

U-HAUL HOLDING CO /NV/

FORM 10-Q (Quarterly Report)

Filed 02/03/21 for the Period Ending 12/31/20

Address	5555 KIETZKE LANE STE 100 RENO, NV, 89511
Telephone	7756886300
CIK	0000004457
Symbol	UHAL
SIC Code	7510 - Services-Auto Rental and Leasing (No Drivers)
Industry	Ground Freight & Logistics
Sector	Industrials
Fiscal Year	03/31

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

Form 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2020

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 001-11255

State or other jurisdiction of
incorporation or organization Registrant, State of Incorporation,
Address and Telephone Number I.R.S. Employer
Identification No.

AMERCO

Nevada

AMERCO

88-0106815

(A Nevada Corporation)

5555 Kietzke Lane Suite 100

Reno, Nevada 89511

Telephone (775) 688-6300

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.25 par value	UHAL	NASDAQ Global Select Market

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 Exchange Act). Yes ☐ No ☒

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at February 1, 2021.

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

	Page
Item 1. Financial Statements	
a) <u>Condensed Consolidated Balance Sheets as of December 31, 2020 (unaudited) and March 31, 2020</u>	1
b) <u>Condensed Consolidated Statements of Operations for the Quarters Ended December 31, 2020 and 2019 (unaudited)</u>	2
c) <u>Condensed Consolidated Statements of Operations for the Nine Months Ended December 31, 2020 and 2019 (unaudited)</u>	3

d) <u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarters and Nine Months Ended December 31, 2020 and 2019 (unaudited)</u>	4
e) <u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Quarters Ended December 31, 2020 and 2019 (unaudited)</u>	5
f) <u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Nine Months Ended December 31, 2020 and 2019 (unaudited)</u>	6
g) <u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended December 31, 2020 and 2019 (unaudited)</u>	7
h) <u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	8
Item 2	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	46
Item 3.	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	61
Item 4.	
<u>Controls and Procedures</u>	63

PART II OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>	64
Item 1A.	<u>Risk Factors</u>	64
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	66
Item 3.	<u>Defaults Upon Senior Securities</u>	66
Item 4.	<u>Mine Safety Disclosures</u>	66
Item 5.	<u>Other Information</u>	66
Item 6.	<u>Exhibits</u>	66

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

AMERCO AND CONSOLIDATED SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2020	March 31, 2020
	(Unaudited)	
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$ 1,398,840	\$ 494,352
Reinsurance recoverables and trade receivables, net	224,447	186,672
Inventories and parts, net	104,180	101,083
Prepaid expenses	450,889	562,904
Investments, fixed maturities and marketable equities	2,606,953	2,492,738
Investments, other	447,902	360,373
Deferred policy acquisition costs, net	92,139	103,118
Other assets	44,261	71,956
Right of use assets - financing, net	920,321	1,080,353
Right of use assets - operating	97,186	106,631
Related party assets	34,963	34,784
	<u>6,422,081</u>	<u>5,594,964</u>
Property, plant and equipment, at cost:		
Land	1,059,177	1,032,945
Buildings and improvements	4,996,900	4,663,461
Furniture and equipment	778,732	752,363
Rental trailers and other rental equipment	552,892	511,520
Rental trucks	3,629,888	3,595,933
	<u>11,017,589</u>	<u>10,556,222</u>
Less: Accumulated depreciation	<u>(2,992,365)</u>	<u>(2,713,162)</u>
Total property, plant and equipment, net	<u>8,025,224</u>	<u>7,843,060</u>
Total assets	<u>\$ 14,447,305</u>	<u>\$ 13,438,024</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 608,765	\$ 554,353
Notes, loans and finance/capital leases payable, net	4,678,227	4,621,291
Operating lease liability	97,224	106,443
Policy benefits and losses, claims and loss expenses payable	1,013,582	997,647
Liabilities from investment contracts	1,997,936	1,802,217
Other policyholders' funds and liabilities	34,867	10,190
Deferred income	37,005	31,620
Deferred income taxes, net	1,222,544	1,093,543
Total liabilities	<u>9,690,150</u>	<u>9,217,304</u>
Commitments and contingencies (notes 4, 8, 9 and 10)		
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 December 31 and March 31, 2020	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none		
issued and outstanding as of December 31 and March 31, 2020	-	-
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 December 31 and March 31, 2020	-	-
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 December 31 and March 31, 2020	10,497	10,497
Additional paid-in capital	453,819	453,819
Accumulated other comprehensive income	85,910	34,652
Retained earnings	4,884,579	4,399,402
Cost of common stock in treasury, net (22,377,912 shares as of December 31 and March 31, 2020)	(525,653)	(525,653)
Cost of preferred stock in treasury, net (6,100,000 shares as of December 31 and March 31, 2020)	(151,997)	(151,997)
Unearned employee stock ownership plan shares	-	-
Total stockholders' equity	<u>4,757,155</u>	<u>4,220,720</u>
Total liabilities and stockholders' equity	<u>\$ 14,447,305</u>	<u>\$ 13,438,024</u>

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	\$ 808,215	\$ 621,471
Self-storage revenues	123,024	106,701
Self-moving and self-storage products and service sales	74,586	54,454
Property management fees	8,765	9,098
Life insurance premiums	29,993	31,164
Property and casualty insurance premiums	19,933	19,267
Net investment and interest income	35,580	33,782
Other revenue	<u>69,886</u>	<u>51,943</u>
Total revenues	<u>1,169,982</u>	<u>927,880</u>
Costs and expenses:		
Operating expenses	539,942	517,453
Commission expenses	86,891	66,542
Cost of sales	45,752	35,318
Benefits and losses	45,631	42,864
Amortization of deferred policy acquisition costs	6,572	8,046
Lease expense	7,522	6,490
Depreciation, net of (gains)/losses on disposal of ((\$ 10,952) and \$ 2,151 , respectively)	152,602	170,074
Net losses on disposal of real estate	<u>1,124</u>	<u>528</u>
Total costs and expenses	<u>886,036</u>	<u>847,315</u>
Earnings from operations	283,946	80,565
Other components of net periodic benefit costs	(247)	(263)
Interest expense	<u>(42,128)</u>	<u>(39,973)</u>
Pretax earnings	241,571	40,329
Income tax expense	<u>(58,586)</u>	<u>(9,397)</u>
Earnings available to common stockholders	\$ <u>182,985</u>	\$ <u>30,932</u>
Basic and diluted earnings per common stock	\$ <u>9.33</u>	\$ <u>1.58</u>
Weighted average common stock outstanding: Basic and diluted	<u>19,607,788</u>	<u>19,607,788</u>

Related party revenues for the third quarter of fiscal 2021 and 2020, net of eliminations, were \$8.8 million and \$9.1 million, respectively.

Related party costs and expenses for the third quarter of fiscal 2021 and 2020, net of eliminations, were \$18.8 million and \$14.8 million, respectively.

Please see Note 10, Related Party Transactions, of the Notes to Condensed Consolidated Financial Statements for more information on the related party revenues and costs and expenses.

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	\$ 2,393,530	\$ 2,174,392
Self-storage revenues	347,252	309,940
Self-moving and self-storage products and service sales	264,564	207,601
Property management fees	23,952	23,487
Life insurance premiums	91,958	96,229
Property and casualty insurance premiums	49,536	51,056
Net investment and interest income	85,895	102,629
Other revenue	<u>225,440</u>	<u>192,009</u>
Total revenues	<u>3,482,127</u>	<u>3,157,343</u>
Costs and expenses:		
Operating expenses	1,606,687	1,617,338
Commission expenses	255,431	233,540
Cost of sales	159,516	128,177
Benefits and losses	130,660	137,695
Amortization of deferred policy acquisition costs	19,012	20,625
Lease expense	20,995	19,882
Depreciation, net of gains on disposal of (\$ 40,083 and \$ 32,526 , respectively)	455,711	462,227
Net (gains) losses on disposal of real estate	<u>4,293</u>	<u>(1,311)</u>
Total costs and expenses	<u>2,652,305</u>	<u>2,618,173</u>
Earnings from operations	829,822	539,170
Other components of net periodic benefit costs	(740)	(790)
Interest expense	<u>(122,174)</u>	<u>(117,983)</u>
Pretax earnings	706,908	420,397
Income tax expense	<u>(169,832)</u>	<u>(100,717)</u>
Earnings available to common stockholders	\$ <u>537,076</u>	\$ <u>319,680</u>
Basic and diluted earnings per common stock	\$ <u>27.39</u>	\$ <u>16.31</u>
Weighted average common stock outstanding: Basic and diluted	<u>19,607,788</u>	<u>19,602,484</u>

Related party revenues for the first nine months of fiscal 2021 and 2020, net of eliminations, were \$24.0 million and \$23.5 million, respectively.

Related party costs and expenses for the first nine months of fiscal 2021 and 2020, net of eliminations, were \$55.9 million and \$51.9 million, respectively.

Please see Note 10, Related Party Transactions, of the Notes to Condensed Consolidated Financial Statements for more information on the related party revenues and costs and expenses.

