018 and 2017, respectively. The result of a 10% change in the value of the U.S. dollar relative to the Canadian dollar would not be material to net income. We typically do not hedge any foreign currency risk since the exposure is not considered material.

Item 8. Financial Statements and Supplementary Data

The Report of Independent Registered Public Accounting Firm and Consolidated Financial Statements of AMERCO and its consolidated subsidiaries including the notes to such statements and the related schedules are set forth on the "F" pages hereto and are incorporated by reference herein.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Attached as exhibits to this Annual Report are certifications of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), which are required in accordance with Rule 13a-14 of the Exchange Act. This "Controls and Procedures" section includes information concerning the controls and procedures evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented in the section Evaluation of Disclosure Controls and Procedures.

Following this discussion is the report of BDO USA, LLP, our independent registered public accounting firm, regarding its audit of AMERCO's internal control over financial reporting as set forth below in this section. This section should be read in conjunction with the certifications of our CEO and CFO and the BDO USA, LLP report for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) ("Disclosure Controls") as of the end of the period covered by this Annual Report. Our Disclosure Controls are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, such as this Annual Report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our Disclosure Controls are also designed to ensure that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CFO have concluded that as of the end of the period covered by this Annual Report, our Disclosure Controls were effective at a reasonable assurance level related to the above stated design purposes.

Inherent Limitations on Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of our controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Control over Financial Reporting

There has not been any change in the Company's internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed our internal control over financial reporting as of March 31, 2019, the end of our fiscal year. Management based its assessment on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. This assessment is supported by testing and monitoring performed both by our Internal Audit function and our Finance function.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year 2019. We reviewed the results of management's assessment with the Audit Committee of our Board.

Our independent registered public accounting firm, BDO USA, LLP, has audited the Company's internal control over financial reporting and has issued their report, which is included on the following page.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
AMERCO
Reno, Nevada

Opinion on Internal Control over Financial Reporting

We have audited AMERCO and consolidated subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019, based on the COSO criteria .

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of March 31, 2019 and 2018, the related consolidated statements of operations, changes in stockholders' equity, comprehensive income (loss), and cash flows for each of the three years in the period ended March 31, 2019, and the related notes and schedules and our report dated May 29, 2019, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, LLP

Phoenix, Arizona

May 29, 2019

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required to be disclosed under this Item 10 is incorporated herein by reference to AMERCO's definitive proxy statement, in connection with its 2019 annual meeting of stockholders (the "Proxy Statement"), which will be filed with the SEC within 120 days after the close of the Company's 2019 fiscal year.

The Company has a Code of Ethics that applies to all directors, officers and employees of the Company, including the Company's principal executive officer and principal financial officer. A copy of our Code of Ethics is posted on AMERCO's website at amerco.com/governance.aspx. We intend to satisfy the disclosure requirements of Current Report on Form 8-K regarding any amendment to, or waiver from, a provision of our Code of Ethics by posting such information on the Company's website, at the web address and location specified above, unless otherwise required to file a Current Report on Form 8-K by NASDAQ rules and regulations.

Item 11. Executive Compensation

The information required to be disclosed under this Item 11 is incorporated herein by reference to the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required to be disclosed under this Item 12 is incorporated herein by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be disclosed under this Item 13 is incorporated herein by reference to the Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required to be disclosed under this Item 14 is incorporated herein by reference to the Proxy Statement.

PART IV

Item 15. Exhibits; Financial Statement Schedules

The following documents are filed as part of this Report:

	Page
1 Financial Statements:	
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets - March 31, 2019 and 2018	F-2
Consolidated Statements of Operations - Years Ended March 31, 2019, 2018, and 2017	F-3
Consolidated Statements of Comprehensive Income (Loss) - Years Ended March 31, 2019, 2018, and 2017	F-4
Consolidated Statements of Changes in Stockholders' Equity - Years Ended March 31, 2019, 2018, and 2017	F-5
Consolidated Statements of Cash Flows - Years Ended March 31, 2019, 2018, and 2017	F-6
Notes to Consolidated Financial Statements	F-8
2 Financial Statement Schedules required to be filed by Item 8:	
Schedule I - Condensed Financial Information of AMERCO	F-60
Schedule II - AMERCO and Consolidated Subsidiaries Valuation and Qualifying Accounts	F-64
Schedule V - AMERCO and Consolidated Subsidiaries Supplemental Information (For Property-Casualty Insurance Operations)	F-65

All other schedules are omitted because they are not required, inapplicable, or the information is otherwise shown in the financial statements or notes thereto.

Exhibits:

Exhibit Number	Description	Page or Method of Filing
3.1	Amended and Restated Articles of Incorporation of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on June 9, 2016, file no. 1-11255
3.2	Restated Bylaws of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on September 5, 2013, file no. 1-11255
4.1	U-Haul Investors Club Base Indenture, dated February 14, 2011 by and between AMERCO and U. S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.2	Second Supplemental Indenture, dated February 17, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.3	Fourth Supplemental Indenture, dated March 15, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 22, 2011, file no. 1-11255
4.4	Seventh Supplemental Indenture, dated March 29, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 1, 2011, file no. 1-11255
4.5	Tenth Supplemental Indenture, dated June 7, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.6	Eleventh Supplemental Indenture dated June 7, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 31, 2011, file no. 1-11255
4.7	Twelfth Supplemental Indenture dated June 14, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.8	Fourteenth Supplemental Indenture dated July 20, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 17, 2011, file no. 1-11255
4.9	Sixteenth Supplemental Indenture dated August 31, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 28, 2011, file no. 1-11255
4.10	Seventeenth Supplemental Indenture dated November 8, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 18, 2012, file no. 1-11255
4.11	Eighteenth Supplemental Indenture dated January 7, 2012 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 26, 2012, file no. 1-11255
4.12	Nineteenth Supplemental Indenture dated May 14, 2012 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 15, 2012, file no. 1-11255

4.13	<u>Eighth Supplemental Indenture, dated April 12, 2011, by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year end March 31, 2012, file no. 1-11255
4.14	<u>Twentieth Supplemental Indenture dated September 4, 2012 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 4, 2012, file no. 1-11255
4.15	<u>Twenty-first Supplemental Indenture dated January 15, 2013 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 15, 2013, file no. 1-11255
4.16	<u>Twenty-second Supplemental Indenture, dated May 28, 2013 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 30, 2013, file no. 1-11255
4.17	<u>Twenty-third Supplemental Indenture, dated November 26, 2013 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on November 26, 2013, file no. 1-11255
4.18	<u>Twenty-fourth Supplemental Indenture, dated April 22, 2014 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 22, 2014, file no. 1-11255
4.19	<u>Twenty-fifth Supplemental Indenture, dated July 7, 2015 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on July 7, 2015, file no. 1-11255
4.20	<u>Twenty-sixth Supplemental Indenture, dated September 29, 2015 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 29, 2015, file no. 1-11255
4.21	<u>Twenty-seventh Supplemental Indenture, dated December 15, 2015 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on December 15, 2015, file no. 1-11255
4.22	<u>Twenty-eighth Supplemental Indenture, dated September 13, 2016 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 13, 2016, file no. 1-11255
4.23	<u>Twenty-ninth Supplemental Indenture, dated January 24, 2017 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 24, 2017, file no. 1-11255
4.24	<u>Thirtieth Supplemental Indenture, dated June 27, 2017 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 27, 2017, file no. 1-11255
4.25	<u>Thirty-first Supplemental Indenture, dated October 24, 2017 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 25, 2017, file no. 1-11255
4.26	<u>Thirty-second Supplemental Indenture, dated March 6, 2018 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 6, 2018, file no. 1-11255
4.27	<u>Amended and Restated Twenty-fifth Supplemental Indenture, dated August 28, 2018 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 28, 2018, file no. 1-11255

4.28	<u>Thirty-third Supplemental Indenture, dated August 28, 2018 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 28, 2018, file no. 1-11255
4.29	<u>Thirty-fourth Supplemental Indenture, dated October 23, 2018 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 23, 2018, file no. 1-11255
4.30	<u>Thirty-fifth Supplemental Indenture, dated March 7, 2019 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 7, 2019, file no. 1-11255
4.31	<u>Amended and Restated Thirty-third Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
4.32	<u>Amended and Restated Thirty-fourth Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
4.33	<u>Thirty-sixth Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
10.1	<u>Management Agreement between Four SAC Self-Storage Corporation and subsidiaries of AMERCO</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1997, file no. 1-11255
10.2	<u>Management Agreement between Five SAC Self-Storage Corporation and subsidiaries of AMERCO</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1999, file no. 1-11255
10.3	<u>Property Management Agreement</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2004, file no. 1-11255
10.4	<u>U-Haul Dealership Contract between U-Haul Leasing & Sales Co., and U-Haul Moving Partners, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.5	<u>Property Management Agreement between Mercury Partners, LP, Mercury 99, LLC and U-Haul Self-Storage Management (WPC), Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.6	<u>Amended and Restated Credit Agreement, dated June 8, 2005, among Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and Merrill Lynch Commercial Finance Corp.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K/A, filed June 14, 2005, file no. 1-11255
10.7	<u>Security Agreement dated June 8, 2005, by Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and the Marketing Grantors named therein in favor of Merrill Lynch Commercial Finance Corp.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K/A, filed June 14, 2005, file no. 1-11255

10.8	<u>Guarantee, dated June 8, 2005, by U-Haul International, Inc. in favor of Merrill Lynch Commercial Finance Corp.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K/A, filed June 14, 2005, file no. 1-11255
10.9	<u>Promissory Note, dated June 8, 2005 by Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc. and U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K/A, filed June 14, 2005, file no. 1-11255
10.10	<u>Amendment No. 1 to the Amended and Restated Credit Agreement and Security Agreement, dated as of August 18, 2006, to the Amended and Restated Credit Agreement, dated as of June 8, 2005, among Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and the Marketing Grantors named therein in favor of Merrill Lynch Commercial Financial Corp.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K filed August 23, 2006, file no. 1-11255
10.11	<u>Amended and Restated Property Management Agreement among Eight SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.12	<u>Amended and Restated Property Management Agreement among Nine SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.13	<u>Amended and Restated Property Management Agreement among Ten SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.14	<u>Amended and Restated Property Management Agreement among Eleven SAC Self-Storage Corporation and Eleven SAC Self-Storage Odenton, Inc. and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.15	<u>Amended and Restated Property Management Agreement among Twelve SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.16	<u>Amended and Restated Property Management Agreement among Thirteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.17	<u>Amended and Restated Property Management Agreement among Fourteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255

10.18	<u>Amended and Restated Property Management Agreement among Fifteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.19	<u>Amended and Restated Property Management Agreement among Sixteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.20	<u>Amended and Restated Property Management Agreement among Seventeen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.21	<u>Amended and Restated Property Management Agreement among Eighteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.22	<u>Amended and Restated Property Management Agreement among Twenty SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.23	<u>Amended and Restated Property Management Agreement among Twenty-One SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.24	<u>Amended and Restated Property Management Agreement among Twenty-Two SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.25	<u>Amended and Restated Property Management Agreement among Twenty-Three SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.26	<u>Amended and Restated Property Management Agreement among Twenty-Four SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.27	<u>Amended and Restated Property Management Agreement among Twenty-Five SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.28	<u>Amended and Restated Property Management Agreement among Twenty-Six SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.29	<u>Amended and Restated Property Management Agreement among Twenty-Seven SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.30	<u>Amended and Restated Property Management Agreement among Three-A SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255

10.31	<u>Amended and Restated Property Management Agreement among Three-B SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.32	<u>Amended and Restated Property Management Agreement among Three-C SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.33	<u>Amended and Restated Property Management Agreement among Three-D SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.34	<u>Amended and Restated Property Management Agreement among Galaxy Storage One, LP and subsidiaries of U-Haul International, Inc.</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.35	<u>U-Haul Dealership Contract Addendum</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.36	<u>Loan Agreement, dated as of August 12, 2015 among U-Haul Co of Florida 8, LLC, U-Haul Co. of Florida 9, LLC, U-Haul Co. of Florida 10, UHIL 8, LLC, UHIL 9, LLC, UHIL 10, LLC, UHIL 13, LLC, AREC 8, LLC, AREC 9, LLC, AREC 10, LLC and AREC 13, LLC, each a Delaware limited liability company, collectively as Borrower, and Morgan Stanley Bank, N.A. and JP Morgan Chase Bank, National Association, collectively as Lender</u>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 14, 2015, file no. 1-11255
10.37	<u>Property Management Agreement dated December 11, 2014 between Three SAC Self-Storage Corporation and U-Haul Co. (Canada), Ltd</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.38	<u>Property Management Agreement dated December 16, 2014 among Galaxy Storage Two, L.P. and certain subsidiaries of AMERCO</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.39	<u>Property Management Agreement dated June 25, 2015 among 2015 SAC Self-Storage, LLC and certain subsidiaries of AMERCO</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.40	<u>Property Management Agreement dated March 21, 2016 among Five SAC RW, LLC and certain subsidiaries of AMERCO</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.41	<u>Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.42	<u>Amended and Restated AMERCO Employee Stock Ownership Plan*</u>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255

10.43	Property Management Agreement among Six-SAC Self-Storage Corporation and certain subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 27, 2016, file no. 1-11255
10.44	Stockholder Agreement dated September 12, 2016, between Edward J. Shoen, Mark V. Shoen, Foster Road LLC, Willow Grove Holdings LP, Blackwater Investments, Inc. and SAC Holdings Corporation	Incorporated by reference to Exhibit 99.1, filed with the Schedule 13-D/A, filed on September 12, 2016, file number 5-39669
10.45	2016 Stock Option Plan (Shelf Stock Option Plan)*	Incorporated by reference to Exhibit C to Definitive Proxy for the Special Meeting of Stockholders filed on April 20, 2016
10.46	Credit Agreement, dated as of September 1, 2017 by and among AMERCO, as the Borrower, Bank of America, N.A., as Agent for all Lenders, and the financial institutions party thereto from to time as, Lenders.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 7, 2017, file no. 1-11255
10.47	Template Dealership Contract	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.48	Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.49	Amendment to the Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.50	Amended and Restated AMERCO Employee Stock Ownership Plan*	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.51	Amendment to the Amended and Restated AMERCO Employee Stock Ownership Plan	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
14	Code of Ethics	Incorporated by reference to AMERCO's Quarterly Report on Form 8-K, filed on April 15, 2014, file no. 1-11255
21	Subsidiaries of AMERCO	Filed herewith
23.1	Consent of BDO USA, LLP	Filed herewith
24	Power of Attorney	Refer to signature page
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Chief Financial Officer of AMERCO	Filed herewith
32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith

32.2	Certificate of Jason A. Berg, Chief Financial Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101.INS	XBRL Instance Document	Furnished herewith
101.SCH	XBRL Taxonomy Extension Schema	Furnished herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Furnished herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Furnished herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Furnished herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Furnished herewith

* Indicates management plan or compensatory arrangement.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors

AMERCO

Reno, Nevada

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of AMERCO and consolidated subsidiaries' (the "Company") as of March 31, 2019 and 2018, the related consolidated statements of operations, changes in stockholders' equity, comprehensive income (loss) and cash flows for each of the three years in the period ended March 31, 2019, and the related notes and schedules (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries at March 31, 2019 and 2018, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated May 29, 2019, expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2003.

Phoenix, Arizona

May 29, 2019

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31,	
	2019	2018
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$ 673,701	\$ 759,388
Reinsurance recoverables and trade receivables, net	224,785	193,538
Inventories and parts, net	103,504	89,877
Prepaid expenses	174,100	166,129
Investments, fixed maturities and marketable equities	2,235,397	1,919,860
Investments, other	300,736	399,064
Deferred policy acquisition costs, net	136,276	124,767
Other assets	78,354	244,782
Related party assets	30,889	33,276
	<u>3,957,742</u>	<u>3,930,681</u>
Property, plant and equipment, at cost:		
Land	976,454	827,649
Buildings and improvements	4,003,726	3,140,713
Furniture and equipment	689,780	632,803
Rental trailers and other rental equipment	590,039	545,968
Rental trucks	4,762,028	4,390,750
	<u>11,022,027</u>	<u>9,537,883</u>
Less: Accumulated depreciation	<u>(3,088,056)</u>	<u>(2,721,142)</u>
Total property, plant and equipment	<u>7,933,971</u>	<u>6,816,741</u>
Total assets	\$ <u>11,891,713</u>	\$ <u>10,747,422</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 556,873	\$ 511,115
Notes, loans and leases payable, net	4,163,323	3,513,076
Policy benefits and losses, claims and loss expenses payable	1,011,183	1,248,033
Liabilities from investment contracts	1,666,742	1,364,066
Other policyholders' funds and liabilities	15,047	10,040
Deferred income	35,186	34,276
Deferred income taxes, net	750,970	658,108
Total liabilities	<u>8,199,324</u>	<u>7,338,714</u>
Commitments and contingencies (notes 9, 16, 17, and 18)		
Stockholders' equity:		
Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,100,000 shares issued and none outstanding as of March 31, 2019 and 2018	—	—
Series B preferred stock, with no par value, 100,000 shares authorized; none		
issued and outstanding as of March 31, 2019 and 2018	—	—
Serial common stock, with or without par value, 250,000,000 shares authorized:		
Serial common stock of \$0.25 par value, 10,000,000 shares authorized;		
none issued and outstanding as of March 31, 2019 and 2018	—	—
Common stock, with \$0.25 par value, 250,000,000 shares authorized:		
Common stock of \$0.25 par value, 250,000,000 shares authorized; 41,985,700		
issued and 19,607,788 outstanding as of March 31, 2019 and 2018	10,497	10,497
Additional paid-in capital	453,326	452,746
Accumulated other comprehensive loss	(66,698)	(4,623)
Retained earnings	3,976,962	3,635,561
Cost of common shares in treasury, net (22,377,912 shares as of March 31, 2019 and 2018)	(525,653)	(525,653)
Cost of preferred shares in treasury, net (6,100,000 shares as of March 31, 2019 and 2018)	(151,997)	(151,997)
Unearned employee stock ownership plan shares	<u>(4,048)</u>	<u>(7,823)</u>
Total stockholders' equity	<u>3,692,389</u>	<u>3,408,708</u>
Total liabilities and stockholders' equity	\$ <u>11,891,713</u>	\$ <u>10,747,422</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2019	2018	2017
	(In thousands, except share and per share data)		
Revenues:			
Self-moving equipment rentals	\$ 2,653,497	\$ 2,479,742	\$ 2,362,833
Self-storage revenues	367,276	323,903	286,886
Self-moving and self-storage products and service sales	264,146	261,557	253,073
Property management fees	29,148	29,602	29,075
Life insurance premiums	63,488	154,703	163,579
Property and casualty insurance premiums	60,853	57,100	52,334
Net investment and interest income	110,934	110,473	102,276
Other revenue	219,365	184,034	171,711
Total revenues	<u>3,768,707</u>	<u>3,601,114</u>	<u>3,421,767</u>
Costs and expenses:			
Operating expenses	1,981,180	1,807,056	1,567,181
Commission expenses	288,408	276,705	267,230
Cost of sales	162,142	160,489	152,485
Benefits and losses	100,277	185,311	182,710
Amortization of deferred policy acquisition costs	28,556	24,514	26,218
Lease expense	33,158	33,960	37,343
Depreciation, net gains on disposals of (\$26,982, \$11,822 and \$32,495, respectively)	554,043	543,247	449,025
Net gains on disposal of real estate	(44)	(195,414)	(3,590)
Total costs and expenses	<u>3,147,720</u>	<u>2,835,868</u>	<u>2,678,602</u>
Earnings from operations	620,987	765,246	743,165
Other components of net periodic benefit costs	(1,013)	(927)	(902)
Interest expense	(142,445)	(126,706)	(113,406)
Fees and amortization on early extinguishment of debt	—	—	(499)
Pretax earnings	477,529	637,613	628,358
Income tax benefit (expense)	(106,672)	152,970	(229,934)
Earnings available to common stockholders	<u>\$ 370,857</u>	<u>\$ 790,583</u>	<u>\$ 398,424</u>
Basic and diluted earnings per common share	<u>\$ 18.93</u>	<u>\$ 40.36</u>	<u>\$ 20.34</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,592,048</u>	<u>19,588,889</u>	<u>19,586,606</u>

Related party revenues for fiscal 2019, 2018 and 2017, net of eliminations, were \$29.1 million, \$32.9 million and \$34.0 million, respectively.

Related party costs and expenses for fiscal 2019, 2018, and 2017, net of eliminations, were \$64.1 million, \$61.3 million and \$59.9 million, respectively.

Please see Note 19, Related Party Transactions, of the Notes to Consolidated Financial Statements for more information on the related party revenues and costs and expenses.