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

3

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

Quarter Ended December 31, 2020	Pre-tax	Tax	Net
	(Unaudited)		
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 241,571	\$ (58,586)	\$ 182,985
Other comprehensive income (loss):			
Foreign currency translation	(2,566)	-	(2,566)
Unrealized net gain on investments	12,074	(2,514)	9,560
Change in fair value of cash flow hedges	35	(9)	26
Amounts reclassified into earnings on hedging activities	972	(238)	734
Total other comprehensive income (loss)	<u>10,515</u>	<u>(2,761)</u>	<u>7,754</u>
Total comprehensive income	<u>\$ 252,086</u>	<u>\$ (61,347)</u>	<u>\$ 190,739</u>
Quarter Ended December 31, 2019	Pre-tax	Tax	Net
	(Unaudited)		
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 40,329	\$ (9,397)	\$ 30,932
Other comprehensive income (loss):			
Foreign currency translation	(692)	-	(692)
Unrealized net gain on investments	28,568	(6,190)	22,378
Change in fair value of cash flow hedges	479	(118)	361
Amounts reclassified into earnings on hedging activities	422	(103)	319
Total other comprehensive income (loss)	<u>28,777</u>	<u>(6,411)</u>	<u>22,366</u>
Total comprehensive income	<u>\$ 69,106</u>	<u>\$ (15,808)</u>	<u>\$ 53,298</u>
Nine Months Ended December 31, 2020	Pre-tax	Tax	Net
	(Unaudited)		
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 706,908	\$ (169,832)	\$ 537,076
Other comprehensive income (loss):			
Foreign currency translation	(5,193)	-	(5,193)
Unrealized net gain on investments	68,298	(13,398)	54,900
Change in fair value of cash flow hedges	(624)	153	(471)
Amounts reclassified into earnings on hedging activities	2,680	(658)	2,022
Total other comprehensive income (loss)	<u>65,161</u>	<u>(13,903)</u>	<u>51,258</u>
Total comprehensive income	<u>\$ 772,069</u>	<u>\$ (183,735)</u>	<u>\$ 588,334</u>
Nine Months Ended December 31, 2019	Pre-tax	Tax	Net
	(Unaudited)		
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 420,397	\$ (100,717)	\$ 319,680
Other comprehensive income (loss):			
Foreign currency translation	2,919	-	2,919
Unrealized net gain on investments	133,046	(28,575)	104,471
Change in fair value of cash flow hedges	(1,555)	382	(1,173)
Amounts reclassified into earnings on hedging activities	(3)	1	(2)
Total other comprehensive income (loss)	<u>134,407</u>	<u>(28,192)</u>	<u>106,215</u>
Total comprehensive income	<u>\$ 554,804</u>	<u>\$ (128,909)</u>	<u>\$ 425,895</u>

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

4

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

	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
	(Unaudited)							
	(In thousands, except per share amounts)							
Balance as of September 30, 2020	\$ 10,497	\$ 453,819	\$ 78,156	\$ 4,740,809	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,605,631
Foreign currency translation	-	-	(2,566)	-	-	-	-	(2,566)
Unrealized net gain on investments, net of tax	-	-	9,560	-	-	-	-	9,560
Change in fair value of cash flow hedges, net of tax	-	-	26	-	-	-	-	26
Amounts reclassified into earnings on hedging activities	-	-	734	-	-	-	-	734
Net earnings	-	-	-	182,985	-	-	-	182,985
Common stock dividends: (\$ 2.00 per share for fiscal 2021)	-	-	-	(39,215)	-	-	-	(39,215)
Net activity	-	-	7,754	143,770	-	-	-	151,524
Balance as of December 31, 2020	\$ 10,497	\$ 453,819	\$ 85,910	\$ 4,884,579	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,757,155
Balance as of September 30, 2019	\$ 10,497	\$ 453,761	\$ 17,151	\$ 4,255,906	\$ (525,653)	\$ (151,997)	\$ (1,597)	\$ 4,058,068
Increase in market value of released ESOP shares	-	58	-	-	-	-	-	58
Release of unearned ESOP shares	-	-	-	-	-	-	1,597	1,597
Foreign currency translation	-	-	(692)	-	-	-	-	(692)

Unrealized net gain on investments, net of tax	-	-	22,378	-	-	-	-	22,378
Change in fair value of cash flow hedges, net of tax	-	-	361	-	-	-	-	361
Amounts reclassified into earnings on hedging activities	-	-	319	-	-	-	-	319
Net earnings	-	-	-	30,932	-	-	-	30,932
Common stock dividends: (\$ 0.50 per share for fiscal 2020)	-	-	-	(9,804)	-	-	-	(9,804)
Net activity	-	58	22,366	21,128	-	-	1,597	45,149
Balance as of December 31, 2019	\$ 10,497	\$ 453,819	\$ 39,517	\$ 4,277,034	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,103,217

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

5

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

	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
(Unaudited)								
(In thousands, except per share amounts)								
Balance as of March 31, 2020	\$ 10,497	\$ 453,819	\$ 34,652	\$ 4,399,402	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,220,720
Adjustment for adoption of ASU 2016 - 13	-	-	-	(2,880)	-	-	-	(2,880)
Purchase of ESOP shares	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	(5,193)	-	-	-	-	(5,193)
Unrealized net gain on investments, net of tax	-	-	54,900	-	-	-	-	54,900
Change in fair value of cash flow hedges, net of tax	-	-	(471)	-	-	-	-	(471)
Amounts reclassified into earnings on hedging activities	-	-	2,022	-	-	-	-	2,022
Net earnings	-	-	-	537,076	-	-	-	537,076
Common stock dividends: (\$ 2.50 per share for fiscal 2021)	-	-	-	(49,019)	-	-	-	(49,019)
Net activity	-	-	51,258	485,177	-	-	-	536,435
Balance as of December 31, 2020	\$ 10,497	\$ 453,819	\$ 85,910	\$ 4,884,579	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,757,155
Balance as of March 31, 2019	\$ 10,497	\$ 453,326	\$ (66,698)	\$ 3,976,962	\$ (525,653)	\$ (151,997)	\$ (4,048)	\$ 3,692,389
Increase in market value of released ESOP shares	-	493	-	-	-	-	-	493
Release of unearned ESOP shares	-	-	-	-	-	-	4,253	4,253
Purchase of ESOP shares	-	-	-	-	-	-	(205)	(205)
Foreign currency translation	-	-	2,919	-	-	-	-	2,919
Unrealized net gain on investments, net of tax	-	-	104,471	-	-	-	-	104,471
Change in fair value of cash flow hedges, net of tax	-	-	(1,173)	-	-	-	-	(1,173)
Amounts reclassified into earnings on hedging activities	-	-	(2)	-	-	-	-	(2)
Net earnings	-	-	-	319,680	-	-	-	319,680
Common stock dividends: (\$ 1.00 per share for fiscal 2020)	-	-	-	(19,608)	-	-	-	(19,608)
Net activity	-	493	106,215	300,072	-	-	4,048	410,828
Balance as of December 31, 2019	\$ 10,497	\$ 453,819	\$ 39,517	\$ 4,277,034	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,103,217

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

6

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended December 31,			
	2020	2019	
	(Unaudited)		
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 537,076	\$ 319,680	
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	495,794	494,753	
Amortization of deferred policy acquisition costs	19,012	20,625	
Amortization of premiums and accretion of discounts related to investments, net	10,197	9,848	
Amortization of debt issuance costs	4,645	3,275	
Interest credited to policyholders	38,672	38,169	
Change in allowance for losses on trade receivables	(574)	(76)	
Change in allowance for inventories and parts reserves	3,259	(85)	
Net gains on disposal of personal property	(40,083)	(32,526)	
Net (gains) losses on disposal of real estate	4,293	(1,311)	
Net gains on sales of investments	(5,644)	(8,777)	
Net (gains) losses on equity investments	669	(3,749)	
Deferred income taxes	117,025	87,805	
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	(39,499)	24,759	
Inventories and parts	(6,349)	589	
Prepaid expenses	112,428	(16,402)	
Capitalization of deferred policy acquisition costs	(24,903)	(17,530)	
Other assets	30,120	(293)	
Related party assets	(20,794)	(17,507)	
Accounts payable and accrued expenses	97,151	51,754	
Policy benefits and losses, claims and loss expenses payable	14,096	3,974	
Other policyholders' funds and liabilities	24,677	(2,123)	
Deferred income	6,851	(2,317)	
Related party liabilities	(1,566)	446	
Net cash provided by operating activities	<u>1,376,553</u>	<u>952,981</u>	
Cash flows from investing activities:			
Escrow deposits	(1,978)	7,153	
Purchases of:			
Property, plant and equipment	(961,995)	(1,917,862)	
Short term investments	(38,790)	(47,457)	
Fixed maturities investments	(352,307)	(267,909)	
Equity securities	(838)	(83)	
Preferred stock	(16,144)	-	
Real estate	(274)	(484)	
Mortgage loans	(92,281)	(43,085)	
Proceeds from sales and paydowns of:			
Property, plant and equipment	434,860	599,797	
Short term investments	38,830	46,859	
Fixed maturities investments	331,407	193,196	
Equity securities	72	185	
Preferred stock	1,200	-	
Real estate	-	311	
Mortgage loans	4,744	9,052	
Net cash used by investing activities	<u>(653,494)</u>	<u>(1,420,327)</u>	
Cash flows from financing activities:			
Borrowings from credit facilities	790,532	867,862	
Principal repayments on credit facilities	(568,068)	(225,332)	
Payment of debt issuance costs	(5,020)	(3,671)	
Finance/capital lease payments	(173,520)	(247,188)	
Employee stock ownership plan stock	-	(206)	
Common stock dividends paid	(49,019)	(19,600)	
Net contribution from related party	22,600	-	
Investment contract deposits	326,055	171,465	
Investment contract withdrawals	(169,008)	(122,948)	
Net cash provided by financing activities	<u>174,552</u>	<u>420,382</u>	
Effects of exchange rate on cash	6,877	5,214	
Increase (decrease) in cash and cash equivalents	904,488	(41,750)	
Cash and cash equivalents at the beginning of period	494,352	673,701	
Cash and cash equivalents at the end of period	<u>\$ 1,398,840</u>	<u>\$ 631,951</u>	

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

1. Basis of Presentation

AMERCO, a Nevada corporation ("AMERCO"), has a third fiscal quarter that ends on the 31st of December for each year that is referenced. Our insurance company subsidiaries have a third quarter that ends on the 30th of September 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 material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2020 and 2019 correspond to fiscal 2021 and 2020 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars.