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Fiscal Year Ended March 31, 2019	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 477,529	\$ (106,672)	\$ 370,857
Other comprehensive income:			
Foreign currency translation	(1,759)	—	(1,759)
Unrealized net loss on investments	(76,124)	16,356	(59,768)
Change in fair value of cash flow hedges	633	(156)	477
Change in postretirement benefit obligations	(1,359)	334	(1,025)
Total comprehensive income	<u>\$ 398,920</u>	<u>\$ (90,138)</u>	<u>\$ 308,782</u>

Fiscal Year Ended March 31, 2018	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 637,613	\$ 152,970	\$ 790,583
Other comprehensive income:			
Foreign currency translation	14,652	—	14,652
Unrealized net gain on investments	30,929	(10,825)	20,104
Change in fair value of cash flow hedges	4,445	(1,363)	3,082
Change in postretirement benefit obligations	288	(253)	35
Total comprehensive income	<u>\$ 687,927</u>	<u>\$ 140,529</u>	<u>\$ 828,456</u>

Fiscal Year Ended March 31, 2017	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 628,358	\$ (229,934)	\$ 398,424
Other comprehensive income:			
Foreign currency translation	(5,862)	—	(5,862)
Unrealized net gain on investments	13,822	(4,838)	8,984
Change in fair value of cash flow hedges	9,916	(3,767)	6,149
Change in postretirement benefit obligations	28	(10)	18
Total comprehensive income	<u>\$ 646,262</u>	<u>\$ (238,549)</u>	<u>\$ 407,713</u>

The accompanying notes are an integral part of these consolidated financial statements .

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Description	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Less: Treasury Common Stock	Less: Treasury Preferred Stock	Less: Unearned Employee Stock Ownership Plan Shares	Total Stockholders' Equity
	(In thousands)							
Balance as of March 31, 2016	<u>\$ 10,497</u>	<u>\$ 451,629</u>	<u>\$ (60,525)</u>	<u>\$ 2,533,641</u>	<u>\$ (525,653)</u>	<u>\$ (151,997)</u>	<u>\$ (6,186)</u>	<u>\$ 2,251,406</u>
Increase in market value of released ESOP shares	—	543	—	—	—	—	—	543
Release of unearned ESOP shares	—	—	—	—	—	—	10,360	10,360
Purchase of ESOP shares	—	—	—	—	—	—	(11,106)	(11,106)
Foreign currency translation	—	—	(5,862)	—	—	—	—	(5,862)
Unrealized net gain on investments, net of tax	—	—	8,984	—	—	—	—	8,984
Change in fair value of cash flow hedges, net of tax	—	—	6,149	—	—	—	—	6,149
Change in postretirement benefit obligations	—	—	18	—	—	—	—	18
Net earnings	—	—	—	398,424	—	—	—	398,424
Common stock dividends: (\$2.00 per share for fiscal 2017)	—	—	—	(39,172)	—	—	—	(39,172)
Net activity	—	543	9,289	359,252	—	—	(746)	368,338
Balance as of March 31, 2017	<u>\$ 10,497</u>	<u>\$ 452,172</u>	<u>\$ (51,236)</u>	<u>\$ 2,892,893</u>	<u>\$ (525,653)</u>	<u>\$ (151,997)</u>	<u>\$ (6,932)</u>	<u>\$ 2,619,744</u>
Adjustment for adoption of ASU 2018 - 02	—	—	8,740	(8,740)	—	—	—	—
Increase in market value of released ESOP shares	—	574	—	—	—	—	—	574
Release of unearned ESOP shares	—	—	—	—	—	—	10,749	10,749
Purchase of ESOP shares	—	—	—	—	—	—	(11,640)	(11,640)
Foreign currency translation	—	—	14,652	—	—	—	—	14,652
Unrealized net gain on investments, net of tax	—	—	20,104	—	—	—	—	20,104
Change in fair value of cash flow hedges, net of tax	—	—	3,082	—	—	—	—	3,082
Change in postretirement benefit obligations	—	—	35	—	—	—	—	35
Net earnings	—	—	—	790,583	—	—	—	790,583
Common stock dividends: (\$2.00 per share for fiscal 2018)	—	—	—	(39,175)	—	—	—	(39,175)
Net activity	—	574	46,613	742,668	—	—	(891)	788,964
Balance as of March 31, 2018	<u>\$ 10,497</u>	<u>\$ 452,746</u>	<u>\$ (4,623)</u>	<u>\$ 3,635,561</u>	<u>\$ (525,653)</u>	<u>\$ (151,997)</u>	<u>\$ (7,823)</u>	<u>\$ 3,408,708</u>
Adjustment for adoption of ASU 2016 - 01	—	—	(9,724)	9,724	—	—	—	—
Increase in market value of released ESOP shares	—	580	—	—	—	—	—	580
Release of unearned ESOP shares	—	—	—	—	—	—	9,392	9,392
Purchase of ESOP shares	—	—	—	—	—	—	(5,617)	(5,617)
Foreign currency translation	—	—	(1,759)	—	—	—	—	(1,759)
Unrealized net loss on investments, net of tax	—	—	(50,044)	—	—	—	—	(50,044)
Change in fair value of cash flow hedges, net of tax	—	—	477	—	—	—	—	477
Change in postretirement benefit obligations	—	—	(1,025)	—	—	—	—	(1,025)
Net earnings	—	—	—	370,857	—	—	—	370,857
Common stock dividends: (\$2.00 per share for fiscal 2019)	—	—	—	(39,180)	—	—	—	(39,180)
Net activity	—	580	(62,075)	341,401	—	—	3,775	283,681
Balance as of March 31, 2019	<u>\$ 10,497</u>	<u>\$ 453,326</u>	<u>\$ (66,698)</u>	<u>\$ 3,976,962</u>	<u>\$ (525,653)</u>	<u>\$ (151,997)</u>	<u>\$ (4,048)</u>	<u>\$ 3,692,389</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 370,857	\$ 790,583	\$ 398,424
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	581,025	555,069	481,520
Amortization of deferred policy acquisition costs	28,556	24,514	26,218
Amortization of premiums and accretion of discounts related to investments, net	13,107	12,790	11,828
Amortization of debt issuance costs	3,923	3,868	4,062
Interest credited to policyholders	35,387	32,302	25,020
Change in allowance for losses on trade receivables	52	(120)	(46)
Change in allowance for inventories and parts reserves	(146)	5,065	1,330
Net gains on disposal of personal property	(26,982)	(11,822)	(32,495)
Net gains on disposal of real estate	(44)	(195,414)	(3,590)
Net gains on sales of investments	(2,663)	(6,269)	(5,284)
Net losses on equity investments	5,739	—	—
Deferred income taxes	106,811	(193,434)	173,112
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	(31,365)	(15,329)	(2,890)
Inventories and parts	(13,492)	(12,384)	(4,072)
Prepaid expenses	(8,620)	(40,765)	9,386
Capitalization of deferred policy acquisition costs	(25,957)	(27,350)	(27,111)
Other assets	157,152	(165,968)	(2,488)
Related party assets	4,194	53,408	343
Accounts payable and accrued expenses	10,263	(36,980)	(15,548)
Policy benefits and losses, claims and loss expenses payable	(236,120)	161,121	15,378
Other policyholders' funds and liabilities	5,007	(109)	1,499
Deferred income	966	5,524	5,921
Related party liabilities	(2,067)	(616)	(1,062)
Net cash provided by operating activities	975,583	937,684	1,059,455
Cash flows from investing activities:			
Escrow deposits	4,299	31,362	(38,058)
Purchase of:			
Property, plant and equipment	(1,869,968)	(1,363,745)	(1,419,505)
Short term investments	(54,048)	(63,556)	(635,847)
Fixed maturity investments	(540,045)	(390,900)	(355,101)
Equity securities	(957)	(662)	(489)
Preferred stock	—	(1,000)	—
Real estate	(635)	(1,939)	(32,807)
Mortgage loans	(63,611)	(83,507)	(154,310)
Proceeds from sales and paydowns of:			
Property, plant and equipment	606,271	699,803	487,475
Short term investments	66,037	67,790	655,726
Fixed maturity investments	123,551	163,469	189,242
Equity securities	8,608	—	—
Preferred stock	1,625	4,208	4,181
Real estate	—	2,783	8,753
Mortgage loans	147,737	37,590	106,832
Net cash used by investing activities	(1,571,136)	(898,304)	(1,183,908)

Page 1 of 2

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Cash flows from financing activities:			
Borrowings from credit facilities	\$ 897,311	\$ 498,464	\$ 742,625
Principal repayments on credit facilities	(299,748)	(356,451)	(367,844)
Payment of debt issuance costs	(7,243)	(5,111)	(5,055)
Capital lease payments	(303,431)	(296,363)	(212,545)
Employee stock ownership plan shares	(418)	(11,640)	(11,106)
Securitization deposits	—	(2,180)	446
Common stock dividends paid	(39,179)	(29,380)	(58,757)
Investment contract deposits	400,123	401,814	285,148
Investment contract withdrawals	(132,833)	(182,549)	(149,159)
Net cash provided by financing activities	<u>514,582</u>	<u>16,604</u>	<u>223,753</u>
Effects of exchange rate on cash	(4,716)	5,598	(2,140)
Increase (decrease) in cash and cash equivalents	(85,687)	61,582	97,160
Cash and cash equivalents at the beginning of period	759,388	697,806	600,646
Cash and cash equivalents at the end of period	<u>\$ 673,701</u>	<u>\$ 759,388</u>	<u>\$ 697,806</u>

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AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

AMERCO, a Nevada Corporation ("AMERCO"), has a fiscal year that ends on the 31st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31st of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. We disclose material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2018, 2017 and 2016 correspond to fiscal 2019, 2018 and 2017 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars. Certain amounts reported in previous years have been reclassified to conform to the current presentation. Please see Note 3, Accounting Policies – *Adoption of New Accounting Pronouncements*, of the Notes to Consolidated Financial Statements.

Note 2. Principles of Consolidation

We apply Accounting Standards Codification ("ASC") 810 - *Consolidation* ("ASC 810") in our principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a variable interest entity ("VIE"). A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

A VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration. After a reconsideration event occurs the most recent facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(ies) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

We will continue to monitor our relationships with the other entities regarding who is the primary beneficiary, which could change based on facts and circumstances of any reconsideration events. Please see Note 19, Related Party Transactions, of the Notes to Consolidated Financial Statements.

The accompanying Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated.

Description of Legal Entities

AMERCO is the holding company for:

U-Haul International, Inc. ("U-Haul");

Amerco Real Estate Company ("Real Estate");

Repwest Insurance Company ("Repwest"); and

Oxford Life Insurance Company ("Oxford").

Unless the context otherwise requires, the terms "Company," "we," "us" or "our" refer to AMERCO and all of its legal subsidiaries.

Description of Operating Segments

AMERCO has three reportable segments. They are Moving and Storage, Property and Casualty Insurance and Life Insurance.

Moving and Storage includes AMERCO, U-Haul, and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate. Operations consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and portable moving and storage units to the "do-it-yourself" mover and management of self-storage properties owned by others.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Operations are conducted under the registered trade name U-Haul[®] throughout the United States and Canada.

Property and Casualty Insurance includes Repwest and its wholly-owned subsidiaries and ARCOA Risk Retention Group ("ARCOA"). Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices in the United States and Canada. Property and Casualty Insurance also underwrites components of the Safemove[®], Safetow[®], Safemove Plus[®], Safestor[®] and Safestor Mobile[®] protection packages to U-Haul customers. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs. ARCOA is a group captive insurer owned by us and our wholly owned subsidiaries whose purpose is to provide insurance products related to our moving and storage business.

Life Insurance includes Oxford and its wholly owned subsidiaries. Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Note 3. Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The accounting policies that we deem most critical to us and that require management's most difficult and subjective judgments include the principles of consolidation, the recoverability of property, plant and equipment, the adequacy of insurance reserves, the recognition and measurement of impairments for investments accounted for under ASC 320 - *Investments - Debt and Equity Securities* and the recognition and measurement of income tax assets and liabilities. The actual results experienced by us may materially differ from management's estimates.

Cash and Cash Equivalents

We consider cash equivalents to be highly liquid debt securities with insignificant interest rate risk with original maturities from the date of purchase of three months or less.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash deposits. Accounts at each United States financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Accounts at each Canadian financial institution are insured by the Canada Deposit Insurance Corporation up to \$100,000 CAD per account. As of March 31, 2019 and March 31, 2018, we held cash equivalents in excess of these insured limits. To mitigate this risk, we select financial institutions based on their credit ratings and financial strength.

Investments

Fixed Maturities and Marketable Equities. Fixed maturity investments consist of either marketable debt, equity or redeemable preferred stocks. As of the balance sheet dates, all of our investments in these securities were classified as available-for-sale. Available-for-sale investments are reported at fair value, with unrealized gains or losses recorded net of taxes and applicable adjustments to deferred policy acquisition costs in stockholders' equity. Changes in the market value of common stocks are recognized in earnings. Fair value for these investments is based on quoted market prices, dealer quotes or discounted cash flows. The cost of investments sold is based on the specific identification method.

In determining if and when a decline in market value below carrying value is an other-than-temporary impairment, management makes certain assumptions or judgments in its assessment including but not limited to: our ability to hold the security, quoted market prices, dealer quotes, discounted cash flows, industry factors, financial factors, and issuer specific information. Other-than-temporary impairments, to the extent of the decline, as well as realized gains or losses on the sale or exchange of investments are recognized in the current period operating results.

Mortgage Loans and Notes on Real Estate. Mortgage loans and notes on real estate are reported at their unpaid balance, net of any allowance for possible losses and any unamortized premium or discount.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Recognition of Investment Income. Interest income from bonds and mortgage notes is recognized when earned. Dividends on common and preferred stocks are recognized on the ex-dividend dates. Realized gains and losses on the sale or exchange of investments are recognized at the trade date.

Derivative Financial Instruments

Our objective for holding derivative financial instruments is to manage interest rate risk exposure primarily through entering interest rate swap agreements. An interest rate swap is a contractual exchange of interest payments between two parties. A standard interest rate swap involves the payment of a fixed rate times a notional amount by one party in exchange for a receiving floating rate times the same notional amount from another party. As interest rates change, the difference to be paid or received is accrued and recognized as interest expense or income over the life of the agreement. We do not enter into these instruments for trading purposes. Counterparties to the interest rate swap agreements are major financial institutions. Interest rate swap agreements are recognized at fair value on the balance sheet and are classified as prepaid expenses (asset) or accrued expenses (liability). Derivatives that are not designated as cash flow hedges for accounting purposes must be adjusted to fair value through income. If the derivative qualifies and is designated as a cash flow hedge, changes in its fair value will be recorded in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. See Note 11, Derivatives, of the Notes to Consolidated Financial Statements.

Inventories and parts, net

Inventories and parts, net were as follows:

	March 31,	
	2019	2018
	(In thousands)	
Truck and trailer parts and accessories (a)	\$ 94,344	\$ 83,335
Hitches and towing components (b)	20,113	18,627
Moving supplies and propane (b)	10,356	9,370
Subtotal	124,813	111,332
Less: LIFO reserves	(18,987)	(16,126)
Less: excess and obsolete reserves	(2,322)	(5,329)
Total	\$ 103,504	\$ 89,877

(a) Primarily held for internal usage, including equipment manufacturing and repair

(b) Primarily held for retail sales

Inventories consist primarily of truck and trailer parts and accessories used to manufacture and repair rental equipment as well as products and accessories available for retail sale. Inventory is held at our owned locations; our independent dealers do not hold any of our inventory. Inventories are stated at the lower cost or net realizable value.

Inventory cost is primarily determined using the last-in first-out method ("LIFO"). Inventories valued using LIFO consisted of approximately 96% of the total inventories for March 31, 2019 and 2018. Had we utilized the first-in first-out method ("FIFO"), stated inventory balances would have been \$19.0 million and \$16.1 million higher as of March 31, 2019 and 2018, respectively. In fiscal 2018, the negative effect on income due to liquidation of a portion of the LIFO inventory was \$0.1 million.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Property, Plant and Equipment

Our Property, plant and equipment is stated at cost. Interest expense, if any, incurred during the initial construction of buildings is considered part of cost. Depreciation is computed for financial reporting purposes using the straight line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment, other than real estate ("personal property"), are netted against depreciation expense when realized. The net amount of gains, netted against depreciation expense, were \$27.0 million, \$11.8 million and \$32.5 million during fiscal 2019, 2018 and 2017, respectively. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed. As a result of changes in IRS regulations regarding the capitalization of assets, beginning in the first quarter of fiscal 2017, we raised the value threshold before certain assets are capitalized within our depreciation policy. This change in threshold, results in the immediate recognition of reported operating costs with a lagging decrease in depreciation expense over the term that these assets would have been depreciated. Due to this change, we had operating expenses of \$21.0 million and \$23.1 million in fiscal 2019 and 2018, respectively. This change in threshold benefited us through the immediate recognition of tax deductible costs.

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets are shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the remaining life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts. We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. If asset residual values are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

For our box truck fleet we utilize an accelerated method of depreciation based upon a declining formula. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively and then reduced on a straight line basis to a salvage value of 15% by the end of year fifteen. Comparatively, a standard straight line approach would reduce the book value by approximately 5.7% per year over the life of the truck.

Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including, but not limited to, the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle. We typically sell our used vehicles at our sales centers throughout the United States and Canada, on our website at uhaul.com/trucksales or by phone at 1-866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

In addition to our property, plant and equipment, we had real estate held for investment of \$53.5 million and \$53.8 million for fiscal 2019 and 2018, respectively and is included in Investments, other.

Receivables

Trade receivables include trade accounts from moving and self-storage customers and dealers, insurance premiums and amounts due from re-insurers, less management's estimate of uncollectible accounts.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Insurance premiums receivable for policies that are billed through contracted agents are recorded net of commissions payable. A commission payable is recorded as a separate liability for those premiums that are billed direct.

Reinsurance recoverables include case reserves and actuarial estimates of claims incurred but not reported ("IBNR"). These receivables are not expected to be collected until after the associated claim has been adjudicated and billed to the re-insurer. The reinsurance recoverables may have little or no allowance for doubtful accounts due to the fact that reinsurance is typically procured from carriers with strong credit ratings. Furthermore, we do not cede losses to a re-insurer if the carrier is deemed financially unable to perform on the contract. Reinsurance recoverables also include insurance ceded to other insurance companies.

Notes and mortgage receivables include accrued interest and are reduced by discounts and amounts considered by management to be uncollectible.

Policy Benefits and Losses, Claims and Loss Expenses Payable

Life Insurance's liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. Liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of IBNR losses. Oxford's liabilities for deferred annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

Property and Casualty Insurance's liability for reported and unreported losses is based on Repwest's historical data along with industry averages. The liability for unpaid loss adjustment expenses is based on historical ratios of loss adjustment expenses paid to losses paid. Amounts recoverable from re-insurers on unpaid losses are estimated in a manner consistent with the claim liability associated with the re-insured policy. Adjustments to the liability for unpaid losses and loss expenses as well as amounts recoverable from re-insurers on unpaid losses are charged or credited to expense in the periods in which they are made.

Due to the nature of the underlying risks and high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle these liabilities cannot be precisely determined and may vary significantly from the estimated liability, especially for long-tailed casualty lines of business such as excess workers' compensation. As a result of the long-tailed nature of the excess workers' compensation policies written by Repwest during 1983 through 2001, it may take a number of years for claims to be fully reported and finally settled.

On a regular basis insurance reserve adequacy is reviewed by management to determine if existing assumptions need to be updated. In determining the assumptions for calculating workers' compensation reserves, management considers multiple factors including the following:

- Claimant longevity
- Cost trends associated with claimant treatments
- Changes in ceding entity and third party administrator reporting practices
- Changes in environmental factors including legal and regulatory
- Current conditions affecting claim settlements
- Future economic conditions including inflation

We have reserved each claim based upon the accumulation of current claim costs projected through each claimant's life expectancy and then adjusted for applicable reinsurance arrangements. Management reviews each claim bi-annually or more frequently, if there are changes in facts or circumstances to determine if the estimated life-time claim costs have increased and then adjusts the reserve estimate accordingly at that time. We have factored in an estimate of what the potential cost increases could be in our IBNR liability. We have not assumed settlement of the existing claims in calculating the reserve amount, unless it is in the final stages of completion.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continued increases in claim costs, including medical inflation and new treatments and medications could lead to future adverse development resulting in additional reserve strengthening. Conversely, settlement of existing claims or if injured workers return to work or expire prematurely, could lead to future positive development.