The condensed consolidated balance sheet as of December 31, 2020 and the related condensed consolidated statements of operations, comprehensive income (loss), stockholders' equity for the third quarter and first nine months of fiscal 2021 and 2020 and cash flows for the first nine months of fiscal 2021 and 2020 are unaudited.

In our opinion, all adjustments necessary for the fair presentation of such condensed consolidated financial statements have been included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year. The information in this Quarterly Report on Form 10-Q ("Quarterly Report") should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

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 (3) reportable segments. They are Moving and Storage, Property and Casualty Insurance and Life Insurance.

The Moving and Storage operating segment ("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. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

The Property and Casualty Insurance operating segment ("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 insurance 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.

8

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The Life Insurance operating segment ("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.

Summary of Significant Accounting Policies

Refer to our Annual Report on Form 10-K for the fiscal year ended March 31, 2020 for a summary of significant accounting policies. At the beginning of the first quarter of fiscal 2021, we adopted Accounting Standards Update 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. In addition, new disclosures are required. The new standard requires that expected credit losses relating to financial assets measured on an amortized cost basis and available-for-sale debt securities be recorded through an allowance for credit losses. It also limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. We adopted ASU 2016-13 using the modified retrospective method for all financial assets measured at amortized cost. We modified our policy on accounting for allowance for doubtful accounts on trade accounts receivable. We perform ongoing credit evaluations of our customers and assess each customer's credit worthiness. We monitor collections and payments from our customers and maintain an allowance for doubtful accounts based upon applying an expected credit loss rate to receivables based on the historical loss rate from similar high risk customers adjusted for current conditions, including any specific customer collection issues identified, and forecasts of economic conditions. Delinquent account balances are written off after management has determined that the likelihood of collection is remote. The adoption of ASU 2016-13 resulted in a cumulative-effect adjustment to the opening balance of retained earnings of \$2.9 million and did not have a material impact on our results of operations, financial condition or liquidity. Please see Note 16, Allowance for Credit Losses, of the Notes to Condensed Consolidated Financial Statements.

2. 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. As of December 31, 2020 and 2019, all of these shares have been released.

3. 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 \$ 32.4 million and \$ 30.8 million as of December 31, 2020 and March 31, 2020, respectively.

9

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Available-for-Sale Investments

Available-for-sale investments as of December 31, 2020 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Allowance for Expected Credit Losses	Estimated Market Value
(Unaudited)						
(In thousands)						
U.S. treasury securities and government obligations	\$ 92,300	\$ 13,787	\$ -	\$ -	\$ -	106,087
U.S. government agency mortgage-backed securities	88,190	1,208	(1)	(53)	-	89,344
Obligations of states and political subdivisions	241,299	25,533	(63)	(26)	-	266,743
Corporate securities	1,725,211	169,856	(613)	(5,459)	(2,315)	1,886,680
Mortgage-backed securities	202,753	13,896	(1)	(209)	-	216,439
Redeemable preferred stocks	1,493	27	-	-	-	1,520
	<u>\$ 2,351,246</u>	<u>\$ 224,307</u>	<u>\$ (678)</u>	<u>\$ (5,747)</u>	<u>\$ -</u>	<u>2,566,813</u>

Available-for-sale investments as of March 31, 2020 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	\$ 112,421	\$ 7,959	(1)	\$ -	120,379
U.S. government agency mortgage-backed securities	88,449	759	(1)	(373)	88,834
Obligations of states and political subdivisions	287,643	20,664	(155)	-	308,152
Corporate securities	1,656,425	100,302	(919)	(812)	1,754,996
Mortgage-backed securities	187,784	6,011	(1)	(107)	193,687
Redeemable preferred stocks	1,493	72	-	-	1,565
	<u>\$ 2,334,215</u>	<u>\$ 135,767</u>	<u>(1,077)</u>	<u>(1,292)</u>	<u>\$ 2,467,613</u>

We sold available-for-sale securities with a fair value of \$ 327.3 million during the first nine months of fiscal 2021. The gross realized gains on these sales totaled \$ 6.6 million. The gross realized losses on these sales totaled \$ 1.5 million.

We adopted ASU 2016-13 as of April 1, 2020. For available-for-sale debt securities in an unrealized loss position, we first assess whether the security is below investment grade. For securities that are below investment grade, we evaluate whether the decline in fair value has resulted from credit losses or other factors such as the interest rate environment. Declines in value due to credit are recognized as an allowance. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse market conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, cumulative default rates based on ratings are used to determine the potential cost of default, by year. The present value of these potential costs is then compared to the amortized cost of the security to determine the credit loss, limited by the amount that the fair value is less than the amortized cost basis.

10

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Declines in fair value that have not been recorded through an allowance for credit losses, such as declines due to changes in market interest rates, are recorded through accumulated other comprehensive income, net of applicable taxes. If we intend to sell a security, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis, the security is written down to its fair value and the write down is charged against the allowance for credit losses, with any incremental impairment reported in earnings. Reversals of the allowance for credit losses are permitted and should not exceed the allowance amount initially recognized.

Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. There were no incremental impairment charges recorded during the first nine months as of December 31, 2020.

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

	December 31, 2020		March 31, 2020	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
(Unaudited)				
(In thousands)				
Due in one year or less	\$ 113,929	\$ 114,681	\$ 128,747	\$ 129,420
Due after one year through five years	555,675	590,071	547,821	566,934
Due after five years through ten years	656,915	726,982	636,036	678,636
Due after ten years	820,481	917,120	832,334	897,371
	<u>2,147,000</u>	<u>2,348,854</u>	<u>2,144,938</u>	<u>2,272,361</u>
Mortgage-backed securities	202,753	216,439	187,784	193,687
Redeemable preferred stocks	1,493	1,520	1,493	1,565
	<u>\$ 2,351,246</u>	<u>\$ 2,566,813</u>	<u>\$ 2,334,215</u>	<u>\$ 2,467,613</u>

As of December 31, 2020 and March 31, 2020, 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:

	December 31, 2020		March 31, 2020	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
(Unaudited)				
(In thousands)				
Common stocks	\$ 9,775	\$ 19,445	\$ 9,775	\$ 20,015
Non-redeemable preferred stocks	20,034	20,695	5,076	5,110
	<u>\$ 29,809</u>	<u>\$ 40,140</u>	<u>\$ 14,851</u>	<u>\$ 25,125</u>

11

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

4. Borrowings

Long-Term Debt

Long-term debt was as follows:

2020 Rates (a)	Maturities	December 31, 2020	March 31, 2020
		(Unaudited)	
		(In thousands)	

Real estate loan (amortizing term)		1.65 %		2023	\$	85,413	\$	92,913
Senior mortgages	2.80 %	-	6.62 %	2021 - 2038		2,143,383		2,029,878
Real estate loans (revolving credit)	1.55 %	-	3.25 %	2022 - 2025		535,000		519,000
Fleet loans (amortizing term)	2.04 %	-	4.66 %	2021 - 2027		169,840		224,089
Fleet loans (revolving credit)			1.30 %	2022 - 2024		547,000		567,000
Finance/capital leases (rental equipment)	1.92 %	-	5.04 %	2021 - 2026		561,351		734,870
Finance liability (rental equipment)	1.60 %	-	4.22 %	2024 - 2028		581,594		398,834
Other obligations	2.50 %	-	8.00 %	2021 - 2049		84,877		84,484
Notes, loans and finance/capital leases payable						4,708,458		4,651,068
Less: Debt issuance costs						(30,231)		(29,777)
Total notes, loans and finance/capital leases payable, net					\$	4,678,227	\$	4,621,291

(a) Interest rates as of December 31, 2020, including 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 December 31, 2020, the applicable LIBOR was 0.15 % and the applicable margin was 1.50 %, the sum of which was 1.65 %. 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.

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 2.80 % and 6.62 %. The weighted average interest rate of these loans as of December 31, 2020 was 4.28 %. 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.

12

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Real Estate Loans (Revolving Credit)

Various subsidiaries of Real Estate are borrowers under asset-backed real estate loans with an aggregate borrowing capacity of \$ 385.0 million. As of December 31, 2020, the outstanding balance of these loans in the aggregate was \$ 385.0 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 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 December 31, 2020, the applicable LIBOR was 0.15 % and the margin was between 1.25 % and 1.50 %, the sum of which was between 1.40 % and 1.65 %. Certain loans have interest rate swaps fixing the rate between 3.03 % and 3.14 % based on current margins. 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 \$ 200.0 million, which can be increased to \$ 300.0 million by bringing in other lenders. As of December 31, 2020, the outstanding balance was \$ 150.0 million. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. As of December 31, 2020, the applicable LIBOR was 1.00 % and the margin was 2.25 %, the sum of which was 3.25 %. 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 carried at fixed rates ranging between 2.04 % 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.

Rental Truck Revolvers

Various subsidiaries of U-Haul entered into three revolving fleet loans with an aggregate borrowing capacity of \$ 590.0 million. The interest rates, per the provision of the loan agreements, are the applicable LIBOR plus the applicable margin. As of December 31, 2020, the applicable LIBOR was 0.15 % and the margin was 1.15 %, the sum of which was 1.30 %. Only interest is paid on the loans until the last nine months of the respective loan terms when principal becomes due monthly.

Finance/Capital Leases

The Finance/Capital Lease balance represents our sale-leaseback transactions of rental equipment that were entered into and classified as capital leases prior to the adoption of ASC 842. The historical capital lease balance was reclassified to Right-of-Use ("ROU") assets-finance, net. The agreements are generally seven (7) year terms with interest rates ranging from 1.92 % to 5.04 %. All of our finance leases are collateralized by our rental fleet. There were no new financing leases, as assessed under the new leasing guidance, entered into during the nine months ended December 31, 2020.

13

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Finance Liabilities

Finance liabilities represent our rental equipment financing transactions that have historically been accounted for as capital leases prior to the adoption of Accounting Standards Codification ("ASC") 842 which substantially changed the accounting for sale-leasebacks going forward. In accordance with the new leasing guidance, we assess if sale-leaseback transactions qualify as a sale at initiation by determining if a transfer of ownership occurs. 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. Our finance liabilities have

an average term of seven (7) years and interest rates ranging from 1.60 % to 4.22 %. These finance liabilities are collateralized by our rental fleet.

Other Obligations

In May 2020, AMERCO, entered into a \$ 200.0 million secured credit facility with PNC Bank, as agent and lead arranger of a syndicate of lenders. The interest rate, per the provision of the loan agreement, was the applicable LIBOR plus the applicable margin. This loan was paid off in October 2020.

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 December 31, 2020, the aggregate outstanding principal balance of the U-Notes[®] issued was \$ 87.4 million, of which \$ 2.5 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 2.50 % and 8.00 % and maturity dates range between 2021 and 2049 .

Oxford is a member of the Federal Home Loan Bank ("FHLB") and, as such, the FHLB has made deposits with Oxford. As of September 30, 2020, the deposits had an aggregate balance of \$ 76.5 million, for which Oxford pays fixed interest rates between 0.00 % and 2.67 % with maturities between December 8, 2020 and September 29, 2025. As of September 30, 2020, available-for-sale investments held with the FHLB totaled \$ 174.4 million, of which \$ 85.1 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 Finance/Capital Leases Payable

The annual maturities of our notes, loans and finance/capital leases payable, as of December 31, 2020 for the next five years and thereafter are as follows:

Year Ending December 31,					
2021	2022	2023	2024	2025	Thereafter
(Unaudited)					
(In thousands)					

Notes, loans and finance/capital leases payable, secured	\$ 512,946	\$ 868,852	\$ 852,538	\$ 612,298	\$ 262,023	\$ 1,599,801
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14

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Interest on Borrowings

Interest Expense

Components of interest expense were as follows:

	Quarter Ended December 31,	
	2020	2019
(Unaudited)		
(In thousands)		
Interest expense	\$ 41,371	\$ 45,037
Capitalized interest	(2,105)	(5,775)
Amortization of transaction costs	1,890	1,176
Interest expense effect resulting from cash flow hedges	972	(465)
Total interest expense	\$ 42,128	\$ 39,973

	Nine Months Ended December 31,	
	2020	2019
(Unaudited)		
(In thousands)		
Interest expense	\$ 124,882	\$ 133,111
Capitalized interest	(10,033)	(17,943)
Amortization of transaction costs	4,645	3,276
Interest expense effect resulting from cash flow hedges	2,680	(461)
Total interest expense	\$ 122,174	\$ 117,983

Interest paid in cash, including payments related to derivative contracts, amounted to \$ 38.4 million and \$ 41.9 million for the third quarter of fiscal 2021 and 2020, respectively, and \$ 116.9 million and \$ 127.8 million for the first nine months of fiscal 2021 and 2020, respectively.

Interest Rates

Interest rates and Company borrowings were as follows:

	Revolving Credit Activity	
	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands, except interest rates)	
Weighted average interest rate during the period	1.66 %	3.09 %
Interest rate at the end of the period	1.65 %	2.95 %
Maximum amount outstanding during the period	\$ 1,082,000	\$ 1,025,000
Average amount outstanding during the period	\$ 1,057,380	\$ 1,014,511
Facility fees	\$ 91	\$ 40

15

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Revolving Credit Activity	
Nine Months Ended December 31,	
2020	2019

	(Unaudited)	
	(In thousands, except interest rates)	
Weighted average interest rate during the period	1.65 %	3.44 %
Interest rate at the end of the period	1.65 %	2.95 %
Maximum amount outstanding during the period	\$ 1,175,000	\$ 1,025,000
Average amount outstanding during the period	\$ 1,092,382	\$ 995,508
Facility fees	\$ 185	\$ 147

5. 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 our counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes. These fair 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 in the fair value hierarchy.

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

		Derivatives Fair Values as of	
		December 31, 2020	March 31, 2020
		(Unaudited)	
		(In thousands)	
Interest rate contracts designated as hedging instruments:			
Assets	\$	-	\$ -
Liabilities	\$	6,158	\$ 8,214
Notional amount	\$	235,000	\$ 235,000

		The Effect of Interest Rate Contracts on the Statements of Operations for the Quarters Ended	
		December 31, 2020	December 31, 2019
		(Unaudited)	
		(In thousands)	
Gain recognized in AOCI on interest rate contracts	\$	(1,007)	\$ (901)
Gain reclassified from AOCI into income	\$	(972)	\$ (422)

Gains or losses recognized in income on derivatives are recorded as interest expense in the condensed consolidated statements of operations. During the first nine months of fiscal 2021, we recognized a decrease in the fair value of our cash flow hedges of \$ 0.5 million, net of taxes. During the first nine months of fiscal 2021, we reclassified \$ 2.7 million from accumulated other comprehensive income (loss) ("AOCI") to interest expense. As of December 31, 2020, we expect to reclassify \$ 3.8 million of net gains on interest rate contracts from AOCI to earnings as interest expense over the next twelve months.

16

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

6. Accumulated Other Comprehensive Income (Loss)

A summary of AOCI components, net of tax, were as follows:

	Foreign Currency Translation	Unrealized Net Gain on Investments	Fair Market Value of Cash Flow Hedges	Postretirement Benefit Obligation Net Loss	Accumulated Other Comprehensive Income (Loss)
	(Unaudited)				
	(In thousands)				
Balance as of March 31, 2020	\$ (47,235)	\$ 90,684	\$ (6,196)	\$ (2,601)	\$ 34,652
Foreign currency translation	(5,193)	-	-	-	(5,193)
Unrealized net gain on investments	-	54,900	-	-	54,900
Change in fair value of cash flow hedges	-	-	(471)	-	(471)
Amounts reclassified into earnings on hedging activities	-	-	2,022	-	2,022
Other comprehensive income (loss)	(5,193)	54,900	1,551	-	51,258
Balance as of December 31, 2020	\$ (52,428)	\$ 145,584	\$ (4,645)	\$ (2,601)	\$ 85,910

7. Stockholders' Equity

The dividends declared or paid during the first nine months of fiscal 2021 were as follows:

Common Stock Dividends			
Declared Date	Per Share Amount	Record Date	Dividend Date
August 20, 2020	\$ 0.50	September 7, 2020	September 21, 2020
December 9, 2020	\$ 2.00	December 21, 2020	December 30, 2020

As of December 31, 2020, no awards had been issued under the 2016 AMERCO Stock Option Plan.

8. Leases

Lessor

We have determined that revenues derived by providing self-moving equipment rentals, self-storage rentals and certain other revenues, including U-Box rentals, are within the scope of the accounting guidance contained in Topic 842. Our self-moving equipment rental related revenues have been accounted for under the revenue accounting standard Topic 606, until the adoption of Topic 842.

For the periods after April 1, 2019, we combined all lease and non-lease components of lease contracts for which the timing and pattern of transfer are the same and the lease component meets the classification of an operating lease, and account for them in accordance with Topic 842. The revenue streams accounted for in accordance with Topic 842 are recognized evenly over the period of rental. Please see Note 15, Revenue Recognition, of the Notes to Condensed Consolidated Financial Statements.

Lessee

We determine if an arrangement is a lease at inception. Operating leases, which are comprised primarily of storage rental locations, are included in ROU assets - operating and operating lease liability in our condensed consolidated balance sheets. Finance leases, which are comprised primarily of rental equipment leases, are included in ROU assets - financing, net, and notes, loans and finance/capital leases payable, net in our condensed consolidated balance sheets.

17

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the expected remaining lease term. We use our incremental borrowing rate based on information available at commencement date including the rate for a fully collateralized loan that can either be fully amortized or financed with a residual at the end of the lease term, for a borrower with similar credit quality in order to determine the present value of lease payments. Our lease terms may include options to extend or terminate the lease, which are included in the calculation of ROU assets when it is reasonably certain that we will exercise those options. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which are generally not accounted for separately. Additionally, for certain leases, we apply a portfolio approach to account for the operating lease ROU assets and liabilities as the leases are similar in nature and have nearly identical contract provisions.

The standard also changed the manner by which we account for our equipment sale/leaseback transactions. Based on our assessment, the lease transactions are classified as financing leases, and therefore the transactions do not qualify as a sale. New sale leaseback transactions that fail to qualify as a sale are accounted for as a financial liability. Please see Note 4, Borrowings, of the Notes to Condensed Consolidated Financial Statements for additional information.