Self-Insurance Reserves

U-Haul retains the risk for certain public liability and property damage programs related to our rental equipment. The consolidated balance sheets include \$407.9 million and \$408.5 million of liabilities related to these programs as of March 31, 2019 and 2018, respectively. These liabilities are recorded in Policy benefits and losses, claims and loss expenses payable. Management takes into account losses incurred based upon actuarial estimates, past experience, current claim trends, as well as social and economic conditions. This liability is subject to change in the future based upon changes in the underlying assumptions including claims experience, frequency of incidents, and severity of incidents.

Additionally, as of March 31, 2019 and 2018, the consolidated balance sheets include liabilities of \$15.6 million and \$15.2 million, respectively, related to medical plan benefits we provide for eligible employees. We estimate this liability based on actual claims outstanding as of the balance sheet date as well as an actuarial estimate of IBNR claims. These amounts are recorded in Accounts payable and accrued expenses on the consolidated balance sheets.

Revenue Recognition

Self-moving rentals are recognized for the period that trucks and moving equipment are rented. Self-storage revenues, based upon the number of paid storage contract days, are recognized as earned during the period. Sales of self-moving and self-storage related products are recognized at the time that title passes and the customer accepts delivery. Property and casualty insurance premiums are recognized as revenue over the policy periods. Traditional life and Medicare supplement insurance premiums are recognized as revenue over the premium-paying periods of the contracts when due from the policyholders. For products where premiums are due over a significantly shorter duration than the period over which benefits are provided, such as our single premium whole life product, premiums are recognized when received and excess profits are deferred and recognized in relation to the insurance in force. Interest and investment income are recognized as earned.

Amounts collected from customers for sales tax are recorded on a net basis. Please see Note 22, Revenue Recognition, of the Notes to Consolidated Financial Statements.

Advertising

All advertising costs are expensed as incurred. Advertising expense was \$10.6 million, \$8.1 million and \$8.7 million in fiscal 2019, 2018 and 2017, respectively.

Deferred Policy Acquisition Costs

Commissions and other costs that fluctuate with and are primarily related to the acquisition or renewal of certain insurance premiums are deferred. For our Life Insurance's life and health insurance products, these costs are amortized, with interest, in relation to revenue such that costs are realized as a constant percentage of revenue. For its annuity insurance products the costs are amortized, with interest, in relation to the present value of actual and expected gross profits.

Starting in fiscal 2014, new annuity contract holders were provided with a sales inducement in the form of a premium bonus (the "Sales Inducement Asset"). Sales inducements are recognized as an asset with a corresponding increase to the policyholder liability and are amortized in a similar manner to Deferred Policy Acquisition Costs. As of December 31, 2018 and 2017, the Sales Inducement Asset included with Deferred Policy Acquisition Costs amounted to \$19.1 million and \$21.2 million, respectively on the consolidated balance sheet and amortization expense totaled \$3.7 million, \$3.7 million and \$3.3 million for the periods ended December 31, 2018, 2017 and 2016, respectively.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Environmental Costs

Liabilities are recorded when environmental assessments and remedial efforts, if applicable, are probable and the costs can be reasonably estimated. The amount of the liability is based on management's best estimate of undiscounted future costs. Certain recoverable environmental costs related to the removal of underground storage tanks or related contamination are capitalized and amortized over the estimated useful lives of the properties. These costs are capitalized if they improve the safety or efficiency of the property or are incurred in preparing the property for sale.

Income Taxes

AMERCO files a consolidated tax return with all of its legal subsidiaries. The provision for income taxes reflects deferred income taxes resulting from changes in temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net earnings, foreign currency translation adjustments, unrealized gains and losses on investments, the change in fair value of cash flow hedges and the change in postretirement benefit obligations.

Debt Issuance Costs

We defer costs directly associated with acquiring third-party financing. Debt issuance costs are deferred and amortized. Debt issuance costs related to our long-term debt are reflected as a direct deduction from the carrying amount of the debt. Please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Adoption of New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which provided an updated standard on revenue recognition. The standard outlines a five-step model for entities to use in accounting for revenue arising from contracts with customers. The standard applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The standard also requires expanded disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 became effective for us on April 1, 2018 and was adopted on a modified retrospective basis. We performed an impact assessment by analyzing certain existing material revenue transactions and arrangements that are representative of our business segments and their revenue streams. Additionally, we assessed any potential impacts on our internal controls and processes related to both the implementation and ongoing compliance of the new guidance. The adoption of the standard did not have a material impact on our consolidated financial statements. Please see Note 22, Revenue Recognition, of the Notes to Consolidated Financial Statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), which addressed certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. During fiscal 2019 changes in certain equity securities were recognized in earnings. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance was effective for interim and annual reporting periods beginning after December 15, 2017. We adopted this standard in the first quarter of fiscal 2019 and recorded an increase of approximately \$9.7 million to retained earnings with a corresponding decrease to accumulated other comprehensive income (loss). Please see Note 6, Investments, of the Notes to Consolidated Financial Statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (“ASU 2016-15”). This update addressed eight specific cash flow issues with the objective of reducing the existing diversity in practice. The effective date of ASU 2016-15 was for interim and annual reporting periods beginning after December 15, 2017. The adoption of this standard did not have a material impact on our consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes - Intra-Entity Transfers of Assets Other Than Inventory*, which required an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. This update was effective for fiscal years beginning after December 31, 2017, and interim periods within those fiscal years. We adopted this standard in the first quarter of fiscal 2019. The adoption of this standard did not have a material impact on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (“ASU 2017-07”), which changed how companies that sponsor defined benefit pension plans present the related net periodic benefit cost in the income statement. The service cost component of the net periodic benefit cost continues to be presented in the same income statement line items, however other components of the net periodic benefit cost are presented as a component of other income and excluded from operating profit. ASU 2017-07 became effective for public companies during interim and annual reporting periods beginning after December 15, 2017. We adopted this standard in the first quarter of fiscal 2019. We report the current service cost component of net periodic benefit cost in Operating expenses on our condensed consolidated statements of operations and report the Other components of net periodic benefit cost as a separate item outside of earnings from operations. We have applied these changes in presentation retrospectively, which resulted in a decrease in earnings from operations of \$1.0 million, \$0.9 million and \$0.9 million for fiscal 2019, 2018 and 2017, respectively. These changes in presentation did not result in any changes to earnings available to common stockholders or earnings per common share. Details of the net periodic costs are provided in Note 13, Employee Benefit Plans, of the Notes to Condensed Consolidated Financial Statements.

Recent Accounting Pronouncements

On April 1, 2019, we adopted ASU 2016-02, “Leases (Topic 842)” along with related updates, which require a lessee to recognize all leases with terms greater than 12 months on their balance sheet as a liability for its lease obligation, measured at the present value of lease payments not yet paid, and a corresponding asset representing its right to use the underlying asset over the lease term. The new leasing standard does not significantly change a lessee’s recognition, measurement and presentation of expenses and cash flows. Additionally, Topic 842 aligns key aspects of lessor accounting with the new revenue recognition guidance in Topic 606 (see ASU 2014-09 on the previous page) and expands disclosure of key information about leasing arrangements in an attempt to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. We have determined portions of the vehicle rental contracts that convey the right to control the use of identified assets are within the scope of the accounting guidance contained in the new leasing standard. As we disclosed in our discussion of ASU 2014-09, the Company’s rental related revenues are accounted for under the revenue accounting standard Topic 606.

Topic 842 maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease are split between amortization and interest expense, with operating leases reporting a single lease expense.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Topic 842 substantially changed the accounting for sale-leasebacks going forward, where the Company is to assess if the contract qualifies as a sale under ASC 606. We have determined that our equipment sale-leasebacks do not qualify as a sale, as the buyer-lessors do not obtain control of the assets in our ongoing sale-leaseback arrangements. As a result, we expect future sale-leasebacks to be accounted for as a financial liability and the leased assets will be capitalized at cost. As all existing sale-leasebacks have been accounted for as a sale, the Company did not reassess any existing sale-leaseback transactions.

The Company adopted the new leasing standard using the Effective Date Approach, which allows entities to only apply the new lease standard in the year of adoption. The Company elected the available practical expedients for existing or expired contracts of lessees and lessors wherein the Company is not required to reassess whether such contracts contain leases, the lease classification or the initial direct costs. Additionally, the Company elected as accounting policies to not recognize right of use assets or lease liabilities for short-term leases (i.e. those with a term of 12 months or less) and to combine lease and non-lease components in the contract for both lessee and lessor arrangements. Adoption of this standard will result in most of the Company's operating lease commitments being recognized as operating lease liabilities and right-of-use assets, which will increase total assets by \$111.2 million and total liabilities by \$109.6 million.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*. This standard requires the measurement and recognition of expected credit losses held at amortized cost. This new standard requires the use of forward-looking information to estimate credit losses and requires credit losses for available for sale debt securities to be recorded through an allowance for credit losses rather than a reduction in the amortized cost basis. This update is effective for public companies for annual reporting periods beginning after December 15, 2019. We are currently evaluating the impact of this standard on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-08, *Receivables – Nonrefundable Fees and Other Cost (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities*. These amendments shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. The guidance is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. If an entity early adopts in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The amendments should be applied on a modified retrospective basis, with a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We are currently evaluating the impact of this standard on our consolidated financial statements.

In August 2018, the FASB adopted ASU 2018-12, *Targeted Improvements to the Accounting for Long-Duration Contracts* ("ASU 2018-12"). The amendments in this update require insurance companies to annually review and update the assumptions used for measuring the liability under long-duration contracts, such as life insurance, disability income, and annuities. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 31, 2020. We are currently in the process of evaluating the impact of the adoption of this amendment on our financial statements; however, the adoption of ASU 2018-12 will impact the statements of operations because the effect of any update to the assumptions we used at the inception of the contracts will be recorded in net income.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) - Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which modifies the disclosures on fair value measurements by removing the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for the timing of such transfers. ASU 2018-13 expands the disclosure requirements for Level 3 fair value measurements, primarily focused on changes in unrealized gains and losses included in other comprehensive income. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. We are currently evaluating the impact of this update on our disclosures in the Notes to Consolidated Financial Statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General Subtopic 715-20 - Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans* ("ASU 2018-14"), which amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020. We are currently evaluating the impact of this standard on our consolidated financial statements.

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by us as of the specified effective date. Unless otherwise discussed, these ASUs entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on our financial position or results of operations upon adoption.

Note 4. Earnings Per Share

Our earnings per share is calculated by dividing our earnings available to common stockholders by the weighted average common shares outstanding, basic and diluted.

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares, net of shares committed to be released, were 11,949; 17,581; and 20,226 as of March 31, 2019, 2018, and 2017, respectively.

Note 5. Reinsurance Recoverables and Trade Receivables, Net

Reinsurance recoverables and trade receivables, net were as follows:

		March 31,	
		2019	2018
		(In thousands)	
Reinsurance recoverable	\$	99,615	\$ 100,335
Trade accounts receivable		90,786	65,001
Paid losses recoverable		2,333	1,078
Accrued investment income		25,142	21,549
Premiums and agents' balances		1,545	1,702
Independent dealer receivable		390	85
Other receivables		5,523	4,284
		<u>225,334</u>	<u>194,034</u>
Less: Allowance for doubtful accounts		(549)	(496)
	\$	<u>224,785</u>	<u>\$ 193,538</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 6. Investments

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was \$30.8 million and \$32.4 million as of December 31, 2018 and 2017, respectively.

Available-for-Sale Investments

Available-for-sale investments as of March 31, 2019 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
(In thousands)					
U.S. treasury securities and government obligations	\$ 136,010	\$ 2,409	\$ (2,104)	\$ (447)	\$ 135,868
U.S. government agency mortgage-backed securities	31,101	433	(146)	(19)	31,369
Obligations of states and political subdivisions	298,955	8,079	(233)	(905)	305,896
Corporate securities	1,613,199	14,777	(14,257)	(24,986)	1,588,733
Mortgage-backed securities	148,203	880	(285)	(903)	147,895
Redeemable preferred stocks	1,493	20	—	(45)	1,468
	<u>\$ 2,228,961</u>	<u>\$ 26,598</u>	<u>\$ (17,025)</u>	<u>\$ (27,305)</u>	<u>\$ 2,211,229</u>

Available-for-sale investments as of March 31, 2018 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
(In thousands)					
U.S. treasury securities and government obligations	\$ 123,557	\$ 3,595	\$ (1,036)	\$ (203)	\$ 125,913
U.S. government agency mortgage-backed securities	15,941	572	—	(93)	16,420
Obligations of states and political subdivisions	178,702	9,938	(217)	(18)	188,405
Corporate securities	1,388,300	50,056	(3,009)	(1,826)	1,433,521
Mortgage-backed securities	114,581	2,451	(1)	(153)	116,878
Redeemable preferred stocks	2,118	129	—	—	2,247
	<u>\$ 1,823,199</u>	<u>\$ 66,741</u>	<u>\$ (4,263)</u>	<u>\$ (2,293)</u>	<u>\$ 1,883,384</u>

The available-for-sale tables include gross unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

We sold available-for-sale securities with a fair value of \$114.8 million, \$163.7 million and \$190.2 million in fiscal 2019, 2018 and 2017, respectively. The gross realized gains on these sales totaled \$2.0 million, \$5.4 million and \$5.1 million in fiscal 2019, 2018 and 2017, respectively. We realized gross losses on these sales of \$0.2 million, \$0.3 million and \$2.2 million in fiscal 2019, 2018 and 2017, respectively.

The unrealized losses of more than twelve months in the available-for-sale tables are considered temporary declines. We track each investment with an unrealized loss and evaluate them on an individual basis for other-than-temporary impairments, including obtaining corroborating opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments may have declines determined by management to be other-than-temporary and we recognized these write-downs through earnings. There were no write downs in fiscal 2019, 2018 and 2017.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The investment portfolio primarily consists of corporate securities and U.S. government securities. We believe we monitor our investments as appropriate. Our methodology of assessing other-than-temporary impairments is based on security-specific analysis as of the balance sheet date and considers various factors, including the length of time to maturity, the extent to which the fair value has been less than the cost, the financial condition and the near-term prospects of the issuer, and whether the debtor is current on its contractually obligated interest and principal payments. Nothing has come to management's attention that would lead to the belief that any issuer would not have the ability to meet the remaining contractual obligations of the security, including payment at maturity. We have the ability and intent not to sell our fixed maturity and common stock investments for a period of time sufficient to allow us to recover our costs.

The portion of other-than-temporary impairment related to a credit loss is recognized in earnings. The significant inputs utilized in the evaluation of mortgage backed securities credit losses include ratings, delinquency rates, and prepayment activity. The significant inputs utilized in the evaluation of asset backed securities credit losses include the time frame for principal recovery and the subordination and value of the underlying collateral.

There were no credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive loss for fiscal 2019, 2018 or 2017.

The adjusted cost and estimated market value of available-for-sale investments by contractual maturity, were as follows:

	March 31, 2019		March 31, 2018	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
(In thousands)				
Due in one year or less	\$ 71,987	\$ 71,954	\$ 36,446	\$ 36,674
Due after one year through five years	541,195	540,658	441,159	450,749
Due after five years through ten years	621,031	614,485	607,075	625,282
Due after ten years	845,052	834,769	621,820	651,554
	<u>2,079,265</u>	<u>2,061,866</u>	<u>1,706,500</u>	<u>1,764,259</u>
Mortgage backed securities	148,203	147,895	114,581	116,878
Redeemable preferred stocks	1,493	1,468	2,118	2,247
	<u>\$ 2,228,961</u>	<u>\$ 2,211,229</u>	<u>\$ 1,823,199</u>	<u>\$ 1,883,384</u>

As of March 31, 2018, equity investments were classified as available-for-sale on our balance sheet. However, upon adoption of ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, on April 1, 2018, the updated guidance eliminated the available-for-sale balance sheet classification for equity investments. As of March 31, 2019 and 2018, our common stock and non-redeemable preferred stock that are included in Investments, fixed maturities and marketable equities on our balance sheet are stated in the table below. The changes in the fair value of these equity investments are recognized through Net investment and interest income.

Equity investments of common stock and non-redeemable preferred stock were as follows:

	March 31, 2019		March 31, 2018	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
(In thousands)				
Common stocks	\$ 10,123	\$ 17,379	\$ 15,732	\$ 27,862
Non-redeemable preferred stocks	7,451	6,789	8,491	8,614
	<u>\$ 17,574</u>	<u>\$ 24,168</u>	<u>\$ 24,223</u>	<u>\$ 36,476</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Investments, other

The carrying value of other investments was as follows:

	March 31,	
	2019	2018
	(In thousands)	
Mortgage loans, net	\$ 225,829	\$ 309,952
Short-term investments	5,546	10,350
Real estate	53,519	53,776
Policy loans	10,491	17,677
Other equity investments	5,351	7,309
	<u>\$ 300,736</u>	<u>\$ 399,064</u>

Mortgage loans are carried at the unpaid balance, less an allowance for probable losses net of any unamortized premium or discount. The portfolio of mortgage loans is principally collateralized by self-storage facilities and commercial properties. The interest rate range on the mortgage loans is 4.1% to 8.2% with maturities between 2019 and 2036. The allowance for probable losses was \$0.5 million and \$0.5 million as of March 31, 2019 and 2018, respectively. The estimated fair value of these loans as of March 31, 2019 and 2018 approximated the carrying value. These loans represent first lien mortgages held by us. Mortgage loans are reviewed on an ongoing basis and analysis may include market analysis, estimated valuations of the underlying collateral, loan to value ratios, tenant creditworthiness and other factors. For our mortgage loans, no specifically identified loans were impaired as of March 31, 2019. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area.

Short-term investments consist primarily of investments in money market funds, mutual funds and any other investments with short-term characteristics that have original maturities of less than one year at acquisition. These investments are recorded at cost, which approximates fair value.

Real estate held for investment is carried at the lower of fair value at time of acquisition or current estimated fair value less cost to sell. Other equity investments are carried at cost and assessed for impairment.

Insurance policy loans are carried at their unpaid balance.

Note 7. Other Assets

Other assets were as follows:

	March 31,	
	2019	2018
	(In thousands)	
Deposits (debt-related)	\$ 30,408	\$ 33,546
Cash surrender value of life insurance policies	30,985	31,904
Deposits (real estate related)	16,961	19,332
Insurance recoveries	—	160,000
	<u>\$ 78,354</u>	<u>\$ 244,782</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 8. Net Investment and Interest Income

Net investment and interest income, were as follows:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Fixed maturities	\$ 99,348	\$ 84,476	\$ 73,041
Real estate	5,538	5,344	5,189
Insurance policy loans	1,305	1,212	1,212
Mortgage loans	16,674	17,783	20,617
Short-term, amounts held by ceding reinsurers, net and other investments	(7,429)	3,098	1,157
Investment income	115,436	111,913	101,216
Less: investment expenses	(4,502)	(4,766)	(3,820)
Investment income - related party, net eliminations	—	3,326	4,880
Net investment and interest income	\$ 110,934	\$ 110,473	\$ 102,276

Note 9. Borrowings

Long-Term Debt

Long-term debt was as follows:

	2019 Rate (a)	Maturities	March 31,	
			2019	2018
			(In thousands)	
Real estate loan (amortizing term)	3.99%	2023	\$ 102,913	\$ 135,287
Senior mortgages	3.72% - 6.62%	2021 - 2038	1,741,652	1,487,645
Real estate loans (revolving credit)	3.74% - 3.99%	2021 - 2024	429,400	55,000
Fleet loans (amortizing term)	1.95% - 4.66%	2019 - 2025	263,209	342,971
Fleet loans (revolving credit)	3.64%	2021 - 2023	530,000	460,000
Capital leases (rental equipment)	1.92% - 5.04%	2019 - 2026	1,042,652	984,217
Other obligations	2.75% - 8.00%	2019 - 2048	82,417	73,579
Notes, loans and leases payable			\$ 4,192,243	\$ 3,538,699
Less: Debt issuance costs			(28,920)	(25,623)
Total notes, loans and leases payable, net			\$ 4,163,323	\$ 3,513,076

(a) Interest rate as of March 31, 2019, taking into account the effect of applicable hedging instruments

Real Estate Backed Loans

Real Estate Loan

Real Estate and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a real estate loan (the "Real Estate Loan"). The Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers..