The following table shows the components of our ROU assets:

	As of December 31, 2020		
	Finance	Operating	Total
	(Unaudited)		
	(In thousands)		
Buildings and improvements	\$ -	\$ 132,011	\$ 132,011
Furniture and equipment	20,966	-	20,966
Rental trailers and other rental equipment	106,961	-	106,961
Rental trucks	1,614,194	-	1,614,194
Right-of-use assets, gross	1,742,121	132,011	1,874,132
Less: Accumulated depreciation	(821,800)	(34,825)	(856,625)
Right-of-use assets, net	\$ 920,321	\$ 97,186	\$ 1,017,507

	Finance	Operating
	(Unaudited)	
Weighted average remaining lease term (years)	4	14.5
Weighted average discount rate	3.5 %	4.6 %

For the first nine months ended December 31, 2020, cash paid for leases included in our operating and financing cash flow activities were \$ 10.2 million and \$ 173.5 million, respectively. Non-cash activities for ROU assets in exchange for lease liabilities were \$ 5.9 million for the nine months ended December 31, 2020

18

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The components of lease costs were as follows:

	Nine Months Ended	
	December 31, 2020	
	(Unaudited)	
	(In thousands)	
Operating lease costs	\$	22,564
Finance lease cost:		
Amortization of ROU assets	\$	116,002
Interest on lease liabilities		17,448
Total finance lease cost	\$	133,450

Maturities of lease liabilities were as follows:

	Finance leases	Operating leases
	(Unaudited)	
	(In thousands)	
Year ending December 31,		
2021	\$ 190,770	\$ 24,267
2022	144,558	22,367
2023	123,094	21,339

2024	86,571	13,767
2025	48,711	4,809
Thereafter	12,389	63,677
Total lease payments	606,093	150,226
Less: imputed interest	(44,742)	(53,002)
Present value of lease liabilities	\$ 561,351	\$ 97,224

9. Contingencies

COVID-19

In late 2019, COVID-19 was first detected in Wuhan, China. In March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19. These measures along with the threat the virus poses have adversely affected workforces, customers, consumer sentiment, economies and financial markets.

During the nine months of fiscal 2021, the Company has been impacted by the spread of COVID-19. The extent to which COVID-19 impacts the Company's business, operations and financial results will continue to evolve in ways that the Company is not fully able to predict at this time. We have experienced customer initiated changes in behavior, actions by government entities, concerns from our workforce, and reactions from the capital markets.

Although the Company cannot estimate the length or gravity of the impact of COVID-19 at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position and liquidity in fiscal 2021 and beyond.

19

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

CARES Act

The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. We have availed ourselves of the provisions related to deferring certain payroll taxes, carrybacks of net operating losses, and will utilize the technical corrections to tax depreciation methods. We estimate that the net operating loss carrybacks combined with the depreciation adjustments for our fiscal 2020 federal income tax return will result in a refund of approximately \$ 381 million, which are reflected in Prepaid expense. As refunds are received, they will reduce this amount. We have estimated and recorded the overall effects of the CARES Act and do not anticipate a material change. It is possible future legislation could reduce or delay our ability to carryback these losses.

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 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.

10. 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 generally accepted accounting principles ("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.

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. SAC Holdings, Four SAC Self-Storage Corporation, Five SAC Self-Storage Corporation, Galaxy Investments, L.P. and 2015 SAC self-storage 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 (a significant stockholder), and various trusts associated with Edward J. Shoen (our Chairman of the Board, President and a significant stockholder) and Mark V. Shoen.

20

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Related Party Revenue

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
U-Haul management fee revenue from Blackwater	\$ 6,350	\$ 5,763
U-Haul management fee revenue from Mercury	2,415	3,335
	<u>\$ 8,765</u>	<u>\$ 9,098</u>
	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
U-Haul management fee revenue from Blackwater	\$ 19,142	\$ 18,330
U-Haul management fee revenue from Mercury	4,810	5,157
	<u>\$ 23,952</u>	<u>\$ 23,487</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 \$ 24.5 million and \$ 22.7 million from the above-mentioned entities during the first nine months of fiscal 2021 and 2020, 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 owned indirectly by James P. Shoen and various trusts benefitting Edward J. Shoen and James P. Shoen or their descendants. Mercury holds the option to purchase a portfolio of properties currently leased by Mercury and a U-Haul subsidiary, which option is exercisable in 2024.

Related Party Costs and Expenses

		Quarter Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
U-Haul lease expenses to Blackwater	\$	658	\$ 658
U-Haul commission expenses to Blackwater		18,099	14,140
	\$	<u>18,757</u>	<u>14,798</u>

		Nine Months Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
U-Haul lease expenses to Blackwater	\$	1,973	\$ 1,974
U-Haul commission expenses to Blackwater		53,964	49,959
	\$	<u>55,937</u>	<u>51,933</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.

As of December 31, 2020, subsidiaries of Blackwater acted as independent dealers. The financial and other terms of the dealership contracts are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based upon equipment rental revenues.

21

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

These agreements with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of \$ 19.1 million, expenses of \$ 2.0 million and cash flows of \$ 17.0 million during the first nine months of fiscal 2021. Revenues and commission expenses related to the Dealer Agreements were \$ 252.6 million and \$ 54.0 million, respectively, during the first nine months of fiscal 2021.

In June 2020, we purchased an airplane from SAC Holdings for \$ 0.4 million.

In December 2020, AMERCO contributed \$12.0 million to Oxford in the form of a surplus note with an interest rate of 4.0%. This note will be repaid to AMERCO with interest over the next seven years.

Management determined that we do not have a variable interest pursuant to the variable interest entity ("VIE") model under ASC 810 - *Consolidation* ("ASC 810") 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.

Related Party Assets

		December 31,	March 31,
		2020	2020
		(Unaudited)	
		(In thousands)	
U-Haul receivable from Blackwater	\$	36,171	\$ 25,293
U-Haul receivable from Mercury		9,765	9,893
Other (a)		(10,973)	(402)
	\$	<u>34,963</u>	<u>34,784</u>

(a) Timing differences for intercompany balances with insurance subsidiaries resulting from the three-month difference in reporting periods. Our credit balance as of December 31, 2020, was due to a net timing difference for a dividend paid by Repwest to AMERCO of \$ 22.6 million and a surplus note entered into by Oxford with AMERCO for \$ 12.0 million.

11. 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 UHaul 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 are shown as liabilities on the condensed 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.

22

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

11. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of December 31, 2020 are as follows:

Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
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	(Unaudited) (In thousands)				
Assets:					
Cash and cash equivalents	\$ 1,250,267	\$ 7,046	\$ 141,527	\$ -	\$ 1,398,840
Reinsurance recoverables and trade receivables, net	99,176	86,615	38,656	-	224,447
Inventories and parts, net	104,180	-	-	-	104,180
Prepaid expenses	450,889	-	-	-	450,889
Investments, fixed maturities and marketable equities	-	291,509	2,315,444	-	2,606,953
Investments, other	20,988	103,715	323,199	-	447,902
Deferred policy acquisition costs, net	-	-	92,139	-	92,139
Other assets	41,180	614	2,467	-	44,261
Right of use assets - financing, net	920,321	-	-	-	920,321
Right of use assets - operating	96,852	149	185	-	97,186
Related party assets	62,120	7,275	14,099	(48,531) (c)	34,963
	<u>3,045,973</u>	<u>496,923</u>	<u>2,927,716</u>	<u>(48,531)</u>	<u>6,422,081</u>
Investment in subsidiaries	708,441	-	-	(708,441) (b)	-
Property, plant and equipment, at cost:					
Land	1,059,177	-	-	-	1,059,177
Buildings and improvements	4,996,900	-	-	-	4,996,900
Furniture and equipment	778,732	-	-	-	778,732
Rental trailers and other rental equipment	552,892	-	-	-	552,892
Rental trucks	3,629,888	-	-	-	3,629,888
	<u>11,017,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,017,589</u>
Less: Accumulated depreciation	(2,992,365)	-	-	-	(2,992,365)
Total property, plant and equipment, net	<u>8,025,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,025,224</u>
Total assets	\$ 11,779,638	\$ 496,923	\$ 2,927,716	\$ (756,972)	\$ 14,447,305

(a) Balances as of September 30, 2020

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

23

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of December 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(Unaudited) (In thousands)				
Liabilities:					
Accounts payable and accrued expenses	\$ 597,902	\$ 3,419	\$ 7,444	\$ -	\$ 608,765
Notes, loans and finance/capital leases payable, net	4,666,968	-	11,259	-	4,678,227
Operating lease liability	96,874	155	195	-	97,224
Policy benefits and losses, claims and loss expenses payable	422,473	201,516	389,593	-	1,013,582
Liabilities from investment contracts	-	-	1,997,936	-	1,997,936
Other policyholders' funds and liabilities	-	80	34,787	-	34,867
Deferred income	37,005	-	-	-	37,005
Deferred income taxes, net	1,180,285	11,736	30,523	-	1,222,544
Related party liabilities	25,026	3,655	1,300	(29,981) (c)	-
Total liabilities	7,026,533	220,561	2,473,037	(29,981)	9,690,150
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	454,029	91,120	26,271	(117,601) (b)	453,819
Accumulated other comprehensive income (loss)	81,860	20,169	121,366	(137,485) (b)	85,910
Retained earnings	4,884,369	161,772	304,542	(466,104) (b)	4,884,579
Cost of common stock in treasury, net	(525,653)	-	-	-	(525,653)
Cost of preferred stock in treasury, net	(151,997)	-	-	-	(151,997)
Unearned employee stock ownership plan stock	-	-	-	-	-
Total stockholders' equity	4,753,105	276,362	454,679	(726,991)	4,757,155
Total liabilities and stockholders' equity	\$ 11,779,638	\$ 496,923	\$ 2,927,716	\$ (756,972)	\$ 14,447,305