The interest rate, per the provisions of the amended loan agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. As of March 31, 2019, the applicable LIBOR was 2.49% and the applicable margin was 1.50%, the sum of which was 3.99%. The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Senior Mortgages

Various subsidiaries of Real Estate and U-Haul are borrowers under certain senior mortgages. The senior mortgages require monthly principal and interest payments. The senior mortgages are secured by certain properties owned by the borrowers. The fixed interest rates, per the provisions of the senior mortgages, range between 3.72% and 6.62%. Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date, the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule. Real Estate and U-Haul have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Real Estate Loans (Revolving Credit)

Various subsidiaries of Real Estate are borrowers under asset-backed real estate loans with an aggregate borrowing capacity of 335.0 million. As of March 31, 2019, the outstanding balance of these loans in the aggregate was \$329.4 million. These loans are secured by certain properties owned by the borrowers. The loan agreements provide for term loans, subject to the terms of the loan agreements. The final maturity of the loans is between June 2021 and February 2024. The loans require monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The interest rate, per the provision of the loan agreements, is the applicable LIBOR plus the applicable margin. As of March 31, 2019, the applicable LIBOR was between 2.49% and 2.50% and the margin was between 1.25% and 1.50%, the sum of which was between 3.74% and 3.99%. AMERCO is the guarantor of these loans. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

AMERCO is a borrower under a real estate loan. The current maximum credit commitment is \$150.0 million, which can be increased to \$300.0 million by bringing in other lenders. As of March 31, 2019, the outstanding balance was \$100.0 million. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. The final maturity of this loan is September 2021. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. As of March 31, 2019, the applicable LIBOR was 2.49% and the margin was 1.38%, the sum of which was 3.87%. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There is a 0.30% fee charged for unused capacity.

Fleet Loans

Rental Truck Amortizing Loans

The amortizing loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the loan agreements, are the applicable LIBOR plus the applicable margins. As of March 31, 2019, the applicable LIBOR was between 2.48% and 2.49% and applicable margins were between 1.72% and 1.75%. The interest rates are hedged with interest rate swaps fixing the rates between 2.82% and 3.00% based on current margins. Additionally, \$241.4 million of these loans are carried at fixed rates ranging between 1.95% and 4.66%.

AMERCO, and in some cases U-Haul, is guarantor of these loans. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Rental Truck Revolvers

Various subsidiaries of U-Haul entered into three revolving fleet loans with an aggregate borrowing capacity of \$555.0 million. The interest rates, per the provision of the loan agreements, are the applicable LIBOR plus the applicable margin. As of March 31, 2019, the applicable LIBOR was 2.49%, and the margin was 1.15%, the sum of which was 3.64%. Only interest is paid on the loans until the last nine months of the respective loan terms when principal becomes due monthly. In April 2019, the rental truck revolving loan that was scheduled to mature in January 2021 was extended to May 2024 and availability increased by \$10.0 million.

Capital Leases

We regularly enter into capital leases for new equipment with the terms of the leases between five and seven years. During fiscal 2019, we entered into \$348.4 million of new capital leases. As of March 31, 2019 the interest rates were between 1.92% and 5.04%. The net book value of the corresponding capitalized assets was \$1,574.0 million and \$1,407.6 million as of March 31, 2019 and March 31, 2018, respectively.

Other Obligations

In February 2011, AMERCO and U.S. Bank, NA (the "Trustee") entered into the U-Haul Investors Club[®] Indenture. AMERCO and the Trustee entered into this indenture to provide for the issuance of notes by us directly to investors over our proprietary website, uhaulinvestorsclub.com ("U-Notes[®]"). The U-Notes[®] are secured by various types of collateral including, but not limited to, rental equipment and real estate. U-Notes[®] are issued in smaller series that vary as to principal amount, interest rate and maturity. U-Notes[®] are obligations of the Company and secured by the associated collateral; they are not guaranteed by any of the Company's affiliates or subsidiaries.

As of March 31, 2019, the aggregate outstanding principal balance of the U-Notes[®] issued was \$85.6 million, of which \$3.2 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 2.75% and 8.00% and maturity dates range between 2019 and 2048.

Oxford is a member of the Federal Home Loan Bank ("FHLB") and, as such, the FHLB has made deposits with Oxford. As of December 31, 2018, the deposits had an aggregate balance of \$60.0 million, for which Oxford pays fixed interest rates between 1.67% and 2.95% with maturities between September 29, 2019 and March 29, 2021. As of December 31, 2018, available-for-sale investments held with the FHLB totaled \$124.4 million, of which \$69.8 million were pledged as collateral to secure the outstanding deposits. The balances of these deposits are included within Liabilities from investment contracts on the condensed consolidated balance sheets.

Annual Maturities of Notes, Loans and Leases Payable

The annual maturities of our notes, loans and leases payable as of March 31, 2019 for the next five years and thereafter are as follows:

	Years Ended March 31,					
	2020	2021	2022	2023	2024	Thereafter
	(In thousands)					
Notes, loans and leases payable, secured	\$ 475,898	\$ 544,868	\$ 749,209	\$ 540,888	\$ 524,778	\$ 1,356,602
						\$ 4,192,243

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 10. Interest on Borrowings

Interest Expense

Components of interest expense include the following:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Interest expense	\$ 150,609	\$ 125,412	\$ 106,221
Capitalized interest	(12,733)	(6,466)	(4,863)
Amortization of transaction costs	3,745	3,867	3,445
Interest expense resulting from cash flow hedges	824	3,893	8,603
Total interest expense	<u>142,445</u>	<u>126,706</u>	<u>113,406</u>
Amortization on early extinguishment of debt	—	—	499
Total	<u>\$ 142,445</u>	<u>\$ 126,706</u>	<u>\$ 113,905</u>

Interest paid in cash, including payments related to derivative contracts, amounted to \$149.8 million, \$129.3 million and \$113.7 million for fiscal 2019, 2018 and 2017, respectively.

Interest Rates

Interest rates and our revolving credit borrowings were as follows:

	Revolving Credit Activity		
	Years Ended March 31,		
	2019	2018	2017
	(In thousands, except interest rates)		
Weighted average interest rate during the year	3.39%	2.48%	1.83%
Interest rate at year end	3.60%	2.84%	2.06%
Maximum amount outstanding during the year	\$ 959,400	\$ 538,000	\$ 597,000
Average amount outstanding during the year	\$ 699,415	\$ 517,997	\$ 477,888
Facility fees	\$ 374	\$ 410	\$ 158

Note 11. Derivatives

We manage exposure to changes in market interest rates. Our use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in LIBOR swap rates, with the designated benchmark interest rate being hedged on certain of our LIBOR indexed variable rate debt and a variable rate operating lease. The interest rate swaps effectively fix our interest payments on certain LIBOR indexed variable rate debt. We monitor our positions and the credit ratings of its counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The derivative fair values reflected in prepaid expense and accounts payable and accrued expenses in the balance sheets were as follows:

	March 31, 2019	March 31, 2018
	(In thousands)	
Interest rate contracts designated as hedging instruments		
Assets	\$ 139	\$ 437
Liabilities	–	(897)
Notional amount (debt)	22,792	123,779
Notional amount (lease)	–	6,182

**The Effect of Interest Rate
Contracts on the Statements of Operations
Years Ended March 31,**

	2019	2018	2017
	(In thousands)		
Loss recognized in income on interest rate contracts	\$ 824	\$ 3,893	\$ 8,603
Gain recognized in AOCI on interest rate contracts (effective portion)	\$ (633)	\$ (4,445)	\$ (9,916)
Loss reclassified from AOCI into income (effective portion)	\$ 789	\$ 3,893	\$ 8,628
(Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing)	\$ 35	\$ –	\$ (25)

Gains or losses recognized in income on derivatives are recorded as interest expense in the statements of operations. During fiscal 2019, we recognized an increase in the fair value of our cash flows hedges of \$0.5 million, net of taxes. Embedded in this change was \$0.8 million of losses reclassified from accumulated other comprehensive income (loss) to interest expense during the year. As of March 31, 2019, we expect to reclassify \$0.2 million of net gains on interest rate contracts from accumulated other comprehensive income (loss) ("AOCI") to earnings as interest expense over the next twelve months. Please see Note 3, Accounting Policies, in the Notes to Consolidated Financial Statements.

We use derivatives to hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair market value on our balance sheet. At March 31, 2019 and 2018, these derivative hedges had a net market value of \$1.5 million and \$4.4 million, with notional amounts of \$284.0 million and \$227.4 million, respectively. These derivative instruments are included in Investments, other; on the consolidated balance sheets.

Although the call options are employed to be effective hedges against our policyholder obligations from an economic standpoint, they do not meet the requirements for hedge accounting under GAAP. Accordingly, the call options are marked to fair value on each reporting date with the change in fair value, plus or minus, included as a component of net investment and interest income. The change in fair value of the call options includes the gains or losses recognized at the expiration of the option term and the changes in fair value for open contracts.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 12. Stockholders' Equity

The following table lists the dividends that have been declared and issued since July 2017.

Common Stock Dividends			
Declared Date	Per Share Amount	Record Date	Dividend Date
March 6, 2019	\$ 0.50	March 21, 2019	April 4, 2019
December 5, 2018	0.50	December 20, 2018	January 7, 2019
August 23, 2018	0.50	September 10, 2018	September 24, 2018
June 6, 2018	0.50	June 21, 2018	July 5, 2018
March 8, 2018	0.50	March 23, 2018	April 6, 2018
December 6, 2017	0.50	December 21, 2017	January 5, 2018
July 5, 2017	1.00	July 20, 2017	August 3, 2017

On June 8, 2016, our stockholders' approved the 2016 AMERCO Stock Option Plan (Shelf Stock Option Plan). As of March 31, 2019, no awards had been issued under this plan.

Note 13. Provision for Taxes

Earnings before taxes and the provision for taxes consisted of the following:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Pretax earnings:			
U.S.	\$ 466,175	\$ 628,901	\$ 609,589
Non-U.S.	11,354	8,712	18,769
Total pretax earnings	<u>\$ 477,529</u>	<u>\$ 637,613</u>	<u>\$ 628,358</u>
Current provision (benefit)			
Federal	\$ (6,114)	\$ 21,780	\$ 38,723
State	3,420	6,471	10,818
Non-U.S.	<u>1,375</u>	<u>1,412</u>	<u>3,334</u>
	(1,319)	29,663	52,875
Deferred provision (benefit)			
Federal	94,961	(199,415)	160,527
State	11,311	15,479	15,210
Non-U.S.	<u>1,719</u>	<u>1,303</u>	<u>1,322</u>
	107,991	(182,633)	177,059
Provision for income tax expense (benefit)	<u>\$ 106,672</u>	<u>\$ (152,970)</u>	<u>\$ 229,934</u>
Income taxes paid (net of income tax refunds received)	\$ 4,255	\$ 68,671	\$ 36,880

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to income before taxes was as follows:

	Years Ended March 31,		
	2019	2018	2017
Statutory federal income tax rate	21.00%	31.55%	35.00%
Increase (reduction) in rate resulting from:			
Deferred tax liability revaluation	0.00%	(58.25)%	0.00%
State taxes, net of federal benefit	2.41%	2.33%	2.66%
Foreign rate differential	0.15%	0.00%	(0.31)%
Federal tax credits	(0.15)%	(0.32)%	(0.41)%
Transition tax	(0.20)%	1.83%	0.00%
Dividend received deduction	(0.01)%	(0.03)%	(0.03)%
Phase III tax	0.00%	0.63%	0.00%
Other	(0.86)%	(1.73)%	(0.32)%
Actual tax expense (benefit) of operations	<u>22.34%</u>	<u>(23.99)%</u>	<u>36.59%</u>

Significant components of our deferred tax assets and liabilities were as follows:

	March 31,	
	2019	2018
	(In thousands)	
Deferred tax assets:		
Net operating loss and credit carry forwards	\$ 90,061	\$ 3,136
Accrued expenses	105,727	104,309
Policy benefit and losses, claims and loss expenses payable, net	16,515	11,148
Total deferred tax assets	<u>\$ 212,303</u>	<u>\$ 118,593</u>
Deferred tax liabilities:		
Property, plant and equipment	\$ 940,433	\$ 741,607
Deferred policy acquisition costs	14,191	12,995
Unrealized gains	4,223	18,863
Other	4,426	3,236
Total deferred tax liabilities	<u>963,273</u>	<u>776,701</u>
Net deferred tax liability	<u>\$ 750,970</u>	<u>\$ 658,108</u>

The net operating loss ("NOL") and credit carry-forwards in the above table are primarily attributable to \$358.9 million of federal NOLs and \$172.3 million of state NOLs. The federal NOL consists of \$266.8 million as of March 31, 2019, and \$92.1 million as of March 31, 2018. The federal NOL as of March 31, 2019 has an indefinite life, but is subject to the single tax year limitation under section 172 (a) equal to the lesser of available NOL carryover or 80% of a taxpayer's pre-NOL deduction taxable income (the "80% limitation"). The federal NOL as of March 31, 2018 is not limited and can be carried forward to offset taxable income for 20 years. As of March 31, 2019 and March 31, 2018, AMERCO had state NOLs of \$172.3 million and \$45.3 million, respectively, that will begin to expire March 31, 2020, if not utilized.

The Tax Cuts and Jobs Act (the "Tax Reform Act") was enacted on December 22, 2017. The Tax Reform Act reduced the U.S. federal corporate income tax rate from 35% to 21%, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and repealed the deferral of the phase three tax for life insurance companies. The blended statutory Federal Tax Rate for our full fiscal year ended March 31, 2018 was 31.55%. As of December 22, 2018, we have completed our accounting for the tax effects of enactment of the Tax Reform Act. For the fiscal year ended March 31, 2018, we recognized a benefit amount of \$356.6 million which was included as a component of income tax expense from continuing operations.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

For the fiscal year ended March 31, 2018, we re-measured certain tax deferred assets and liabilities based on the rates they are expected to reverse in the future, which is generally 21%. The amount recorded related to the re-measurement of our deferred tax balance was a benefit of \$371.5 million for the fiscal year ended March 31, 2018.

As of December 31, 2017, we elected to reclassify the income tax effects of the Tax Reform Act in the amount of \$8.7 million from accumulated other comprehensive income to retained earnings under ASU 2018-02. In addition, we have adopted the “investment by investment” approach with regard to releasing disproportionate income tax effects from accumulated other comprehensive income.

For the fiscal year ended March 31, 2018, we calculated and recorded a one-time transition tax on earnings from foreign subsidiaries based on the post 1986 earnings and profits (“E&P”) of our Canadian subsidiaries that were previously deferred from U.S. income taxes. The effect of this one-time transition tax liability for our foreign subsidiaries resulted in an increase in income tax expense of \$10.7 million for the fiscal year ended March 31, 2018. No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to transition tax, or any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations. Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities (i.e., basis difference in excess of that subject to the one-time transition tax) is not practicable.

The Tax Reform Act repeals the special rules with regard to distribution to shareholders from pre-1984 policyholders surplus account. This one-time tax was based on the balance of our pre-1984 policyholder surplus account. We reported the amount of our one-time tax liability for Phase Three Tax, resulting in an increase in income tax expense of \$4.2 million for the fiscal year ended March 31, 2018.

ASC 740 prescribes a minimum recognition and measurement methodology that a tax position is required to meet before being recognized in the financial statements. A reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period are as follows:

Unrecognized Tax Benefits			
March 31,			
	2019		2018
	(In thousands)		
Unrecognized tax benefits beginning balance	\$ 35,739	\$	26,720
Revaluation based on change in after tax benefit	–		5,755
Additions based on tax positions related to the current year	1,887		4,139
Reductions for tax positions of prior years	(46)		(96)
Settlements	(379)		(779)
Unrecognized tax benefits ending balance	<u>\$ 37,201</u>	<u>\$</u>	<u>35,739</u>

We recognize interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At March 31, 2019 and 2018, the amount of interest and penalties accrued on unrecognized tax benefits was \$9.5 million and \$8.5 million, net of tax. During the current year we recorded expense from interest and penalties in the amount of \$1.0 million, net of tax.

We file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With some exceptions, we are no longer subject to audit for years prior to the fiscal year ended March 31, 2016.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 14. Employee Benefit Plans

Profit Sharing Plans

We provide tax-qualified profit sharing retirement plans for the benefit of eligible employees, former employees and retirees in the United States and Canada. The plans are designed to provide employees with an accumulation of funds for retirement on a tax-deferred basis and provide for annual discretionary employer contributions. Amounts to be contributed are determined by the President and Chairman of the Board of Directors (the "Board") of the Company under the delegation of authority from the Board, pursuant to the terms of the Profit Sharing Plan. No contributions were made to the profit sharing plan during fiscal 2019, 2018 or 2017.

We also provide an employee savings plan which allows participants to defer income under Section 401(k) of the Internal Revenue Code of 1986.

ESOP Plan

We sponsor a leveraged ESOP that generally covers all employees with one year or more of service. The ESOP shares initially were pledged as collateral for its debt which was originally funded by U-Haul. We make annual contributions to the ESOP equal to the ESOP's debt service. As the debt is repaid, shares are released from collateral and allocated to active employees, based on the proportion of debt service paid in the year. ESOP shares are committed to be released monthly and ESOP compensation expense is recorded based on the current market price at the end of the month. These shares then become outstanding for the earnings per share computations. ESOP compensation expense was \$11.3 million, \$11.4 million and \$10.7 million for fiscal 2019, 2018 and 2017, respectively.

Listed below is a summary of these financing arrangements as of fiscal year-end:

<u>Financing Date</u>	<u>Outstanding as of March 31, 2019</u>	<u>Interest Payments</u>		
		<u>2019</u>	<u>2018</u>	<u>2017</u>
		(In thousands)		
June, 1991	\$ –	\$ 1	\$ 1	2
July, 2009	233	17	26	36
February, 2016	4,966	190	242	–

Leveraged contributions to the Plan Trust during fiscal 2019, 2018 and 2017 were \$1.0 million, \$1.0 million and \$0.2 million, respectively. In fiscal 2019, 2018 and 2017, the Company made non-leveraged contributions of \$5.0 million, \$11.0 and \$11.0 million, respectively to the Plan Trust. In both fiscal 2018 and 2017, \$0.1 million of dividends from unallocated shares were applied to debt.

Shares held by the Plan were as follows:

	<u>Years Ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	(In thousands)	
Allocated shares	1,069	1,112
Unreleased shares - leveraged	16	19
Fair value of unreleased shares - leveraged	\$ 6,019	\$ 6,448
Unreleased shares - non-leveraged	–	13
Fair value of unreleased shares - non-leveraged	\$ –	\$ 4,557

The fair value of unreleased shares issued prior to 1992 is defined as the historical cost of such shares. The fair value of unreleased shares issued subsequent to December 31, 1992 is defined as the trading value of such shares as of March 31, 2019 and March 31, 2018, respectively. During fiscal 2019, we released for allocation 3,661 leveraged shares and 27,969 non-leveraged shares. As of December 31, 2019, it is estimated there will be 16,260 shares committed to be released.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Post Retirement and Post Employment Benefits

We provide medical and life insurance benefits to our eligible employees and their dependents upon retirement from the Company. The retirees must have attained age sixty-five and earned twenty years of full-time service upon retirement for coverage under the medical plan. The medical benefits are capped at a \$20,000 lifetime maximum per covered person. The benefits are coordinated with Medicare and any other medical policies in force. Retirees who have attained age sixty-five and earned at least ten years of full-time service upon retirement from the Company are entitled to group term life insurance benefits. The life insurance benefit is \$2,000 plus \$100 for each year of employment over ten years. The plan is not funded and claims are paid as they are incurred. We use a March 31 measurement date for our post retirement benefit disclosures.

The components of net periodic post retirement benefit cost were as follows:

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Service cost for benefits earned during the period	\$ 1,108	\$ 1,073	\$ 1,026
Other components of net periodic benefit costs:			
Interest cost on accumulated postretirement benefit	943	869	814
Other components	70	58	88
Total other components of net periodic benefit costs	1,013	927	902
Net periodic postretirement benefit cost	<u>\$ 2,121</u>	<u>\$ 2,000</u>	<u>\$ 1,928</u>

The fiscal 2019 and fiscal 2018 post retirement benefit liability included the following components:

	Years Ended March 31,	
	2019	2018
	(In thousands)	
Beginning of year	\$ 23,316	\$ 22,247
Service cost for benefits earned during the period	1,108	1,073
Interest cost on accumulated post retirement benefit	943	869
Net benefit payments and expense	(979)	(644)
Actuarial (gain) loss	1,429	(229)
Accumulated postretirement benefit obligation	<u>25,817</u>	<u>23,316</u>
Current liabilities	1,037	802
Non-current liabilities	24,780	22,514
Total post retirement benefit liability recognized in statement of financial position	25,817	23,316
Components included in accumulated other comprehensive income (loss):		
Unrecognized net loss	<u>(3,890)</u>	<u>(2,530)</u>
Cumulative net periodic benefit cost (in excess of employer contribution)	<u>\$ 21,927</u>	<u>\$ 20,786</u>

The discount rate assumptions in computing the information above were as follows:

	Years Ended March 31,		
	2019	2018	2017
	(In percentages)		
Accumulated postretirement benefit obligation	3.83%	3.98%	3.94%

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 became law. Net periodic post retirement benefit cost above includes the effect of the subsidy. The discount rate represents the expected yield on a portfolio of high grade (AA to AAA rated or equivalent) fixed income investments with cash flow streams sufficient to satisfy benefit obligations under the plan when due. Fluctuations in the discount rate assumptions primarily reflect changes in U.S. interest rates. The assumed health care cost trend rate used to measure the accumulated postretirement benefit obligation as of the end of fiscal 2019 was 6.7% in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2038. The assumed health care cost trend rate used to measure the accumulated post retirement benefit obligation as of the end of fiscal 2018 (and used to measure the fiscal 2019 net periodic benefit cost) was 6.9% in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2038.

If the estimated health care cost trend rate assumptions were increased by one percent, the accumulated post retirement benefit obligation as of fiscal year-end would increase by \$274 thousand and the total of the service cost and interest cost components would increase by \$27 thousand. A decrease in the estimated health care cost trend rate assumption of one percent would decrease the accumulated post retirement benefit obligation as of fiscal year-end by \$309 thousand and the total of the service cost and interest cost components would decrease by \$31 thousand.

Post employment benefits provided by us, other than upon retirement, are not material.

Future net benefit payments are expected as follows:

	Future Net Benefit Payments
	(In thousands)
Year-ended:	
2020	\$ 1,037
2021	1,227
2022	1,445
2023	1,665
2024	1,906
2025 through 2028	11,863
Total	<u>\$ 19,143</u>

Note 15. Fair Value Measurements

Assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three-tiered approach to valuation. Financial assets and liabilities recorded at fair value and are classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices for identical or similar financial instruments in markets that are not considered to be active, or similar financial instruments for which all significant inputs are observable, either directly or indirectly, or inputs other than quoted prices that are observable, or inputs that are derived principally from or corroborated by observable market data through correlation or other means; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. These reflect management's assumptions about the assumptions a market participant would use in pricing the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair values of cash equivalents approximate carrying value due to the short period of time to maturity. Fair values of short-term investments, investments available-for-sale, long-term investments, mortgage loans and notes on real estate, and interest rate swap contracts are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

value.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables, reinsurance recoverables and notes receivable. Limited credit risk exists on trade receivables due to the diversity of our customer base and their dispersion across broad geographic markets. We place our temporary cash investments with financial institutions and limit the amount of credit exposure to any one financial institution.

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of notes is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair values were determined using the discounted cash flow method and using interest rates currently offered for similar loans to borrowers with similar credit ratings.

The carrying amount of long-term debt and short-term borrowings are estimated to approximate fair value as the actual interest rate is consistent with the rate estimated to be currently available for debt of similar term and remaining maturity.

Other investments including short-term investments are substantially current or bear reasonable interest rates. As a result, the carrying values of these financial instruments approximate fair value.

The carrying values and estimated fair values for the financial instruments stated above and their placement in the fair value hierarchy are as follows:

Year Ended March 31, 2019	Fair Value Hierarchy					Total Estimated Fair Value
	Carrying Value	Level 1	Level 2	Level 3		
	(In thousands)					
Assets						
Reinsurance recoverables and trade receivables, net	\$ 224,785	\$ –	\$ –	\$ 224,785	\$ 224,785	
Mortgage loans, net	225,829	–	–	225,829	225,829	
Other investments	74,907	–	–	74,907	74,907	
Total	<u>\$ 525,521</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 525,521</u>	<u>\$ 525,521</u>	
Liabilities						
Notes, loans and leases payable	4,192,243	–	4,192,243	–	4,192,243	
Total	<u>\$ 4,192,243</u>	<u>\$ –</u>	<u>\$ 4,192,243</u>	<u>\$ –</u>	<u>\$ 4,192,243</u>	

Year Ended March 31, 2018	Fair Value Hierarchy					Total Estimated Fair Value
	Carrying Value	Level 1	Level 2	Level 3		
	(In thousands)					
Assets						
Reinsurance recoverables and trade receivables, net	\$ 193,538	\$ –	\$ –	\$ 193,538	\$ 193,538	
Mortgage loans, net	309,952	–	–	309,952	309,952	
Other investments	89,112	–	–	89,112	89,112	
Total	<u>\$ 592,602</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 592,602</u>	<u>\$ 592,602</u>	
Liabilities						
Notes, loans and leases payable	3,538,699	–	3,538,699	–	3,538,699	
Total	<u>\$ 3,538,699</u>	<u>\$ –</u>	<u>\$ 3,538,699</u>	<u>\$ –</u>	<u>\$ 3,538,699</u>	

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The following tables represent the financial assets and liabilities on the condensed consolidated balance sheets as of March 31, 2019 and 2018, that are measured at fair value on a recurring basis and the level within the fair value hierarchy.

Year Ended March 31, 2019	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	\$ 463,847	\$ 463,599	\$ 248	\$ –
Fixed maturities - available for sale	2,209,761	7,327	2,202,213	221
Preferred stock	8,257	8,257	–	–
Common stock	17,379	17,379	–	–
Derivatives	1,607	1,468	139	–
Total	\$ 2,700,851	\$ 498,030	\$ 2,202,600	\$ 221
Liabilities				
Derivatives	–	–	–	–
Total	\$ –	\$ –	\$ –	\$ –

Year Ended March 31, 2018	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	\$ 475,320	\$ 475,320	\$ –	\$ –
Fixed maturities - available for sale	1,881,137	7,567	1,873,293	277
Preferred stock	10,861	10,861	–	–
Common stock	27,862	27,862	–	–
Derivatives	4,825	4,388	437	–
Total	\$ 2,400,005	\$ 525,998	\$ 1,873,730	\$ 277
Liabilities				
Derivatives	897	–	897	–
Total	\$ 897	\$ –	\$ 897	\$ –

The following tables represent the fair value measurements for our assets as of March 31, 2019 using significant unobservable inputs (Level 3).

	Fixed Maturities - Asset Backed Securities
	(In thousands)
Balance at March 31, 2017	\$ 330
Fixed Maturities - Asset Backed Securities - redeemed	(91)
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	38
Balance at March 31, 2018	\$ 277
Fixed Maturities - Asset Backed Securities - redeemed	(96)
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	40
Balance at March 31, 2019	\$ 221

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 16. Reinsurance and Policy Benefits and Losses, Claims and Loss Expenses Payable

During their normal course of business, our insurance subsidiaries assume and cede reinsurance on both a coinsurance and a risk premium basis. They also obtain reinsurance for that portion of risks exceeding their retention limits. The maximum amount of life insurance retained on any one life is \$125,000.

	Direct Amount (a)	Ceded to Other Companies	Assumed from Other Companies	Net Amount (a)	Percentage of Amount Assumed to Net
(In thousands)					
Year ended December 31, 2018					
Life insurance in force	\$ 941,822	\$ 207	\$ 548,152	\$ 1,489,767	37%
Premiums earned:					
Life	\$ 51,691	\$ (1)	\$ (69,616)	\$ (17,924)	388%
Accident and health	77,813	267	1,851	79,397	2%
Annuity	1,221	–	794	2,015	39%
Property and casualty	60,848	–	–	60,848	0%
Total	\$ 191,573	\$ 266	\$ (66,971)	\$ 124,336	
Year ended December 31, 2017					
Life insurance in force	\$ 947,720	\$ 248	\$ 876,865	\$ 1,824,337	48%
Premiums earned:					
Life	\$ 51,227	\$ 4	\$ 9,880	\$ 61,103	16%
Accident and health	90,396	295	1,977	92,078	2%
Annuity	728	–	794	1,522	52%
Property and casualty	57,161	69	8	57,100	0%
Total	\$ 199,512	\$ 368	\$ 12,659	\$ 211,803	
Year ended December 31, 2016					
Life insurance in force	\$ 937,779	\$ 249	\$ 915,769	\$ 1,853,299	49%
Premiums earned:					
Life	\$ 50,251	\$ –	\$ 10,626	\$ 60,877	17%
Accident and health	99,450	310	2,263	101,403	2%
Annuity	505	–	794	1,299	61%
Property and casualty	52,329	–	5	52,334	0%
Total	\$ 202,535	\$ 310	\$ 13,688	\$ 215,913	

(a) Balances are reported net of inter-segment transactions.

To the extent that a reinsurer is unable to meet its obligation under the related reinsurance agreements, Repwest would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, Repwest holds letters of credit as of December 31, 2017 in the amount of \$0.1 million from re-insurers and has issued letters of credit in the amount of \$1.9 million in favor of certain ceding companies.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Policy benefits and losses, claims and loss expenses payable for Property and Casualty Insurance were as follows:

	December 31,	
	2018	2017
	(In thousands)	
Unpaid losses and loss adjustment expense	\$ 228,970	\$ 233,554
Reinsurance losses payable	988	805
Total	<u>\$ 229,958</u>	<u>\$ 234,359</u>

Activity in the liability for unpaid losses and loss adjustment expenses for Property and Casualty Insurance is summarized as follows:

	December 31,		
	2018	2017	2016
	(In thousands)		
Balance at January 1	\$ 233,554	\$ 244,400	\$ 251,964
Less: reinsurance recoverable	94,490	103,952	107,311
Net balance at January 1	<u>139,064</u>	<u>140,448</u>	<u>144,653</u>
Incurred related to:			
Current year	19,579	15,749	13,297
Prior years	(5,365)	233	107
Total incurred	<u>14,214</u>	<u>15,982</u>	<u>13,404</u>
Paid related to:			
Current year	8,838	8,969	7,777
Prior years	10,390	8,397	9,832
Total paid	<u>19,228</u>	<u>17,366</u>	<u>17,609</u>
Net balance at December 31	<u>134,050</u>	<u>139,064</u>	<u>140,448</u>
Plus: reinsurance recoverable	94,920	94,490	103,952
Balance at December 31	<u>\$ 228,970</u>	<u>\$ 233,554</u>	<u>\$ 244,400</u>

Prior year incurred losses were impacted by favorable development on numerous Excess Workers Compensation claims. The liability for incurred losses and loss adjustment expenses (net of reinsurance recoverable of \$94.9 million) decreased by \$5.1 million as of December 31, 2018.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The information about property and casualty incurred and paid loss and loss adjustment expense development for the years end December 31, 2012 through 2018, and the average annual percentage payout of incurred claims by age as of December 31, 2018, is presented as supplementary information. Claims data for 2012 through 2017 is unaudited. Claims data for 2018 is audited.

Accident Year								As of December 31, 2018	Cumulative Number of Reported Claims
	2012	2013	2014	2015	2016	2017	2018	Total of Incurred-but- Not-Reported Liabilities Plus Expected Development on Reported Claims	
(In thousands, except claim counts)									
2012	\$ 8,971	\$ 8,903	\$ 8,831	\$ 8,788	\$ 8,753	\$ 8,735	\$ 8,735	\$ —	6,889
2013		9,861	9,853	9,914	9,741	9,576	9,595	—	7,663
2014			11,691	10,907	10,720	10,759	10,748	323	9,648
2015				12,214	12,459	12,460	12,464	1,821	10,719
2016					13,297	13,011	13,056	1,300	11,146
2017						15,749	16,109	1,218	11,496
2018							19,580	7,932	11,144
							Total	12,594	

The following table presents paid claims development as of December 31, 2018, net of reinsurance. Claims data for 2012 through 2017 are unaudited. Claims data for 2018 is audited.

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance							
(In thousands)							
Accident Year	2012	2013	2014	2015	2016	2017	2018
2012	\$ 4,415	\$ 6,345	\$ 8,179	\$ 8,410	\$ 8,734	\$ 8,734	\$ 8,734
2013		5,227	7,608	8,718	9,462	9,576	9,595
2014			6,154	8,087	9,270	9,293	10,325
2015				7,509	9,601	9,730	10,343
2016					7,777	10,665	11,643
2017						8,969	11,638
2018							8,838
					Total	Total	71,116
							114,877
							134,050

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The reconciliation of the net incurred and paid claims development tables for the liability for claims and claims adjustment expenses is as follows:

	<u>December 31, 2018</u>
	(In thousands)
Liabilities for unpaid Property and Casualty claims and claim adjustment expenses, net of reinsurance	\$ 134,050
Total reinsurance recoverable on unpaid Property and Casualty claims	\$ 94,920
Total gross liability for unpaid Property and Casualty claims and claim adjustment expense	\$ <u>228,970</u>

The following is supplementary information about average historical claims duration as of December 31, 2018.

<u>Average Annual Percentage Payout of Incurred Claims by Age, net of Reinsurance</u>							
Years	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Property and Casualty Insurance	54.7%	20.1%	10.4%	3.9%	4.8%	0.1%	0.0%

Note 17. Commitments

We lease a portion of our rental equipment and certain of our facilities under operating leases with terms that expire at various dates substantially through 2024. As of March 31, 2019, we have guaranteed \$5.2 million of residual values for these rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, we have the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. We have been leasing equipment since 1987 and have experienced no material losses relating to these types of residual value guarantees.

Lease expenses were as follows:

	<u>Years Ended March 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	(In thousands)		
Lease expense	\$ <u>33,158</u>	\$ <u>33,960</u>	\$ <u>37,343</u>

Operating and ground lease commitments for leases having terms of more than one year were as follows:

	<u>Property, Plant and Equipment</u>		<u>Rental</u>	
	<u>Ground</u>	<u>Operating</u>	<u>Equipment</u>	
			<u>Operating</u>	<u>Total</u>
	(In thousands)			
Year-ended March 31:				
2020	\$ 1,024	\$ 18,536	\$ 1,292	\$ 20,852
2021	1,024	17,471	—	18,495
2022	1,030	15,720	—	16,750
2023	1,030	15,287	—	16,317
2024	1,031	14,705	—	15,736
Thereafter	48,619	6,064	—	54,683
Total	\$ 53,758	\$ 87,783	\$ 1,292	\$ 142,833

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 18. Contingencies

Litigation

On July 1, 2014, a 100-pound propane cylinder exploded while in use on a food truck in Philadelphia, Pennsylvania. The explosion killed two people and injured eleven. Following the incident, the injured parties and their estates filed a number of lawsuits in the Philadelphia Court of Common Pleas against U-Haul and its subsidiary, U-Haul Co. of Pennsylvania ("UHPA"), alleging that UHPA improperly filled propane cylinders that were overdue for periodic requalification and offered such cylinders for transportation, which allegedly caused the deaths and injuries. One plaintiff also sued AMERCO. All U-Haul defendants denied the allegations. The parties reached agreements to settle the civil cases by April 2018. We have paid a total of \$27.9 million, representing our self-insured retention and attorney's fees for all related civil matters.

In June 2018, following the resolution of the civil claims, the United States Attorney's Office for the Eastern District of Pennsylvania filed an initial 6-count indictment and a superseding 7-count indictment against UHPA. In January 2019, the U.S. Attorney's Office agreed to dismiss Counts 1 through 5 alleging UHPA improperly filled propane cylinders that were overdue for periodic requalification and offering such cylinders for transportation. UHPA entered a guilty plea with respect to Counts 6 and 7 relating to a failure to properly train UHPA employees dispensing propane and documentation thereof. On May 7, 2019, the United States District Court for the Eastern District of Pennsylvania accepted the plea agreement and imposed a \$1 million fine and two years of probation on UHPA. UHPA was also ordered to pay \$800 in associated court fees.

Environmental

Compliance with environmental requirements of federal, state and local governments may significantly affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary. Since 1988, Real Estate has managed a testing and removal program for underground storage tanks.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on AMERCO's financial position or results of operations.

Other

We are named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on our financial position and results of operations.

Note 19. Related Party Transactions

As set forth in the Company's Audit Committee Charter and consistent with NASDAQ Listing Rules, our Audit Committee (the "Audit Committee") reviews and maintains oversight over related party transactions which are required to be disclosed under the Securities and Exchange Commission ("SEC") rules and regulations and in accordance with GAAP. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. Our internal processes are designed to ensure that our legal and finance departments identify and monitor potential related party transactions that may require disclosure and Audit Committee oversight.

AMERCO has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below. Management believes that the transactions described below and in the related notes were completed on terms substantially equivalent to those that would prevail in arm's-length transactions.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

SAC Holding Corporation and SAC Holding II Corporation (collectively “SAC Holdings”) were established in order to acquire and develop self-storage properties. These properties are being managed by us pursuant to management agreements. In the past, we sold real estate and various self-storage properties to SAC Holdings, and such sales provided significant cash flows to us. SAC Holdings, Four SAC Self-Storage Corporation (“4 SAC”), Five SAC Self-Storage Corporation (“5 SAC”), Galaxy Investments, L.P. (“Galaxy”) and Private Mini Storage Realty, L.P. (“Private Mini”) are substantially controlled by Blackwater Investments, Inc. (“Blackwater”). Blackwater is wholly-owned by Willow Grove Holdings LP (“WGHLP”), which is owned by Mark V. Shoen, and various trusts associated with Edward J. Shoen and Mark V. Shoen.

Related Party Revenues

		Years Ended March 31,		
		2019	2018	2017
		(In thousands)		
U-Haul interest income revenue from Blackwater	\$	–	\$ 3,326	\$ 4,880
U-Haul management fee revenue from Blackwater		23,986	23,577	23,130
U-Haul management fee revenue from Mercury		5,162	6,025	5,945
	\$	<u>29,148</u>	<u>\$ 32,928</u>	<u>\$ 33,955</u>

We currently manage the self-storage properties owned or leased by Blackwater and Mercury Partners, L.P. (“Mercury”), pursuant to a standard form of management agreement, under which we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of \$30.0 million, \$29.5 million and \$27.8 million from the above-mentioned entities during fiscal 2019, 2018 and 2017, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by Mark V. Shoen, James P. Shoen, and a trust benefitting the children and grandchildren of Edward J. Shoen.

Related Party Costs and Expenses

		Years Ended March 31,		
		2019	2018	2017
		(In thousands)		
U-Haul lease expenses to Blackwater	\$	2,678	\$ 2,684	\$ 2,740
U-Haul commission expenses to Blackwater		61,434	58,595	57,113
	\$	<u>64,112</u>	<u>\$ 61,279</u>	<u>\$ 59,853</u>

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of Blackwater. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us.

At March 31, 2019, subsidiaries of Blackwater acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based upon equipment rental revenues.

These agreements and notes with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of \$24.0 million, expenses of \$2.7 million and cash flows of \$21.3 million during fiscal 2019. Revenues and commission expenses related to the Dealer Agreements were \$288.2 million and \$61.4 million, respectively for fiscal 2019.

Management determined that management agreements with subsidiaries of Blackwater represent potential variable interests for us. Management evaluated whether it should be identified as the primary beneficiary of one or more of these VIEs using a two-step approach in which management (i) identified all other parties that hold interests in the VIEs, and (ii) determined if any variable interest holder has the power to direct the activities of the VIEs that most significantly impact their economic performance.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Management determined that we do not have a variable interest in the holding entities of Blackwater based upon management agreements which are with the individual operating entities; therefore, we are precluded from consolidating these entities.

We do not have the power to direct the activities that most significantly impact the economic performance of the individual operating entities which have management agreements with U-Haul. There are no fees or penalties disclosed in the management agreement for termination of the agreement. Through control of the holding entities' assets, and its ability and history of making key decisions relating to the entity and its assets, Blackwater, and its owner, are the variable interest holder with the power to direct the activities that most significantly impact each of the individual holding entities and the individual operating entities' performance. As a result, we have no basis to consolidate these entities.