(a) Balances as of September 30, 2020

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

24

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
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Assets:	(In thousands)				
Cash and cash equivalents	\$ 459,078	\$ 4,794	\$ 30,480	\$ -	\$ 494,352
Reinsurance recoverables and trade receivables, net	60,073	93,995	32,604	-	186,672
Inventories and parts, net	101,083	-	-	-	101,083
Prepaid expenses	562,904	-	-	-	562,904
Investments, fixed maturities and marketable equities	-	288,998	2,203,740	-	2,492,738
Investments, other	20,988	90,145	249,240	-	360,373
Deferred policy acquisition costs, net	-	-	103,118	-	103,118
Other assets	69,128	680	2,148	-	71,956
Right of use assets - financing, net	1,080,353	-	-	-	1,080,353
Right of use assets - operating	106,631	-	-	-	106,631
Related party assets	41,027	7,137	18,629	(32,009) (c)	34,784
	<u>2,501,265</u>	<u>485,749</u>	<u>2,639,959</u>	<u>(32,009)</u>	<u>5,594,964</u>
Investment in subsidiaries	668,498	-	-	(668,498) (b)	-
Property, plant and equipment, at cost:					
Land	1,032,945	-	-	-	1,032,945
Buildings and improvements	4,663,461	-	-	-	4,663,461
Furniture and equipment	752,363	-	-	-	752,363
Rental trailers and other rental equipment	511,520	-	-	-	511,520
Rental trucks	3,595,933	-	-	-	3,595,933
	<u>10,556,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,556,222</u>
Less: Accumulated depreciation	(2,713,162)	-	-	-	(2,713,162)
Total property, plant and equipment, net	<u>7,843,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,843,060</u>
Total assets	<u>\$ 11,012,823</u>	<u>\$ 485,749</u>	<u>\$ 2,639,959</u>	<u>\$ (700,507)</u>	<u>\$ 13,438,024</u>

(a) Balances as of December 31, 2019

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

25

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
(In thousands)					
Liabilities:					
Accounts payable and accrued expenses	\$ 545,685	\$ 5,530	\$ 3,138	\$ -	\$ 554,353
Notes, loans and finance/capital leases payable, net	4,609,844	-	11,447	-	4,621,291
Operating lease liability	106,443	-	-	-	106,443
Policy benefits and losses, claims and loss expenses payable	410,107	210,341	377,199	-	997,647
Liabilities from investment contracts	-	-	1,802,217	-	1,802,217
Other policyholders' funds and liabilities	-	5,751	4,439	-	10,190
Deferred income	31,620	-	-	-	31,620
Deferred income taxes, net	1,063,681	8,447	21,415	-	1,093,543
Related party liabilities	24,275	4,616	2,670	(31,561) (c)	-
Total liabilities	<u>6,791,655</u>	<u>234,685</u>	<u>2,222,525</u>	<u>(31,561)</u>	<u>9,217,304</u>
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	454,029	91,120	26,271	(117,601) (b)	453,819
Accumulated other comprehensive income (loss)	35,100	12,581	78,550	(91,579) (b)	34,652
Retained earnings	4,399,192	144,062	310,113	(453,965) (b)	4,399,402
Cost of common stock in treasury, net	(525,653)	-	-	-	(525,653)
Cost of preferred stock in treasury, net	(151,997)	-	-	-	(151,997)
Unearned employee stock ownership plan stock	-	-	-	-	-
Total stockholders' equity	<u>4,221,168</u>	<u>251,064</u>	<u>417,434</u>	<u>(668,946)</u>	<u>4,220,720</u>
Total liabilities and stockholders' equity	<u>\$ 11,012,823</u>	<u>\$ 485,749</u>	<u>\$ 2,639,959</u>	<u>\$ (700,507)</u>	<u>\$ 13,438,024</u>

(a) Balances as of December 31, 2019

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

26

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statement of operations by industry segment for the quarter ended December 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
(Unaudited) (In thousands)					
Revenues:					
Self-moving equipment rentals	\$ 809,371	\$ -	\$ -	(1,156) (c)	\$ 808,215
Self-storage revenues	123,024	-	-	-	123,024
Self-moving and self-storage products and service sales	74,586	-	-	-	74,586

Property management fees	8,765	-	-	-	8,765
Life insurance premiums	-	-	29,993	-	29,993
Property and casualty insurance premiums	-	20,706	-	(773) (c)	19,933
Net investment and interest income	524	5,934	30,092	(970) (b)	35,580
Other revenue	69,011	-	992	(117) (b)	69,886
Total revenues	<u>1,085,281</u>	<u>26,640</u>	<u>61,077</u>	<u>(3,016)</u>	<u>1,169,982</u>
Costs and expenses:					
Operating expenses	526,884	10,072	5,027	(2,041) (b,c)	539,942
Commission expenses	86,891	-	-	-	86,891
Cost of sales	45,752	-	-	-	45,752
Benefits and losses	-	4,908	40,723	-	45,631
Amortization of deferred policy acquisition costs	-	-	6,572	-	6,572
Lease expense	8,024	169	31	(702) (b)	7,522
Depreciation, net of gains on disposal	152,602	-	-	-	152,602
Net losses on disposal of real estate	1,124	-	-	-	1,124
Total costs and expenses	<u>821,277</u>	<u>15,149</u>	<u>52,353</u>	<u>(2,743)</u>	<u>886,036</u>
Earnings from operations before equity in earnings of subsidiaries	264,004	11,491	8,724	(273)	283,946
Equity in earnings of subsidiaries	16,117	-	-	(16,117) (d)	-
Earnings from operations	280,121	11,491	8,724	(16,390)	283,946
Other components of net periodic benefit costs	(247)	-	-	-	(247)
Interest expense	(42,401)	-	-	273 (b)	(42,128)
Pretax earnings	237,473	11,491	8,724	(16,117)	241,571
Income tax expense	(54,488)	(2,405)	(1,693)	-	(58,586)
Earnings available to common stockholders	<u>\$ 182,985</u>	<u>\$ 9,086</u>	<u>\$ 7,031</u>	<u>\$ (16,117)</u>	<u>\$ 182,985</u>

(a) Balances for the quarter ended September 30, 2020

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

27

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statements of operations by industry for the quarter ended December 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Revenues:					
Self-moving equipment rentals	\$ 622,902	\$ -	\$ -	(1,431) (c)	\$ 621,471
Self-storage revenues	106,701	-	-	-	106,701
Self-moving and self-storage products and service sales	54,454	-	-	-	54,454
Property management fees	9,098	-	-	-	9,098
Life insurance premiums	-	-	31,164	-	31,164
Property and casualty insurance premiums	-	20,040	-	(773) (c)	19,267
Net investment and interest income	2,351	5,326	26,550	(445) (b)	33,782
Other revenue	50,858	-	1,175	(90) (b)	51,943
Total revenues	<u>846,364</u>	<u>25,366</u>	<u>58,889</u>	<u>(2,739)</u>	<u>927,880</u>
Costs and expenses:					
Operating expenses	505,473	9,309	4,962	(2,291) (b,c)	517,453
Commission expenses	66,542	-	-	-	66,542
Cost of sales	35,318	-	-	-	35,318
Benefits and losses	-	6,173	36,691	-	42,864
Amortization of deferred policy acquisition costs	-	-	8,046	-	8,046
Lease expense	6,660	-	-	(170) (b)	6,490
Depreciation, net of losses on disposal	170,074	-	-	-	170,074
Net losses on disposal of real estate	528	-	-	-	528
Total costs and expenses	<u>784,595</u>	<u>15,482</u>	<u>49,699</u>	<u>(2,461)</u>	<u>847,315</u>
Earnings from operations before equity in earnings of subsidiaries	61,769	9,884	9,190	(278)	80,565
Equity in earnings of subsidiaries	15,196	-	-	(15,196) (d)	-
Earnings from operations	76,965	9,884	9,190	(15,474)	80,565
Other components of net periodic benefit costs	(263)	-	-	-	(263)
Interest expense	(40,251)	-	-	278 (b)	(39,973)
Pretax earnings	36,451	9,884	9,190	(15,196)	40,329
Income tax expense	(5,519)	(2,083)	(1,795)	-	(9,397)
Earnings available to common stockholders	<u>\$ 30,932</u>	<u>\$ 7,801</u>	<u>\$ 7,395</u>	<u>\$ (15,196)</u>	<u>\$ 30,932</u>

(a) Balances for the quarter ended September 30, 2019

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

28

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statements of operations by industry for the nine months ended December 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Revenues:					
Self-moving equipment rentals	\$ 2,396,098	\$ -	\$ -	(2,568) (c)	\$ 2,393,530

Self-storage revenues	347,252	-	-	-	347,252
Self-moving and self-storage products and service sales	264,564	-	-	-	264,564
Property management fees	23,952	-	-	-	23,952
Life insurance premiums	-	-	91,958	-	91,958
Property and casualty insurance premiums	-	51,934	-	(2,398) (c)	49,536
Net investment and interest income	1,781	11,013	75,749	(2,648) (b)	85,895
Other revenue	223,252	-	2,583	(395) (b)	225,440
Total revenues	<u>3,256,899</u>	<u>62,947</u>	<u>170,290</u>	<u>(8,009)</u>	<u>3,482,127</u>
Costs and expenses:					
Operating expenses	1,569,763	27,063	15,208	(5,347) (b,c)	1,606,687
Commission expenses	255,431	-	-	-	255,431
Cost of sales	159,516	-	-	-	159,516
Benefits and losses	-	11,376	119,284	-	130,660
Amortization of deferred policy acquisition costs	-	-	19,012	-	19,012
Lease expense	22,564	170	102	(1,841) (b)	20,995
Depreciation, net of gains on disposal	455,711	-	-	-	455,711
Net losses on disposal of real estate	4,293	-	-	-	4,293
Total costs and expenses	<u>2,467,278</u>	<u>38,609</u>	<u>153,606</u>	<u>(7,188)</u>	<u>2,652,305</u>
Earnings from operations before equity in earnings of subsidiaries	789,621	24,338	16,684	(821)	829,822
Equity in earnings of subsidiaries	32,850	-	-	(32,850) (d)	-
Earnings from operations	822,471	24,338	16,684	(33,671)	829,822
Other components of net periodic benefit costs	(740)	-	-	-	(740)
Interest expense	(122,995)	-	-	821 (b)	(122,174)
Pretax earnings	698,736	24,338	16,684	(32,850)	706,908
Income tax expense	(161,660)	(5,121)	(3,051)	-	(169,832)
Earnings available to common stockholders	<u>\$ 537,076</u>	<u>\$ 19,217</u>	<u>\$ 13,633</u>	<u>\$ (32,850)</u>	<u>\$ 537,076</u>