We have not provided financial or other support explicitly or implicitly during the fiscal years ended March 31, 2019 and 2018, respectively to any of these entities that it was not previously contractually required to provide. In addition, we currently have no plan to provide any financial support to any of these entities in the future. The carrying amount and classification of the assets and liabilities in our balance sheets that relate to our variable interests in the aforementioned entities are as follows, which approximate the maximum exposure to loss as a result of our involvement with these entities:

Related Party Assets

	March 31,	
	2019	2018
	(In thousands)	
U-Haul receivable from Blackwater	25,158	24,034
U-Haul receivable from Mercury	7,234	10,357
Other (a)	(1,503)	(1,115)
	\$ 30,889	\$ 33,276

(a) Timing differences for intercompany balances with insurance subsidiaries resulting from the three month difference in reporting periods.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 20. Statutory Financial Information of Insurance Subsidiaries

Applicable laws and regulations of the States of Arizona and Nevada require Property and Casualty Insurance and Life Insurance to maintain minimum capital and surplus determined in accordance with statutory accounting principles. Audited statutory net income and statutory capital and surplus for the years ended are listed below:

Years Ended December 31,		
2018	2017	2016
(In thousands)		

Repwest:			
Audited statutory net income	\$ 23,960	\$ 16,328	\$ 19,580
Audited statutory capital and surplus	216,763	197,375	176,009
ARCOA:			
Audited statutory net income	1,612	1,190	1,451
Audited statutory capital and surplus	9,390	7,991	6,798
Oxford:			
Audited statutory net income	11,367	10,350	17,473
Audited statutory capital and surplus	203,723	195,931	189,279
CFLIC:			
Audited statutory net income	8,735	8,062	8,139
Audited statutory capital and surplus	27,232	26,653	28,011
NAI:			
Audited statutory net income	1,436	1,594	1,039
Audited statutory capital and surplus	12,817	12,674	12,691

The amount of dividends that can be paid to shareholders by insurance companies domiciled in the State of Arizona is limited. Any dividend in excess of the limit requires prior regulatory approval. The statutory surplus for Repwest at December 31, 2018 that could be distributed as ordinary dividends was \$21.7 million. The statutory surplus for Oxford at December 31, 2018 that could be distributed as ordinary dividends was \$11.4 million. Neither Oxford nor Repwest paid a dividend to AMERCO in fiscal 2019, 2018 or 2017.

For our insurance subsidiaries, statutory accounting principles ("SAP") differ from GAAP primarily in that: (i) premiums from deferred annuities are recognized as revenue under SAP, while they are accounted for as liabilities from investment contracts under GAAP; (ii) policy acquisition costs are expensed as incurred under SAP, while they are deferred and amortized over the effective period of the related life insurance policies or the present value of actual and expected gross profits from annuity deposits; (iii) policy benefits and losses are established using different actuarial assumptions; and (iv) investments are valued on a different basis and valuation allowances attributable to investments are different. In addition, certain assets are not admitted under SAP and are charged directly to surplus.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 21. Financial Information by Geographic Area

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2019			
Total revenues	\$ 3,597,285	\$ 171,422	\$ 3,768,707
Depreciation and amortization, net of gains on disposal	575,134	7,421	582,555
Interest expense	139,573	2,872	142,445
Pretax earnings	466,175	11,354	477,529
Income tax expense	103,578	3,094	106,672
Identifiable assets	11,526,876	364,837	11,891,713

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2018			
Total revenues	\$ 3,435,821	\$ 165,293	\$ 3,601,114
Depreciation and amortization, net of gains on disposal	363,826	8,521	372,347
Interest expense	123,777	2,929	126,706
Pretax earnings	628,901	8,712	637,613
Income tax expense (benefit)	(155,685)	2,715	(152,970)
Identifiable assets	10,425,299	322,123	10,747,422

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2017			
Total revenues	\$ 3,271,563	\$ 150,204	\$ 3,421,767
Depreciation and amortization, net of gains on disposal	466,378	5,275	471,653
Interest expense	112,834	572	113,406
Pretax earnings	609,589	18,769	628,358
Income tax expense	225,278	4,656	229,934
Identifiable assets	9,030,528	375,312	9,405,840

Note 21A. Consolidating Financial Information by Industry Segment

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate;
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA; and
- Life Insurance, comprised of Oxford and its subsidiaries.

Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes, net are shown as liabilities on the consolidating statements.

The information includes elimination entries necessary to consolidate AMERCO, the parent, with its subsidiaries.

Investments in subsidiaries are accounted for by the parent using the equity method of accounting.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 21A. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of March 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Assets:					
Cash and cash equivalents	\$ 643,918	\$ 5,757	\$ 24,026	\$ –	\$ 673,701
Reinsurance recoverables and trade receivables, net	90,832	102,120	31,833	–	224,785
Inventories and parts, net	103,504	–	–	–	103,504
Prepaid expenses	174,100	–	–	–	174,100
Investments, fixed maturities and marketable equities	–	279,641	1,955,756	–	2,235,397
Investments, other	23,013	74,679	203,044	–	300,736
Deferred policy acquisition costs, net	–	–	136,276	–	136,276
Other assets	72,768	2,456	3,130	–	78,354
Related party assets	35,997	6,639	16,466	(28,213) (c)	30,889
	<u>1,144,132</u>	<u>471,292</u>	<u>2,370,531</u>	<u>(28,213)</u>	<u>3,957,742</u>
 Investment in subsidiaries	 534,157	 –	 –	 (534,157) (b)	 –
 Property, plant and equipment, at cost:					
Land	976,454	–	–	–	976,454
Buildings and improvements	4,003,726	–	–	–	4,003,726
Furniture and equipment	689,780	–	–	–	689,780
Rental trailers and other rental equipment	590,039	–	–	–	590,039
Rental trucks	4,762,028	–	–	–	4,762,028
	<u>11,022,027</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,022,027</u>
Less: Accumulated depreciation	(3,088,056)	–	–	–	(3,088,056)
Total property, plant and equipment	<u>7,933,971</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,933,971</u>
Total assets	<u>\$ 9,612,260</u>	<u>\$ 471,292</u>	<u>\$ 2,370,531</u>	<u>\$ (562,370)</u>	<u>\$ 11,891,713</u>

(a) Balances as of December 31, 2018

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a) (In thousands)	Eliminations	AMERCO Consolidated
Liabilities:					
Accounts payable and accrued expenses	\$ 548,099	\$ 2,844	\$ 5,930	\$ –	\$ 556,873
Notes, loans and leases payable, net	4,163,323	–	–	–	4,163,323
Policy benefits and losses, claims and loss expenses payable	407,934	229,958	373,291	–	1,011,183
Liabilities from investment contracts	–	–	1,666,742	–	1,666,742
Other policyholders' funds and liabilities	–	5,259	9,788	–	15,047
Deferred income	35,186	–	–	–	35,186
Deferred income taxes, net	741,644	6,961	2,365	–	750,970
Related party liabilities	25,446	3,836	692	(29,974) (c)	–
Total liabilities	5,921,632	248,858	2,058,808	(29,974)	8,199,324
Stockholders' equity :					
Series preferred stock:					
Series A preferred stock	–	–	–	–	–
Series B preferred stock	–	–	–	–	–
Series A common stock	–	–	–	–	–
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	453,536	91,120	26,271	(117,601) (b)	453,326
Accumulated other comprehensive income (loss)	(68,459)	(3,721)	(5,300)	10,782 (b)	(66,698)
Retained earnings	3,976,752	131,734	288,252	(419,776) (b)	3,976,962
Cost of common shares in treasury, net	(525,653)	–	–	–	(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–	(151,997)
Unearned employee stock ownership plan shares	(4,048)	–	–	–	(4,048)
Total stockholders' equity	3,690,628	222,434	311,723	(532,396)	3,692,389
Total liabilities and stockholders' equity	\$ 9,612,260	\$ 471,292	\$ 2,370,531	\$ (562,370)	\$ 11,891,713

(a) Balances as of December 31, 2018

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Assets:					
Cash and cash equivalents	\$ 702,036	\$ 6,639	\$ 50,713	\$ —	\$ 759,388
Reinsurance recoverables and trade receivables, net	64,798	99,682	29,058	—	193,538
Inventories and parts, net	89,877	—	—	—	89,877
Prepaid expenses	166,129	—	—	—	166,129
Investments, fixed maturities and marketable equities	—	285,846	1,634,014	—	1,919,860
Investments, other	22,992	65,553	310,519	—	399,064
Deferred policy acquisition costs, net	—	—	124,767	—	124,767
Other assets	241,493	685	2,604	—	244,782
Related party assets	40,003	6,959	18,334	(32,020) (c)	33,276
	<u>1,327,328</u>	<u>465,364</u>	<u>2,170,009</u>	<u>(32,020)</u>	<u>3,930,681</u>
Investment in subsidiaries	544,151	—	—	(544,151) (b)	—
Property, plant and equipment, at cost:					
Land	827,649	—	—	—	827,649
Buildings and improvements	3,140,713	—	—	—	3,140,713
Furniture and equipment	632,803	—	—	—	632,803
Rental trailers and other rental equipment	545,968	—	—	—	545,968
Rental trucks	4,390,750	—	—	—	4,390,750
	<u>9,537,883</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,537,883</u>
Less: Accumulated depreciation	(2,721,142)	—	—	—	(2,721,142)
Total property, plant and equipment	<u>6,816,741</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,816,741</u>
Total assets	<u>\$ 8,688,220</u>	<u>\$ 465,364</u>	<u>\$ 2,170,009</u>	<u>\$ (576,171)</u>	<u>\$ 10,747,422</u>

(a) Balances as of December 31, 2017

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Liabilities:					
Accounts payable and accrued expenses	\$ 506,158	\$ 2,582	\$ 2,375	\$ –	\$ 511,115
Notes, loans and leases payable, net	3,513,076	–	–	–	3,513,076
Policy benefits and losses, claims and loss expenses payable	568,456	234,359	445,218	–	1,248,033
Liabilities from investment contracts	–	–	1,364,066	–	1,364,066
Other policyholders' funds and liabilities	–	5,377	4,663	–	10,040
Deferred income	34,276	–	–	–	34,276
Deferred income taxes, net	629,389	8,927	19,792	–	658,108
Related party liabilities	28,157	2,870	993	(32,020) (c)	–
Total liabilities	5,279,512	254,115	1,837,107	(32,020)	7,338,714
Stockholders' equity :					
Series preferred stock:					
Series A preferred stock	–	–	–	–	–
Series B preferred stock	–	–	–	–	–
Series A common stock	–	–	–	–	–
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	452,956	91,120	26,271	(117,601) (b)	452,746
Accumulated other comprehensive income (loss)	(4,623)	16,526	35,982	(52,508) (b)	(4,623)
Retained earnings	3,635,351	100,302	268,149	(368,241) (b)	3,635,561
Cost of common shares in treasury, net	(525,653)	–	–	–	(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–	(151,997)
Unearned employee stock ownership plan shares	(7,823)	–	–	–	(7,823)
Total stockholders' equity	\$ 3,408,708	211,249	332,902	(544,151)	3,408,708
Total liabilities and stockholders' equity	8,688,220	\$ 465,364	\$ 2,170,009	\$ (576,171)	\$ 10,747,422

(a) Balances as of December 31, 2017

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 2,656,327	\$ —	\$ —	(2,830)	(c) \$ 2,653,497
Self-storage revenues	367,276	—	—	—	367,276
Self-moving & self-storage products & service sales	264,146	—	—	—	264,146
Property management fees	29,148	—	—	—	29,148
Life insurance premiums	—	—	63,488	—	63,488
Property and casualty insurance premiums	—	63,488	—	(2,635)	(c) 60,853
Net investment and interest income	13,857	12,349	86,395	(1,667)	(b) 110,934
Other revenue	215,055	—	4,831	(521)	(b) 219,365
Total revenues	<u>3,545,809</u>	<u>75,837</u>	<u>154,714</u>	<u>(7,653)</u>	<u>3,768,707</u>
Costs and expenses:					
Operating expenses	1,938,317	34,218	14,613	(5,968)	(b,c) 1,981,180
Commission expenses	288,408	—	—	—	288,408
Cost of sales	162,142	—	—	—	162,142
Benefits and losses	—	14,213	86,064	—	100,277
Amortization of deferred policy acquisition costs	—	—	28,556	—	28,556
Lease expense	33,702	—	—	(544)	(b) 33,158
Depreciation, net gains on disposals	554,043	—	—	—	554,043
Net gains on disposal of real estate	(44)	—	—	—	(44)
Total costs and expenses	<u>2,976,568</u>	<u>48,431</u>	<u>129,233</u>	<u>(6,512)</u>	<u>3,147,720</u>
Earnings from operations before equity in earnings of subsidiaries	569,241	27,406	25,481	(1,141)	620,987
Equity in earnings of subsidiaries	41,811	—	—	(41,811)	(d) —
Earnings from operations	611,052	27,406	25,481	(42,952)	620,987
Other components of net periodic benefit costs	(1,013)	—	—	—	(1,013)
Interest expense	(143,586)	—	—	1,141	(b) (142,445)
Pretax earnings	<u>466,453</u>	<u>27,406</u>	<u>25,481</u>	<u>(41,811)</u>	<u>477,529</u>
Income tax benefit (expense)	(95,596)	(5,698)	(5,378)	—	(106,672)
Earnings available to common shareholders	<u>\$ 370,857</u>	<u>\$ 21,708</u>	<u>\$ 20,103</u>	<u>\$ (41,811)</u>	<u>\$ 370,857</u>

(a) Balances for the year ended December 31, 2018

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 2,483,956	\$ –	\$ –	\$ (4,214) (c)	\$ 2,479,742
Self-storage revenues	323,903	–	–	–	323,903
Self-moving & self-storage products & service sales	261,557	–	–	–	261,557
Property management fees	29,602	–	–	–	29,602
Life insurance premiums	–	–	154,703	–	154,703
Property and casualty insurance premiums	–	58,800	–	(1,700) (c)	57,100
Net investment and interest income	12,232	15,771	84,158	(1,688) (b)	110,473
Other revenue	179,417	–	5,001	(384) (b)	184,034
Total revenues	<u>3,290,667</u>	<u>74,571</u>	<u>243,862</u>	<u>(7,986)</u>	<u>3,601,114</u>
Costs and expenses:					
Operating expenses	1,758,697	32,710	22,061	(6,412) (b,c)	1,807,056
Commission expenses	276,705	–	–	–	276,705
Cost of sales	160,489	–	–	–	160,489
Benefits and losses	–	15,983	169,328	–	185,311
Amortization of deferred policy acquisition costs	–	–	24,514	–	24,514
Lease expense	34,243	–	–	(283) (b)	33,960
Depreciation, net gains on disposals	543,247	–	–	–	543,247
Net gains on disposal of real estate	(195,414)	–	–	–	(195,414)
Total costs and expenses	<u>2,577,967</u>	<u>48,693</u>	<u>215,903</u>	<u>(6,695)</u>	<u>2,835,868</u>
Earnings from operations before equity in earnings of subsidiaries	712,700	25,878	27,959	(1,291)	765,246
Equity in earnings of subsidiaries	46,990	–	–	(46,990) (d)	–
Earnings from operations	759,690	25,878	27,959	(48,281)	765,246
Other components of net periodic benefit costs	(927)	–	–	–	(927)
Interest expense	(127,997)	–	–	1,291 (b)	(126,706)
Pretax earnings	630,766	25,878	27,959	(46,990)	637,613
Income tax expense	159,817	(2,989)	(3,858)	–	152,970
Earnings available to common shareholders	<u>\$ 790,583</u>	<u>\$ 22,889</u>	<u>\$ 24,101</u>	<u>\$ (46,990)</u>	<u>\$ 790,583</u>

(a) Balances for the year ended December 31, 2017

(b) Eliminate intercompany lease/interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 2,366,526	\$ –	\$ –	\$ (3,693)	(c) \$ 2,362,833
Self-storage revenues	286,886	–	–	–	286,886
Self-moving & self-storage products & service sales	253,073	–	–	–	253,073
Property management fees	29,075	–	–	–	29,075
Life insurance premiums	–	–	163,579	–	163,579
Property and casualty insurance premiums	–	52,334	–	–	52,334
Net investment and interest income	9,688	16,652	77,540	(1,604)	(b) 102,276
Other revenue	167,752	–	4,480	(521)	(b) 171,711
Total revenues	<u>3,113,000</u>	<u>68,986</u>	<u>245,599</u>	<u>(5,818)</u>	<u>3,421,767</u>
Costs and expenses:					
Operating expenses	1,520,506	28,421	22,429	(4,175)	(b,c) 1,567,181
Commission expenses	267,230	–	–	–	267,230
Cost of sales	152,485	–	–	–	152,485
Benefits and losses	–	13,404	169,306	–	182,710
Amortization of deferred policy acquisition costs	–	–	26,218	–	26,218
Lease expense	37,529	–	–	(186)	(b) 37,343
Depreciation, net gains on disposals	449,025	–	–	–	449,025
Net (gains) losses on disposal of real estate	(3,590)	–	–	–	(3,590)
Total costs and expenses	<u>2,423,185</u>	<u>41,825</u>	<u>217,953</u>	<u>(4,361)</u>	<u>2,678,602</u>
Earnings from operations before equity in earnings of subsidiaries	689,815	27,161	27,646	(1,457)	743,165
Equity in earnings of subsidiaries	35,797	–	–	(35,797)	(d) –
Earnings from operations	725,612	27,161	27,646	(37,254)	743,165
Other components of net periodic benefit costs	(902)	–	–	–	(902)
Interest expense	(114,863)	–	–	1,457	(b) (113,406)
Amortization on early extinguished of debt	(499)	–	–	–	(499)
Pretax earnings	609,348	27,161	27,646	(35,797)	628,358
Income tax expense	(210,924)	(9,346)	(9,664)	–	(229,934)
Earnings available to common shareholders	<u>\$ 398,424</u>	<u>\$ 17,815</u>	<u>\$ 17,982</u>	<u>\$ (35,797)</u>	<u>\$ 398,424</u>

(a) Balances for the year ended December 31, 2016

(b) Eliminate intercompany lease/interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 2019, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 370,857	\$ 21,708	\$ 20,103	\$ (41,811)	\$ 370,857
Earnings from consolidated subsidiaries	(41,811)	—	—	41,811	—
Adjustments to reconcile net earnings to cash provided by operations:					
Depreciation	581,025	—	—	—	581,025
Amortization of deferred policy acquisition costs	—	—	28,556	—	28,556
Amortization of premiums and accretion of discounts related to investments, net	—	1,361	11,746	—	13,107
Amortization of debt issuance costs	3,923	—	—	—	3,923
Interest credited to policyholders	—	—	35,387	—	35,387
Change in allowance for losses on trade receivables	57	—	(5)	—	52
Change in allowance for inventories and parts reserve	(146)	—	—	—	(146)
Net gains on disposal of personal property	(26,982)	—	—	—	(26,982)
Net gains on disposal of real estate	(44)	—	—	—	(44)
Net (gains) losses on sales of investments	—	(2,971)	308	—	(2,663)
Net losses on equity securities	—	5,739	—	—	5,739
Deferred income taxes	112,434	830	(6,453)	—	106,811
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(26,160)	(2,438)	(2,767)	—	(31,365)
Inventories and parts	(13,492)	—	—	—	(13,492)
Prepaid expenses	(8,620)	—	—	—	(8,620)
Capitalization of deferred policy acquisition costs	—	—	(25,957)	—	(25,957)
Other assets	159,126	(1,449)	(525)	—	157,152
Related party assets	3,857	339	(2)	—	4,194
Accounts payable and accrued expenses	6,454	257	3,552	—	10,263
Policy benefits and losses, claims and loss expenses payable	(159,793)	(4,400)	(71,927)	—	(236,120)
Other policyholders' funds and liabilities	—	(117)	5,124	—	5,007
Deferred income	966	—	—	—	966
Related party liabilities	(2,711)	944	(300)	—	(2,067)
Net cash provided (used) by operating activities	<u>958,940</u>	<u>19,803</u>	<u>(3,160)</u>	<u>—</u>	<u>975,583</u>
Cash flows from investing activities:					
Escrow deposits	4,299	—	—	—	4,299
Purchases of:					
Property, plant and equipment	(1,869,968)	—	—	—	(1,869,968)
Short term investments	—	(53,878)	(170)	—	(54,048)
Fixed maturities investments	—	(33,775)	(506,270)	—	(540,045)
Equity securities	—	—	(957)	—	(957)
Preferred stock	—	—	—	—	—
Real estate	(236)	(187)	(212)	—	(635)
Mortgage loans	—	(20,031)	(43,580)	—	(63,611)
Proceeds from sales and paydowns of:					
Property, plant and equipment	606,271	—	—	—	606,271
Short term investments	—	58,767	7,270	—	66,037
Fixed maturities investments	—	12,305	111,246	—	123,551
Equity securities	—	8,608	—	—	8,608
Preferred stock	—	1,625	—	—	1,625
Real estate	—	—	—	—	—
Mortgage loans	—	5,881	141,856	—	147,737
Net cash used by investing activities	<u>(1,259,634)</u>	<u>(20,685)</u>	<u>(290,817)</u>	<u>—</u>	<u>(1,571,136)</u>

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(a) Balance for the period ended December 31, 2018

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2019, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	897,311	—	—	—	897,311
Principal repayments on credit facilities	(299,748)	—	—	—	(299,748)
Payment of debt issuance costs	(7,243)	—	—	—	(7,243)
Capital lease payments	(303,431)	—	—	—	(303,431)
Employee stock ownership plan shares	(418)	—	—	—	(418)
Securitization deposits	—	—	—	—	—
Common stock dividends paid	(39,179)	—	—	—	(39,179)
Investment contract deposits	—	—	400,123	—	400,123
Investment contract withdrawals	—	—	(132,833)	—	(132,833)
Net cash provided by financing activities	<u>247,292</u>	<u>—</u>	<u>267,290</u>	<u>—</u>	<u>514,582</u>
Effects of exchange rate on cash	<u>(4,716)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,716)</u>
Decrease in cash and cash equivalents	(58,118)	(882)	(26,687)	—	(85,687)
Cash and cash equivalents at beginning of period	<u>702,036</u>	<u>6,639</u>	<u>50,713</u>	<u>—</u>	<u>759,388</u>
Cash and cash equivalents at end of period	<u>\$ 643,918</u>	<u>\$ 5,757</u>	<u>\$ 24,026</u>	<u>\$ —</u>	<u>\$ 673,701</u>

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(a) Balance for the period ended December 31, 2018

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 2018, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 790,583	\$ 22,889	\$ 24,101	\$ (46,990)	\$ 790,583
Earnings from consolidated subsidiaries	(46,990)	—	—	46,990	—
Adjustments to reconcile net earnings to cash provided by operations:					
Depreciation	555,069	—	—	—	555,069
Amortization of deferred policy acquisition costs	—	—	24,514	—	24,514
Amortization of premiums and accretion of discounts related to investments, net	—	1,356	11,434	—	12,790
Amortization of debt issuance costs	3,868	—	—	—	3,868
Interest credited to policyholders	—	—	32,302	—	32,302
Change in allowance for losses on trade receivables	(31)	—	(89)	—	(120)
Change in allowance for inventories and parts reserve	5,065	—	—	—	5,065
Net gains on disposal of personal property	(11,822)	—	—	—	(11,822)
Net gains on disposal of real estate	(195,414)	—	—	—	(195,414)
Net gains on sales of investments	—	(1,703)	(4,566)	—	(6,269)
Net (gains) losses on equity securities	—	—	—	—	—
Deferred income taxes	(182,358)	(6,596)	(4,480)	—	(193,434)
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(23,444)	8,075	40	—	(15,329)
Inventories and parts	(12,384)	—	—	—	(12,384)
Prepaid expenses	(40,765)	—	—	—	(40,765)
Capitalization of deferred policy acquisition costs	—	—	(27,350)	—	(27,350)
Other assets	(167,579)	1,810	(199)	—	(165,968)
Related party assets	48,855	4,553	—	—	53,408
Accounts payable and accrued expenses	(36,384)	648	(1,244)	—	(36,980)
Policy benefits and losses, claims and loss expenses payable	168,687	(10,623)	3,057	—	161,121
Other policyholders' funds and liabilities	—	1,194	(1,303)	—	(109)
Deferred income	5,524	—	—	—	5,524
Related party liabilities	(1,884)	318	950	—	(616)
Net cash provided by operating activities	<u>858,596</u>	<u>21,921</u>	<u>57,167</u>	<u>—</u>	<u>937,684</u>
Cash flows from investing activities:					
Escrow deposits	31,362	—	—	—	31,362
Purchases of:					
Property, plant and equipment	(1,363,745)	—	—	—	(1,363,745)
Short term investments	—	(63,556)	—	—	(63,556)
Fixed maturities investments	—	(51,273)	(339,627)	—	(390,900)
Equity securities	—	—	(662)	—	(662)
Preferred stock	—	(1,000)	—	—	(1,000)
Real estate	(1,365)	(440)	(134)	—	(1,939)
Mortgage loans	—	(14,409)	(69,098)	—	(83,507)
Proceeds from sales and paydowns of:					
Property, plant and equipment	699,803	—	—	—	699,803
Short term investments	—	61,133	6,657	—	67,790
Fixed maturities investments	—	21,670	141,799	—	163,469
Preferred stock	—	4,208	—	—	4,208
Real estate	2,783	—	—	—	2,783
Mortgage loans	—	15,660	21,930	—	37,590
Net cash used by investing activities	<u>(631,162)</u>	<u>(28,007)</u>	<u>(239,135)</u>	<u>—</u>	<u>(898,304)</u>

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(a) Balance for the period ended December 31, 2017

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2018, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(in thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	498,464	—	—	—	498,464
Principal repayments on credit facilities	(356,451)	—	—	—	(356,451)
Payment of debt issuance costs	(5,111)	—	—	—	(5,111)
Capital lease payments	(296,363)	—	—	—	(296,363)
Employee stock ownership plan shares	(11,640)	—	—	—	(11,640)
Securitization deposits	(2,180)	—	—	—	(2,180)
Common stock dividends paid	(29,380)	—	—	—	(29,380)
Investment contract deposits	—	—	401,814	—	401,814
Investment contract withdrawals	—	—	(182,549)	—	(182,549)
Net cash provided (used) by financing activities	(202,661)	—	219,265	—	16,604
Effects of exchange rate on cash	5,598	—	—	—	5,598
Increase (decrease) in cash and cash equivalents	30,371	(6,086)	37,297	—	61,582
Cash and cash equivalents at beginning of period	671,665	12,725	13,416	—	697,806
Cash and cash equivalents at end of period	\$ 702,036	\$ 6,639	\$ 50,713	\$ —	\$ 759,388

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(a) Balance for the period ended December 31, 2017

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 398,424	\$ 17,815	\$ 17,982	\$ (35,797)	\$ 398,424
Earnings from consolidated subsidiaries	(35,797)	—	—	35,797	—
Adjustments to reconcile net earnings to cash provided by operations:					
Depreciation	481,520	—	—	—	481,520
Amortization of deferred policy acquisition costs	—	—	26,218	—	26,218
Amortization of premiums and accretion of discounts related to investments, net	—	1,336	10,492	—	11,828
Amortization of debt issuance costs	4,062	—	—	—	4,062
Interest credited to policyholders	—	—	25,020	—	25,020
Change in allowance for losses on trade receivables	31	—	(77)	—	(46)
Change in allowance for inventories and parts reserve	1,330	—	—	—	1,330
Net gains on disposal of personal property	(32,495)	—	—	—	(32,495)
Net gains on disposal of real estate	(3,590)	—	—	—	(3,590)
Net gains on sales of investments	—	(2,636)	(2,648)	—	(5,284)
Net (gains) losses on equity securities	—	—	—	—	—
Deferred income taxes	173,059	2,340	(2,287)	—	173,112
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(6,806)	4,221	(305)	—	(2,890)
Inventories and parts	(4,072)	—	—	—	(4,072)
Prepaid expenses	9,386	—	—	—	9,386
Capitalization of deferred policy acquisition costs	—	—	(27,111)	—	(27,111)
Other assets	(3,827)	1,341	(2)	—	(2,488)
Related party assets	(872)	1,215	—	—	343
Accounts payable and accrued expenses	(14,793)	392	(1,147)	—	(15,548)
Policy benefits and losses, claims and loss expenses payable	13,283	(7,838)	9,933	—	15,378
Other policyholders' funds and liabilities	—	1,167	332	—	1,499
Deferred income	5,921	—	—	—	5,921
Related party liabilities	(1,170)	226	(118)	—	(1,062)
Net cash provided by operating activities	983,594	19,579	56,282	—	1,059,455
Cash flows from investing activities:					
Escrow deposits	(38,058)	—	—	—	(38,058)
Purchases of:					
Property, plant and equipment	(1,419,505)	—	—	—	(1,419,505)
Short term investments	—	(77,693)	(558,154)	—	(635,847)
Fixed maturities investments	—	(42,628)	(312,473)	—	(355,101)
Equity securities	—	—	(489)	—	(489)
Real estate	(19,406)	(4,648)	(8,753)	—	(32,807)
Mortgage loans	—	(21,021)	(133,289)	—	(154,310)
Proceeds from sales and paydowns of:					
Property, plant and equipment	487,475	—	—	—	487,475
Short term investments	—	80,225	575,501	—	655,726
Fixed maturities investments	—	30,791	158,451	—	189,242
Preferred stock	—	4,181	—	—	4,181
Real estate	6,275	—	2,478	—	8,753
Mortgage loans	—	9,890	96,942	—	106,832
Net cash used by investing activities	(983,219)	(20,903)	(179,786)	—	(1,183,908)

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(a) Balance for the period ended December 31, 2016

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	715,625	—	27,000	—	742,625
Principal repayments on credit facilities	(340,844)	—	(27,000)	—	(367,844)
Payment of debt issuance costs	(5,055)	—	—	—	(5,055)
Capital lease payments	(212,545)	—	—	—	(212,545)
Employee stock ownership plan shares	(11,106)	—	—	—	(11,106)
Securitization deposits	446	—	—	—	446
Common stock dividends paid	(58,757)	—	—	—	(58,757)
Investment contract deposits	—	—	285,148	—	285,148
Investment contract withdrawals	—	—	(149,159)	—	(149,159)
Net cash provided by financing activities	<u>87,764</u>	<u>—</u>	<u>135,989</u>	<u>—</u>	<u>223,753</u>
Effects of exchange rate on cash	<u>(2,140)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,140)</u>
Increase (decrease) in cash and cash equivalents	85,999	(1,324)	12,485	—	97,160
Cash and cash equivalents at beginning of period	585,666	14,049	931	—	600,646
Cash and cash equivalents at end of period	<u>\$ 671,665</u>	<u>\$ 12,725</u>	<u>\$ 13,416</u>	<u>\$ —</u>	<u>\$ 697,806</u>

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(a) Balance for the period ended December 31, 2016

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 22. Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which provided an updated standard on revenue recognition. The standard outlines a five-step model for entities to use in accounting for revenue arising from contracts with customers. The standard applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The standard also requires expanded disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 became effective for us on April 1, 2018 and was adopted on a modified retrospective basis. Due to insignificant changes in our revenue recognition pattern for applicable revenue streams as a result of the updated guidance, there was no cumulative effect recorded. Additionally, due to the relatively short duration of our equipment contracts, we elected to use the practical expedient for contracts that begin and end within the same reporting period in applying the updated guidance to our applicable revenue streams. We performed an impact assessment by analyzing certain existing material revenue transactions and arrangements that are representative of our business segments and their revenue streams. Additionally, we assessed any potential impacts on our internal controls and processes related to both the implementation and ongoing compliance of the new guidance. The adoption of the standard did not have a material impact on our consolidated financial statements.

We enter into contracts that may include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of amounts collected from customers for taxes, such as sales tax, and remitted to the applicable taxing authorities. We account for a contract under Topic 606 when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. For contracts scoped into this standard, revenue is recognized when (or as) the performance obligations are satisfied by means of transferring goods or services to the customer as applicable to each revenue stream as discussed below. A contract may be partially within the scope of Topic 606 and partially within the scope of other topics. This is applicable to insurance premiums received in conjunction with equipment rentals, for which we allocate the transaction price relating to these distinct performance obligations covered by Topic 944 on a relative standalone selling price basis. There were no material contract assets or liabilities as of March 31, 2019 and March 31, 2018.

Self-moving rentals are recognized over the contract period that trucks and moving equipment are rented. We offer two types of self-moving rental contracts, one-way rentals and in-town rentals, which have varying payment terms. Customer payment is received at the initiation of the contract for one-way rentals which covers an allowable limit for equipment usage. An estimated fee in the form of a deposit is received at the initiation of the contract for in-town rentals, and final payment is received upon the return of the equipment based on actual fees incurred. The contract price is estimated at the initiation of the contract, as there is variable consideration associated with ratable fees incurred based on the number of days the equipment is rented and the number of miles driven. Variable consideration is estimated using the most likely amount method which is based on the intended use of the rental equipment by the customer at the initiation of the contract. Historically, the variability in estimated transaction pricing compared to actual is not significant due to the relatively short duration of rental contracts. Each performance obligation has an observable stand-alone selling price. We concluded that the performance obligations identified are satisfied over time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance. The input method of passage of time is appropriate as there is a direct relationship between our inputs and the transfer of benefit to the customer over the life of the contract. Self-moving rental contracts span a relatively short period of time, and the majority of these contracts began and ended within the same fiscal year.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The Company's self-moving rental revenues do not currently meet the definition of a lease under Topic 840 - Leases due to the existence of substitution rights, and thus are accounted for under Topic 606. However, the contracts are expected to meet the definition of a lease pursuant to the guidance in ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02") because those substitution rights do not provide an economic benefit to the Company that would exceed the cost of exercising the right. Therefore, upon adoption of ASU 2016-02 on April 1, 2019, self-rental contracts will be accounted for as leases. We do not expect this change to result in a change in the timing and pattern of recognition of the related revenues due to the short-term nature of the self-moving rental contracts.

Self-storage revenues are recognized as earned over the contract period based upon the number of paid storage contract days. Self-storage revenues are recognized in accordance with existing guidance in Topic 840 – Leases.

Sales of self-moving and self-storage related products are recognized at the time that title passes and the customer accepts delivery. The performance obligations identified for this portfolio of contracts include moving and storage product sales, installation services and/or propane sales. Each of these performance obligations has an observable stand-alone selling price. We concluded that the performance obligations identified are satisfied at a point in time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance. The basis for this conclusion is that the customer does not receive the product/propane or benefit from the installation services until the related performance obligation is satisfied. These products/services being provided have an alternative use as they are not customized and can be sold/provided to any customer. In addition, we only have the right to receive payment once the products have been transferred to the customer or the installation services have been completed. Although product sales have a right of return policy, our estimated obligation for future product returns is not material to the financial statements at this time.

Property management fees are recognized over the period that agreed-upon services are provided. The performance obligation for this portfolio of contracts is property management services, which represents a series of distinct days of service, each of which is comprised of activities that may vary from day to day. However, those tasks are activities to fulfill the property management services and are not separate promises in the contract. We determined that each increment of the promised service is distinct in accordance with paragraph 606-10-25-19 of Topic 606. This is because the customer can benefit from each increment of service on its own and each increment of service is separately identifiable because no day of service significantly modifies or customizes another and no day of service significantly affects either the entity's ability to fulfill another day of service or the benefit to the customer of another day of service. As such, we concluded that the performance obligation is satisfied over time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance for the Management Fee component of the compensation received in exchange for the service. Additionally, in certain contracts the Company has the ability to earn an incentive fee based on operational results. Historically these fees have been recognized once fully determinable. Under Topic 606, we measure and recognize the progress toward completion of the performance obligation on a quarterly basis using the most likely amount method to determine an accrual for the Incentive Fee portion of the compensation received in exchange for the property management service. The variable consideration recognized is subject to constraints due to a range of possible consideration amounts based on actual operational results. The amount accrued in the fourth quarter fiscal 2019 did not have a material effect on our financial statements.

Traditional life and Medicare supplement insurance premiums are recognized as revenue over the premium-paying periods of the contracts when due from the policyholders. For products where premiums are due over a significantly shorter duration than the period over which benefits are provided, such as our single premium whole life product, premiums are recognized when received and excess profits are deferred and recognized in relation to the insurance in force. Life insurance premiums are recognized in accordance with existing guidance in Topic 944 – Financial Services – Insurance.

Property and casualty insurance premiums are recognized as revenue over the policy periods. Interest and investment income are recognized as earned. Property and casualty premiums are recognized in accordance with existing guidance in Topic 944 – Financial Services – Insurance.

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Net investment and interest income has multiple components. Interest income from bonds and mortgage notes are recognized when earned. Dividends on common and preferred stocks are recognized on the ex-dividend dates. Realized gains and losses on the sale or exchange of investments are recognized at the trade date. Net investment and interest income is recognized in accordance with existing guidance in Topic 825 – Financial Instruments.

Other revenue consists of numerous services or rentals, of which U-Box contracts and service fees from Moving Help are the main components. The performance obligations identified for U-Box contracts are fees for rental, storage and shipping of U-Box containers to a specified location, each of which are distinct. A contract may be partially within the scope of Topic 606 and partially within the scope of other topics. The rental and storage obligations in U-Box contracts meet the definition of a lease in Topic 840, while the shipping obligation represents a contract with a customer accounted for under Topic 606. Therefore, we allocate the total transaction price between the performance obligations of storage fees and rental fees and the shipping fees on a standalone selling price basis. U-Box shipping fees are collected once the shipment is in transit. Shipping fees in U-Box contracts are set at the initiation of the contract based on the shipping origin and destination, and the performance obligation is satisfied over time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance. U-Box shipping contracts span over a relatively short period of time, and the majority of these contracts begin and end within the same fiscal year. Moving Help services fees are generated as we provide a neutral venue for the connection between the service provider and the customer for agreed upon services. We do not control the specified services provided by the service provider before that service is transferred to the customer.

In the following tables, the revenue is disaggregated by timing of revenue recognition:

	Years Ended March 31,		
	2019	2018	2017
	<u></u>		
	(In thousands)		
Revenues recognized over time	\$ 2,814,732	\$ 2,617,990	\$ 2,494,060
Revenues recognized at a point in time	<u>305,408</u>	<u>301,152</u>	<u>291,886</u>
Total revenues recognized under ASC 606	<u>3,120,140</u>	<u>2,919,142</u>	<u>2,785,946</u>
Revenues recognized under ASC 840	406,070	353,924	311,403
Revenues recognized under ASC 944	131,563	217,575	222,142
Revenues recognized under ASC 320	<u>110,934</u>	<u>110,473</u>	<u>102,276</u>
Total revenues	<u>\$ 3,768,707</u>	<u>\$ 3,601,114</u>	<u>\$ 3,421,767</u>

In the above tables, the revenues recognized over time include self-moving equipment rentals, property management fees, the shipping fees associated with U-Box rentals and a portion of other revenues, whereas revenues recognized at a point in time include self-moving and self-storage products and service sales and a portion of other revenues.

We recognize liabilities resulting from contracts with customers for self-moving equipment rentals and self-storage revenues in which the length of the contract goes beyond the reported period end, although rental periods of the contract are generally short-term in nature. The timing of revenue recognition results in contract liabilities that are reflected in deferred income on the balance sheet. The deferred income balances associated with equipment rentals and storage revenues as of March 31, 2018 were recognized as revenue during the fiscal year ended March 31, 2019.

Note 23. Subsequent Events

Our management has evaluated subsequent events occurring after March 31, 2019. We do not believe any other subsequent events have occurred that would require further disclosure or adjustment to our financial statements other than as stated below.

On March 6, 2019, we declared a cash dividend on our Common Stock of \$0.50 per share to holders of record on March 21, 2019. The dividend was paid on April 4, 2019.

SCHEDULE I
CONDENSED FINANCIAL INFORMATION OF AMERCO
BALANCE SHEETS

		March 31,	
		2019	2018
		(In thousands)	
ASSETS			
Cash and cash equivalents	\$	428,950	\$ 469,209
Investment in subsidiaries		2,474,671	2,244,867
Related party assets		1,424,274	1,227,491
Other assets		120,896	114,568
Total assets	\$	<u>4,448,791</u>	<u>\$ 4,056,135</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Other liabilities	\$	<u>754,115</u>	<u>\$ 639,604</u>
		754,115	639,604
Stockholders' equity:			
Preferred stock		—	—
Common stock		10,497	10,497
Additional paid-in capital		453,536	452,956
Accumulated other comprehensive loss		(68,459)	(4,623)
Retained earnings:			
Beginning of period		3,635,351	2,883,943
Adjustment for adoption of ASU 2016-01		9,724	—
Net earnings		370,857	790,583
Dividends		(39,180)	(39,175)
End of period		<u>3,976,752</u>	<u>3,635,351</u>
Cost of common shares in treasury		(525,653)	(525,653)
Cost of preferred shares in treasury		(151,997)	(151,997)
Total stockholders' equity		<u>3,694,676</u>	<u>3,416,531</u>
Total liabilities and stockholders' equity	\$	<u>4,448,791</u>	<u>\$ 4,056,135</u>

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2019	2018	2017
	(In thousands, except share and per share data)		
Revenues:			
Net interest income and other revenues	\$ 8,601	\$ 4,606	\$ 1,912
Expenses:			
Operating expenses	8,840	7,003	7,115
Other expenses	93	91	109
Total expenses	<u>8,933</u>	<u>7,094</u>	<u>7,224</u>
Equity in earnings of subsidiaries	279,589	681,786	327,773
Interest income	<u>112,649</u>	<u>120,549</u>	<u>103,211</u>
Pretax earnings	391,906	799,847	425,672
Income tax expense	<u>(21,049)</u>	<u>(9,264)</u>	<u>(27,248)</u>
Earnings available to common shareholders	<u>\$ 370,857</u>	<u>\$ 790,583</u>	<u>\$ 398,424</u>
Basic and diluted earnings per common share	<u>\$ 18.93</u>	<u>\$ 40.36</u>	<u>\$ 20.34</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,592,048</u>	<u>19,588,889</u>	<u>19,586,606</u>

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net earnings	\$ 370,857	\$ 790,583	\$ 398,424
Other comprehensive income (loss)	<u>(62,075)</u>	<u>37,873</u>	<u>9,289</u>
Total comprehensive income	<u>\$ 308,782</u>	<u>\$ 828,456</u>	<u>\$ 407,713</u>

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF CASH FLOW

	Years Ended March 31,		
	2019	2018	2017
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 370,857	\$ 790,583	\$ 398,424
Change in investments in subsidiaries	(279,589)	(681,786)	(327,773)
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	1	3	10
Net loss on sale of real and personal property	—	—	13
Deferred income taxes	112,434	(182,358)	173,059
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	—	—	—
Prepaid expenses	(6,289)	(36,516)	16,021
Other assets	(40)	65	(20)
Related party assets	—	—	1
Accounts payable and accrued expenses	2,260	278	(297)
Net cash provided (used) by operating activities	<u>199,634</u>	<u>(109,731)</u>	<u>259,438</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	(1)	(1)	(55)
Proceeds of property, plant and equipment	—	—	39
Net cash used by investing activities	<u>(1)</u>	<u>(1)</u>	<u>(16)</u>
Cash flows from financing activities:			
Proceeds from (repayments) of intercompany loans	(196,382)	250,214	(221,124)
Common stock dividends paid	(39,179)	(29,380)	(58,757)
Net cash provided (used) by financing activities	<u>(235,561)</u>	<u>220,834</u>	<u>(279,881)</u>
Effects of exchange rate on cash	(4,331)	(3,124)	—
Increase (decrease) in cash and cash equivalents	(40,259)	107,978	(20,459)
Cash and cash equivalents at beginning of period	469,209	361,231	381,690
Cash and cash equivalents at end of period	\$ <u>428,950</u>	\$ <u>469,209</u>	\$ <u>361,231</u>

Income taxes paid, net of income taxes refunds received, amounted to \$4.3 million, \$68.7 million and \$36.9 million for fiscal 2019, 2018 and 2017, respectively.