(a) Balances for the nine months ended September 30, 2020

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

29

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating statements of operations by industry for the nine months ended December 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Revenues:					
Self-moving equipment rentals	\$ 2,177,697	\$ -	\$ -	(3,305) (c)	\$ 2,174,392
Self-storage revenues	309,940	-	-	-	309,940
Self-moving and self-storage products and service sales	207,601	-	-	-	207,601
Property management fees	23,487	-	-	-	23,487
Life insurance premiums	-	-	96,229	-	96,229
Property and casualty insurance premiums	-	53,370	-	(2,314) (c)	51,056
Net investment and interest income	8,649	15,829	79,416	(1,265) (b)	102,629
Other revenue	188,940	-	3,424	(355) (b)	192,009
Total revenues	<u>2,916,314</u>	<u>69,199</u>	<u>179,069</u>	<u>(7,239)</u>	<u>3,157,343</u>
Costs and expenses:					
Operating expenses	1,580,705	26,785	15,809	(5,961) (b,c)	1,617,338
Commission expenses	233,540	-	-	-	233,540
Cost of sales	128,177	-	-	-	128,177
Benefits and losses	-	14,972	122,723	-	137,695
Amortization of deferred policy acquisition costs	-	-	20,625	-	20,625
Lease expense	20,324	-	-	(442) (b)	19,882
Depreciation, net of gains on disposal	462,227	-	-	-	462,227
Net gains on disposal of real estate	(1,311)	-	-	-	(1,311)
Total costs and expenses	<u>2,423,662</u>	<u>41,757</u>	<u>159,157</u>	<u>(6,403)</u>	<u>2,618,173</u>
Earnings from operations before equity in earnings of subsidiaries	492,652	27,442	19,912	(836)	539,170
Equity in earnings of subsidiaries	37,941	-	-	(37,941) (d)	-
Earnings from operations	530,593	27,442	19,912	(38,777)	539,170
Other components of net periodic benefit costs	(790)	-	-	-	(790)
Interest expense	(118,819)	-	-	836 (b)	(117,983)
Pretax earnings	410,984	27,442	19,912	(37,941)	420,397
Income tax expense	(91,304)	(5,725)	(3,688)	-	(100,717)
Earnings available to common stockholders	<u>\$ 319,680</u>	<u>\$ 21,717</u>	<u>\$ 16,224</u>	<u>\$ (37,941)</u>	<u>\$ 319,680</u>

(a) Balances for the nine months ended September 30, 2019

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

30

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Cash flows from operating activities:					
Net earnings	\$ 537,076	\$ 19,217	\$ 13,633	(32,850)	\$ 537,076
Earnings from consolidated entities	(32,850)	-	-	32,850	-

Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	495,794	-	-	-	495,794
Amortization of deferred policy acquisition costs	-	-	19,012	-	19,012
Amortization of premiums and accretion of discounts related to investments, net	-	1,180	9,017	-	10,197
Amortization of debt issuance costs	4,645	-	-	-	4,645
Interest credited to policyholders	-	-	38,672	-	38,672
Change in allowance for losses on trade receivables	(573)	-	(1)	-	(574)
Change in allowance for inventories and parts reserve	3,259	-	-	-	3,259
Net gains on disposal of personal property	(40,083)	-	-	-	(40,083)
Net losses on disposal of real estate	4,293	-	-	-	4,293
Net gains on sales of investments	-	(86)	(5,558)	-	(5,644)
Net losses on equity investments	-	669	-	-	669
Deferred income taxes	116,099	1,685	(759)	-	117,025
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(39,327)	5,880	(6,052)	-	(39,499)
Inventories and parts	(6,349)	-	-	-	(6,349)
Prepaid expenses	112,428	-	-	-	112,428
Capitalization of deferred policy acquisition costs	-	-	(24,903)	-	(24,903)
Other assets	30,337	286	(503)	-	30,120
Related party assets	(20,643)	(151)	-	-	(20,794)
Accounts payable and accrued expenses	96,269	(2,106)	2,988	-	97,151
Policy benefits and losses, claims and loss expenses payable	10,526	(8,824)	12,394	-	14,096
Other policyholders' funds and liabilities	-	(5,671)	30,348	-	24,677
Deferred income	5,483	-	1,368	-	6,851
Related party liabilities	749	(946)	(1,369)	-	(1,566)
Net cash provided by operating activities	<u>1,277,133</u>	<u>11,133</u>	<u>88,287</u>	<u>-</u>	<u>1,376,553</u>
Cash flows from investing activities:					
Escrow deposits	(1,978)	-	-	-	(1,978)
Purchases of:					
Property, plant and equipment	(961,995)	-	-	-	(961,995)
Short term investments	-	(38,789)	(1)	-	(38,790)
Fixed maturities investments	-	(10,438)	(341,869)	-	(352,307)
Equity securities	-	-	(838)	-	(838)
Preferred stock	-	-	(16,144)	-	(16,144)
Real estate	-	-	(274)	-	(274)
Mortgage loans	-	(14,780)	(77,501)	-	(92,281)
Proceeds from sales and paydowns of:					
Property, plant and equipment	434,860	-	-	-	434,860
Short term investments	-	38,830	-	-	38,830
Fixed maturities investments	-	14,217	317,190	-	331,407
Equity securities	-	-	72	-	72
Preferred stock	-	1,200	-	-	1,200
Mortgage loans	-	879	3,865	-	4,744
Net cash used by investing activities	<u>(529,113)</u>	<u>(8,881)</u>	<u>(115,500)</u>	<u>-</u>	<u>(653,494)</u>

(page 1 of 2)

(a) Balance for the period ended September 30, 2020

31

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Cash flows from financing activities:					
Borrowings from credit facilities	780,932	-	9,600	-	790,532
Principal repayments on credit facilities	(558,280)	-	(9,788)	-	(568,068)
Payments of debt issuance costs	(5,020)	-	-	-	(5,020)
Finance/capital lease payments	(173,520)	-	-	-	(173,520)
Common stock dividends paid	(49,019)	-	-	-	(49,019)
Net contribution from (to) related party	41,199	-	(18,599)	-	22,600
Investment contract deposits	-	-	326,055	-	326,055
Investment contract withdrawals	-	-	(169,008)	-	(169,008)
Net cash provided by financing activities	<u>36,292</u>	<u>-</u>	<u>138,260</u>	<u>-</u>	<u>174,552</u>
Effects of exchange rate on cash	<u>6,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,877</u>
Increase in cash and cash equivalents	791,189	2,252	111,047	-	904,488
Cash and cash equivalents at beginning of period	459,078	4,794	30,480	-	494,352
Cash and cash equivalents at end of period	<u>\$ 1,250,267</u>	<u>\$ 7,046</u>	<u>\$ 141,527</u>	<u>\$ -</u>	<u>\$ 1,398,840</u>

(page 2 of 2)

(a) Balance for the period ended September 30, 2020

32

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
			(Unaudited)		
			(In thousands)		
Cash flows from operating activities:					
Net earnings	\$ 319,680	\$ 21,717	\$ 16,224	\$ (37,941)	\$ 319,680
Earnings from consolidated entities	(37,941)	-	-	37,941	-
Adjustments to reconcile net earnings to cash provided by operations:					
Depreciation	494,753	-	-	-	494,753
Amortization of deferred policy acquisition costs	-	-	20,625	-	20,625
Amortization of premiums and accretion of discounts related to investments, net	-	1,129	8,719	-	9,848
Amortization of debt issuance costs	3,275	-	-	-	3,275
Interest credited to policyholders	-	-	38,169	-	38,169
Change in allowance for losses on trade receivables	(76)	-	-	-	(76)
Change in allowance for inventories and parts reserve	(85)	-	-	-	(85)
Net gains on disposal of personal property	(32,526)	-	-	-	(32,526)
Net gains on disposal of real estate	(1,311)	-	-	-	(1,311)
Net gains on sales of investments	-	(178)	(8,599)	-	(8,777)
Net gains on equity investments	-	(3,749)	-	-	(3,749)
Deferred income taxes	94,258	(1,150)	(5,303)	-	87,805
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	18,799	5,931	29	-	24,759
Inventories and parts	589	-	-	-	589
Prepaid expenses	(16,402)	-	-	-	(16,402)
Capitalization of deferred policy acquisition costs	-	-	(17,530)	-	(17,530)
Other assets	(2,215)	1,973	(51)	-	(293)
Related party assets	(16,151)	(1,356)	-	-	(17,507)
Accounts payable and accrued expenses	42,453	(199)	9,500	-	51,754
Policy benefits and losses, claims and loss expenses payable	8,353	(6,067)	1,688	-	3,974
Other policyholders' funds and liabilities	-	578	(2,701)	-	(2,123)
Deferred income	(2,317)	-	-	-	(2,317)
Related party liabilities	(956)	1,192	210	-	446
Net cash provided by operating activities	<u>872,180</u>	<u>19,821</u>	<u>60,980</u>	<u>-</u>	<u>952,981</u>
Cash flows from investing activities:					
Escrow deposits	7,153	-	-	-	7,153
Purchases of:					