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
NOTES TO CONDENSED FINANCIAL INFORMATION
MARCH 31, 2019, 2018, AND 2017

1. Summary of Significant Accounting Policies

AMERCO, a Nevada corporation, was incorporated in April, 1969, and is the holding Company for U-Haul International, Inc., Amerco Real Estate Company, Repwest Insurance Company and Oxford Life Insurance Company. The financial statements of the Registrant should be read in conjunction with the Consolidated Financial Statements and notes thereto included in this Annual Report.

AMERCO is included in a consolidated Federal income tax return with all of its U.S. subsidiaries. Accordingly, the provision for income taxes has been calculated for Federal income taxes of AMERCO and subsidiaries included in the consolidated return of AMERCO. State taxes for all subsidiaries are allocated to the respective subsidiaries.

The financial statements include only the accounts of AMERCO, which include certain of the corporate operations of AMERCO. The interest in AMERCO's majority owned subsidiaries is accounted for on the equity method. The intercompany interest income and expenses are eliminated in the Consolidated Financial Statements.

2. Guarantees

AMERCO has guaranteed performance of certain long-term leases and other obligations. See Note 17, Contingent Liabilities and Commitments, and Note 19, Related Party Transactions, of the Notes to Consolidated Financial Statements.

SCHEDULE II
AMERCO AND CONSOLIDATED SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Additions Charged to Other Accounts	Deductions	Balance at Year End
Year ended March 31, 2019					
(In thousands)					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	496 \$	1,550 \$	– \$	(1,497) \$	549
Allowance for obsolescence					
(deducted from inventory) \$	5,329 \$	– \$	– \$	(3,007) \$	2,322
Allowance for LIFO					
(deducted from inventory) \$	16,126 \$	2,861 \$	– \$	– \$	18,987
Allowance for probable losses					
(deducted from mortgage loans) \$	618 \$	– \$	– \$	(125) \$	493
Year ended March 31, 2018					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	539 \$	886 \$	– \$	(929) \$	496
Allowance for obsolescence					
(deducted from inventory) \$	2,050 \$	3,279 \$	– \$	– \$	5,329
Allowance for LIFO					
(deducted from inventory) \$	14,340 \$	1,786 \$	– \$	– \$	16,126
Allowance for probable losses					
(deducted from mortgage loans) \$	493 \$	125 \$	– \$	– \$	618
Year ended March 31, 2017					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	585 \$	913 \$	– \$	(959) \$	539
Allowance for obsolescence					
(deducted from inventory) \$	1,597 \$	1,218 \$	– \$	(765) \$	2,050
Allowance for LIFO					
(deducted from inventory) \$	13,463 \$	877 \$	– \$	– \$	14,340
Allowance for probable losses					
(deducted from mortgage loans) \$	368 \$	125 \$	– \$	– \$	493

SCHEDULE V
AMERCO AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE OPERATIONS)
YEARS ENDED DECEMBER 31, 2018, 2017, AND 2016

Fiscal Year	Affiliation with Registrant	Deferred Policy Acquisition Cost	Reserves for Unpaid Claims and Adjustment Expenses	Discount if any, Deducted	Unearned Premiums	Net Earned Premiums (1)	Net Investment Income (2)	Claim and Claim Adjustment Expenses Incurred Related to Current Year	Claim and Claim Adjustment Expenses Incurred Related to Prior Year	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expense	Net Premiums Written (1)
(In thousands)												
2019	Consolidated property casualty entity	\$ —	\$ 228,970	\$ N/A	\$ 239	\$ 60,853	\$ 9,373	\$ 19,579	\$ (5,365)	\$ —	\$ 19,228	\$ 61,022
2018	Consolidated property casualty entity	—	233,554	N/A	70	57,100	14,079	15,749	233	—	17,366	57,123
2017	Consolidated property casualty entity	—	244,400	N/A	49	52,334	14,015	13,297	107	—	17,609	52,324

(1) The earned and written premiums are reported net of intersegment transactions. There were \$2.8 million and \$2.3 million in written premiums and \$2.6 million and \$1.7 million in earned premiums eliminated for the year ended December 31, 2018 and 2017, respectively and no written or earned premiums eliminated for the year ended December 31, 2016.

(2) Net Investment Income excludes net realized (gains) losses on investments of (\$3.0) million, (\$1.7) million and (\$2.6) million for the years ended December 31, 2018, 2017 and 2016, respectively.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERCO

Date: May 29, 2019

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board
(Duly Authorized Officer)

Date: May 29, 2019

/s/ Jason A. Berg

Jason A. Berg
Chief Financial Officer
(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edward J. Shoen his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act or things requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jason A. Berg</u> Jason A. Berg	Chief Financial Officer	May 29, 2019
<u>/s/ James E. Acridge</u> James E. Acridge	Director	May 29, 2019
<u>/s/ John P. Brogan</u> John P. Brogan	Director	May 29, 2019
<u>/s/ John M. Dodds</u> John M. Dodds	Director	May 29, 2019
<u>/s/ James J. Grogan</u> James J. Grogan	Director	May 29, 2019
<u>/s/ Richard J. Herrera</u> Richard J. Herrera	Director	May 29, 2019
<u>/s/ Karl A. Schmidt</u> Karl A. Schmidt	Director	May 29, 2019
<u>/s/ Samuel J. Shoen</u> Samuel J. Shoen	Director	May 29, 2019

AMERCO (Nevada)
Consolidated Subsidiaries

Patriot Truck Leasing, LLC	NV
P icacho Peak Investments Co.	NV
ARCOA Risk Retention Group, Inc.	NV
Repwest Insurance Company	AZ
Republic Claims Service Company	AZ
Ponderosa Insurance Agency, LLC	AZ
Ponderosa Self-Storage Liability Group, LLC	AZ
RWIC Investments, Inc.	AZ
Oxford Life Insurance Company	AZ
Oxford Life Insurance Agency, Inc.	AZ
North American Insurance Company	WI
Christian Fidelity Life Insurance Company	TX
Amerco Real Estate Company	NV
Amerco Real Estate Company of Alabama, Inc.	AL
Amerco Real Estate Company of Texas, Inc.	TX
Amerco Real Estate Services, Inc.	NV
AREC 905, LLC	DE
Rainbow-Queen Properties, LLC	AZ
Two PAC Company	NV
Eight PAC Company	NV
Ten PAC Company	NV
Eighteen PAC Company	NV
Twenty PAC Company	NV
Twenty-One PAC Company	NV
Nationwide Commercial Co.	AZ
AREC RW, LLC	DE
PF&F Holdings Corporation	DE
AREC Holdings, LLC	DE
AREC 1, LLC	DE
AREC 2, LLC	DE
AREC 3, LLC	DE
AREC 4, LLC	DE
AREC 5, LLC	DE
AREC 6, LLC	DE
AREC 7, LLC	DE
AREC 8, LLC	DE
AREC 9, LLC	DE
AREC 10, LLC	DE
AREC 11, LLC	DE
AREC 12, LLC	DE
AREC 13, LLC	DE

AREC 14, LLC	NV
AREC 15, LLC	NV
AREC 19, LLC	NV
AREC 20, LLC	NV
AREC 21, LLC	NV
AREC 22, LLC	DE
AREC 23, LLC	DE
AREC 24, LLC	DE
AREC 25, LLC	DE
AREC 26, LLC	DE
AREC 27, LLC	DE
AREC 28, LLC	DE
AREC 29, LLC	DE
AREC 30, LLC	DE
AREC 31, LLC	DE
AREC 32, LLC	DE
AREC 33, LLC	DE
AREC 34, LLC	DE
AREC 2018, LLC	NV
20 Oak Harbor, LLC	NV
41 Haig, LLC	NV
53 Roanoke, LLC	NV
74-5583 Pawai, LLC	NV
125 Beechwood, LLC	NV
333 Sunrise, LLC	NV
344 Erie, LLC	NV
365 Cherry, LLC	NV
370 Orange Street, LLC	NV
380 Union, LLC	NV
407 Park, LLC	NV
500 Cermack, LLC	NV
506 Fessler, LLC	NV
560 Waterbury, LLC	NV
1000 13th, LLC	NV
1020 Randolph, LLC	NV
1315 3rd, LLC	NV
1450 Walbridge, LLC	NV
1506 Woodlawn, LLC	DE
CRP Holdings Michael, LLC	DE
1508 Woodlawn, LLC	DE
CRP Holdings Dunleavy, LLC	DE
2115 West, LLC	NV
2160 Erie, LLC	NV
2317 Route 70, LLC	DE
3001 Boxmeer, LLC	NV
3400 MacArthur, LLC	NV

3410 Galena, LLC	DE
3463 Billie Hext, LLC	NV
3700 Bigelow, LLC	NV
4029 Golden, LLC	DE
4251 Hiawatha, LLC	NV
4795 Charlotte, LLC	NV
5655 Whipple LLC	NV
8250 Hwy 99, LLC	NV
11700 Capitol, LLC	NV
19525 Water, LLC	NV
Foster 81st, LLC	DE
Rosehill Street, LLC	NV
West 16th, LLC	NV
West 136th, LLC	DE
AREC 1031 Holdings, LLC	DE
8 Erie EAT, LLC	NV
53 Technology EAT, LLC	NV
60 Burrell Plaza EAT, LLC	NV
88 Birnie EAT, LLC	NV
176 Ragland EAT, LLC	NV
191 Bradley EAT, LLC	NV
200-22- North Point EAT, LLC	NV
207 Simpson EAT, LLC	NV
339-341 Lehigh EAT, LLC	NV
463 Lakewood EAT, LLC	NV
500 Grandville EAT, LLC	NV
529 & Westgreen EAT, LLC	NV
665 Perry EAT, LLC	NV
800 28 EAT, LLC	NV
817 Appleyard EAT, LLC	NV
825 Pearl EAT, LLC	NV
900 Roswell EAT, LLC	NV
950 25th EAT, LLC	NV
1058 Sagamore EAT, LLC	NV
1200 Main EAT, LLC	NV
1320 Grandview EAT, LLC	NV
1327-1331 Texas EAT, LLC	NV
1411 Texas EAT, LLC	NV
1416 Route 66 EAT, LLC	NV
1450 South West EAT, LLC	NV
1501 McGalliard EAT, LLC	NV
1510 Orchard Park EAT, LLC	NV
1903 Rosemont EAT, LLC	NV
1910 5th EAT, LLC	NV
2811 Vista EAT, LLC	NV
3015 Tower EAT, LLC	NV
4225 Hiawatha EAT, LLC	NV
5204 Links EAT, LLC	NV
6805 Corporate EAT, LLC	NV

6910 Richmond EAT, LLC	NV
8135-8171 Houghton Lake EAT, LLC	NV
10412 Sprague EAT, LLC	NV
10681 Loop 1604 EAT, LLC	NV
15500 Shawn EAT, LLC	NV
21930 Miles EAT, LLC	NV
Dimond EAT, LLC	NV
Marginal EAT, LLC	NV

U-Haul International, Inc.	NV
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United States:

A & M Associates, Inc	AZ
Web Team Associates, Inc.	NV
EMove, Inc.	NV
Orange Line Technologies, LLC	NV
U-Haul Business Consultants, Inc	AZ
U-Haul Virginia Operations, Inc.	NV
U-Haul Leasing & Sales Co.	NV
RTAC, LLC	NV
U-Haul R Fleet, LLC	NV
2010 BE-BP-2, LLC	NV
2010 U-Haul S Fleet, LLC	NV
2010 TM-1, LLC	NV
2010 TT-1, LLC	NV
2010 DC-1, LLC	NV
2013 U-Haul R Fleet, LLC	NV
2013 BP, LLC	NV
2013 U-Haul R Fleet 2, LLC	NV
2013 BOA-BE, LLC	NV
2013 U-Haul R Fleet 3, LLC	NV
2013 NYCB-BE, LLC	NV
U-Haul Moving Partners, Inc.	NV
U-Haul Self-Storage Corporation	NV
U-Haul Self-Storage Management (WPC), Inc.	NV
U-Haul Co. of Alabama, Inc.	AL
U-Haul Co. of Alaska	AK
U-Haul Co. of Arizona	AZ
Boxman Rentals, LLC	NV
U-Haul Titling, LLC	NV
2010 U-Haul Titling 2, LLC	NV
2010 U-Haul Titling 3, LLC	NV
2013 U-Haul Titling 1, LLC	NV
2013 U-Haul Titling 2, LLC	NV
2013 U-Haul Titling 3, LLC	NV
CGAF Holdings, LLC	NV
Casa Grande Alternative Fuel Co., LLC	NV
U-Haul Co. of Arkansas	AR
U-Haul Co. of California	CA
U-Haul Co. of Colorado	CO
U-Haul Co. of Connecticut	CT

U-Haul Co. of District of Columbia, Inc.	DC
U-Haul Co. of Florida	FL
U-Haul Co. of Florida 2, LLC	DE
U-Haul Co. of Florida 3, LLC	DE
U-Haul Co. of Florida 4, LLC	DE
U-Haul Co. of Florida 5, LLC	DE
U-Haul Co. of Florida 8, LLC	DE
U-Haul Co. of Florida 9, LLC	DE
U-Haul Co. of Florida 10, LLC	DE
U-Haul Co. of Florida 905, LLC	DE
U-Haul Co. of Florida 14, LLC	NV
U-Haul Co. of Florida 15, LLC	NV
U-Haul Co. of Florida 19, LLC	NV
U-Haul Co. of Florida 21, LLC	NV
U-Haul Co. of Florida 22, LLC	DE
U-Haul Co. of Florida 23, LLC	DE
U-Haul Co. of Florida 24, LLC	DE
U-Haul Co. of Florida 25, LLC	DE
U-Haul Co. of Florida 26, LLC	DE
U-Haul Co. of Florida 28, LLC	DE
U-Haul Co. of Florida 30, LLC	DE
U-Haul Co. of Florida 31, LLC	DE
U-Haul Co. of Florida 32, LLC	DE
U-Haul Co. of Florida 33, LLC	DE
U-Haul Co. of Florida 34, LLC	DE
U-Haul Co. of Georgia	GA
U-Haul of Hawaii, Inc.	HI
U-Haul Co. of Idaho, Inc.	ID
U-Haul Co. of Illinois, Inc.	IL
U-Haul Co. of Indiana, Inc.	IN
U-Haul Co. of Iowa, Inc.	IA
U-Haul Co. of Kansas, Inc.	KS
U-Haul Co. of Kentucky	KY
U-Haul Co. of Louisiana	LA
U-Haul Co. of Maine, Inc.	ME
U-Haul Co. of Maryland, Inc.	MD
U-Haul Co. of Massachusetts and Ohio, Inc.	MA
Collegeboxes, LLC	MA
U-Haul Co. of Michigan	MI
U-Haul Co. of Minnesota	MN
U-Haul Co. of Mississippi	MS
U-Haul Company of Missouri	MO
U-Haul Co. of Montana, Inc.	MT
U-Haul Co. of Nebraska	NE
U-Haul Co. of Nevada, Inc.	NV
U-Haul Co. of New Hampshire, Inc.	NH
U-Haul Co. of New Jersey, Inc.	NJ
U-Haul Co. of New Mexico, Inc.	NM
U-Haul Co. of New York and Vermont, Inc.	NY
U-Haul Co. of North Carolina	NC
U-Haul Co. of North Dakota	ND

U-Haul Co. of Oklahoma, Inc.	OK
U-Haul Co. of Oregon	OR
U-Haul Co. of Pennsylvania	PA
U-Haul Co. of Rhode Island	RI
U-Haul Co. of South Carolina, Inc.	SC
U-Haul Co. of South Dakota, Inc.	SD
U-Haul Co. of Tennessee	TN
U-Haul Co. of Texas	TX
U-Haul Propane of Texas, LLC	NV
U-Haul Co. of Utah, Inc.	UT
U-Haul Co. of Virginia	VA
U-Haul Co. of Washington	WA
U-Haul Co. of West Virginia	WV
U-Haul Co. of Wisconsin, Inc.	WI
U-Haul Co. of Wyoming, Inc.	WY
UHIL Holdings, LLC	DE
UHIL 1, LLC	DE
UHIL 2, LLC	DE
UHIL 3, LLC	DE
UHIL 4, LLC	DE
UHIL 5, LLC	DE
UHIL 6, LLC	DE
UHIL 7, LLC	DE
UHIL 8, LLC	DE
UHIL 9, LLC	DE
UHIL 10, LLC	DE
UHIL 11, LLC	DE
UHIL 12, LLC	DE
UHIL 13, LLC	DE
UHIL 14, LLC	NV
UHIL 15, LLC	NV
UHIL 16, LLC	NV
UHIL 19, LLC	NV
UHIL 20, LLC	NV
UHIL 21, LLC	NV
UHIL 22, LLC	DE
UHIL 23, LLC	DE
UHIL 24, LLC	DE
UHIL 25, LLC	DE
UHIL 26, LLC	DE
UHIL 27, LLC	DE
UHIL 28, LLC	DE
UHIL 29, LLC	DE
UHIL 30, LLC	DE
UHIL 31, LLC	DE
UHIL 32, LLC	DE
UHIL 33, LLC	DE
UHIL 34, LLC	DE
UHIL RW, LLC	DE

Canada:

U-Haul Co. (Canada) Ltd. U-Haul Co. (Canada) Ltee	ON
U-Haul Inspections, Ltd.	BC
239 Station (Canada), Ltd.	ON
900 Water (Canada), Ltd.	ON
2100 Norman (Canada), Ltd.	QC
4605 Kent (Canada), Ltd.	ON
9082 Tecumseh (Canada), Ltd.	ON
1508 Walker (Canada), Ltd.	ON

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

AMERCO
Reno, Nevada

We hereby consent to the incorporation by reference in the Registration Statements on Form S3 (No. 33-56571 and 333-215546) of AMERCO and consolidated subsidiaries (the "Company") of our reports dated May 29, 2019, relating to the consolidated financial statements and financial statement schedules, and the effectiveness of the Company's internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO USA, LLP

Phoenix, Arizona
May 29, 2019

Rule 13a-14(a)/15d-14(a) Certification

I, Edward J. Shoen, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - C. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - D. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: May 29, 2019

Rule 13a-14(a)/15d-14(a) Certification

I, Jason A. Berg, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Jason A. Berg

Jason A. Berg
Chief Financial Officer

Date: May 29, 2019

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-K for the year ended March 31, 2019 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 29, 2019 (the "Report"), I, Edward J. Shoen, President and Chairman of the Board of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: May 29, 2019

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-K for the year ended March 31, 2019 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 29, 2019 (the "Report"), I, Jason A. Berg, Chief Financial Officer of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- 2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason A. Berg

Jason A. Berg
Chief Financial Officer

Date: May 29, 2019