Property, plant and equipment	(1,917,862)	-	-	-	(1,917,862)
Short term investments	-	(47,036)	(421)	-	(47,457)
Fixed maturities investments	-	(8,954)	(258,955)	-	(267,909)
Equity securities	-	-	(83)	-	(83)
Real estate	-	(328)	(156)	-	(484)
Mortgage loans	-	(12,750)	(30,335)	-	(43,085)
Proceeds from sales and paydowns of:					
Property, plant and equipment	599,797	-	-	-	599,797
Short term investments	-	46,859	-	-	46,859
Fixed maturities investments	-	21,981	171,215	-	193,196
Equity securities	-	185	-	-	185
Real estate	311	-	-	-	311
Mortgage loans	-	1,933	7,119	-	9,052
Net cash provided (used) by investing activities	(1,310,601)	1,890	(111,616)	-	(1,420,327)

(page 1 of 2)

(a) Balance for the period ended September 30, 2019

33

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2019 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
			(Unaudited) (In thousands)		
Cash flows from financing activities:					
Borrowings from credit facilities	865,362	-	2,500	-	867,862
Principal repayments on credit facilities	(222,832)	-	(2,500)	-	(225,332)
Payment of debt issuance costs	(3,671)	-	-	-	(3,671)
Finance/capital lease payments	(247,188)	-	-	-	(247,188)
Employee stock ownership plan stock	(206)	-	-	-	(206)
Common stock dividend paid	(19,600)	-	-	-	(19,600)
Net contribution from (to) related party	21,600	(21,600)	-	-	-
Investment contract deposits	-	-	171,465	-	171,465
Investment contract withdrawals	-	-	(122,948)	-	(122,948)
Net cash provided (used) by financing activities	393,465	(21,600)	48,517	-	420,382
Effects of exchange rate on cash	5,214	-	-	-	5,214
Increase (decrease) in cash and cash equivalents	(39,742)	111	(2,119)	-	(41,750)
Cash and cash equivalents at beginning of period	643,918	5,757	24,026	-	673,701
Cash and cash equivalents at end of period	\$ 604,176	\$ 5,868	\$ 21,907	\$ -	\$ 631,951

(page 2 of 2)

(a) Balance for the period ended September 30, 2019

34

AMERCO AND CONSOLIDATED SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

12. Industry Segment and Geographic Area Data

	United States	Canada	Consolidated
			(Unaudited)
	(All amounts are in thousands of U.S. \$'s)		
Quarter Ended December 31, 2020			
Total revenues	\$ 1,114,816	\$ 55,166	\$ 1,169,982
Depreciation and amortization, net of (gains) losses on disposal	158,844	1,454	160,298
Interest expense	41,378	750	42,128
Pretax earnings	233,163	8,408	241,571
Income tax expense	56,237	2,349	58,586
Identifiable assets	14,020,573	426,732	14,447,305

Quarter Ended December 31, 2019			
Total revenues	\$ 886,731	\$ 41,149	\$ 927,880
Depreciation and amortization, net of (gains) losses on disposal	174,669	3,979	178,648
Interest expense	39,042	931	39,973
Pretax earnings (losses)	40,606	(277)	40,329
Income tax expense	9,303	94	9,397
Identifiable assets	12,575,914	418,408	12,994,322

	United States	Canada	Consolidated
			(Unaudited)
	(All amounts are in thousands of U.S. \$'s)		
Nine Months Ended December 31, 2020			
Total revenues	\$ 3,318,854	\$ 163,273	\$ 3,482,127
Depreciation and amortization, net of (gains) losses on disposal	471,592	7,424	479,016
Interest expense	120,015	2,159	122,174
Pretax earnings	685,312	21,596	706,908
Income tax expense	163,644	6,188	169,832
Identifiable assets	14,020,573	426,732	14,447,305

Nine Months Ended December 31, 2019			
Total revenues	\$ 3,008,067	\$ 149,276	\$ 3,157,343
Depreciation and amortization, net of (gains) losses on disposal	471,535	10,006	481,541
Interest expense	115,523	2,460	117,983
Pretax earnings	411,565	8,832	420,397
Income tax expense	97,951	2,766	100,717
Identifiable assets	12,575,914	418,408	12,994,322

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

13. Employee Benefit Plans

The components of the net periodic benefit costs with respect to postretirement benefits were as follows:

		Quarter Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
Service cost for benefits earned during the period	\$	317	\$ 292
Other components of net periodic benefit costs:			
Interest cost on accumulated postretirement benefit		230	241
Other components		17	22
Total other components of net periodic benefit costs		247	263
Net periodic postretirement benefit cost	\$	564	\$ 555

		Nine Months Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
Service cost for benefits earned during the period	\$	950	\$ 876
Other components of net periodic benefit costs:			
Interest cost on accumulated postretirement benefit		689	723
Other components		51	67
Total other components of net periodic benefit costs		740	790
Net periodic postretirement benefit cost	\$	1,690	\$ 1,666

14. Fair Value Measurements

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. Financial assets and liabilities are 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 value.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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:

		Fair Value Hierarchy			
		Carrying Value	Level 1	Level 2	Level 3
		(Unaudited)			
		(In thousands)			
As of December 31, 2020					
Assets					
Reinsurance recoverables and trade receivables, net	\$	224,447	\$ -	\$ -	\$ 224,447
Mortgage loans, net		350,210	-	-	350,210
Other investments		97,692	-	-	97,692
Total	\$	672,349	\$ -	\$ -	\$ 672,349
Liabilities					

Notes, loans and finance/capital leases payable	4,678,227	-	4,678,227	-	4,452,716
Total	\$ 4,678,227	\$ -	\$ 4,678,227	\$ -	\$ 4,452,716

Fair Value Hierarchy

As of March 31, 2020	Fair Value Hierarchy				Total Estimated Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
	(In thousands)				
Assets					
Reinsurance recoverables and trade receivables, net	\$ 186,672	\$ -	\$ -	\$ 186,672	\$ 186,672
Mortgage loans, net	262,688	-	-	262,688	262,688
Other investments	97,685	-	-	97,685	97,685
Total	\$ 547,045	\$ -	\$ -	\$ 547,045	\$ 547,045

Liabilities					
Notes, loans and finance/capital leases payable	4,651,068	-	4,651,068	-	4,342,308
Total	\$ 4,651,068	\$ -	\$ 4,651,068	\$ -	\$ 4,342,308

37

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The following tables represent the financial assets and liabilities on the condensed consolidated balance sheets as of December 31, 2020 and March 31, 2020 that are measured at fair value on a recurring basis and the level within the fair value hierarchy.

As of December 31, 2020	Total	Level 1	Level 2	Level 3
	(Unaudited)			
	(In thousands)			
Assets				
Short-term investments	\$ 1,128,967	\$ 1,128,667	\$ 300	\$ -
Fixed maturities - available for sale	2,565,293	7,602	2,557,532	159
Preferred stock	22,215	22,215	-	-
Common stock	19,445	19,445	-	-
Derivatives	5,797	5,797	-	-
Total	\$ 3,741,717	\$ 1,183,726	\$ 2,557,832	\$ 159

Liabilities				
Derivatives	6,158	-	6,158	-
Total	\$ 6,158	\$ -	\$ 6,158	\$ -

As of March 31, 2020	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	\$ 369,279	\$ 368,968	\$ 311	\$ -
Fixed maturities - available for sale	2,466,048	7,156	2,458,731	161
Preferred stock	6,675	6,675	-	-
Common stock	20,015	20,015	-	-
Derivatives	5,944	5,944	-	-
Total	\$ 2,867,961	\$ 408,758	\$ 2,459,042	\$ 161

Liabilities				
Derivatives	8,214	-	8,214	-
Total	\$ 8,214	\$ -	\$ 8,214	\$ -

The fair value measurements for our assets using significant unobservable inputs (Level 3) were \$ 0.2 million for both December 31, 2020 and March 31, 2020.

15. Revenue Recognition

Revenue Recognized in Accordance with Topic 606

ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)*, 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 disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments.

38

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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. There were no material contract assets or liabilities as of December 31, 2020 and March 31, 2020.

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. 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 third quarter of fiscal 2021 did not have a material effect on our financial statements.

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 842, 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 recognized in accordance with Topic 606. Moving Help services 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.

39

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Revenue Recognized in Accordance with Topic 842/840

Our self-moving rental revenues meet the definition of a lease pursuant to the guidance in ASU 2016-02, *Leases* (Topic 842) 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 are being 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. Please see Note 8, *Leases*, of the Notes to Condensed Consolidated Financial Statements.

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. 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.

Self-storage revenues are recognized as earned over the contract period based upon the number of paid storage contract days.

We lease portions of our operating properties to tenants under agreements that are classified as operating leases. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Generally, under the terms of our leases, the majority of our rental expenses, including common area maintenance, real estate taxes and insurance, are recovered from our customers.

The following table summarizes the minimum lease payments due from our customers and operating property tenants on leases for the next five years and thereafter:

	Year Ending December 31,					
	2021	2022	2023	2024	2025	Thereafter
	(Unaudited)					
	(In thousands)					
Self-moving equipment rentals	\$ 4,277	\$ -	\$ -	\$ -	\$ -	-
Property lease revenues	17,799	12,671	9,600	7,055	5,474	55,849
Total	\$ 22,076	\$ 12,671	\$ 9,600	\$ 7,055	\$ 5,474	\$ 55,849

The amounts above do not reflect future rental revenue from the renewal or replacement of existing leases.

Revenue Recognized in Accordance with Other Topics

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.

40

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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.

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.

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

		Quarter Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
Revenues recognized over time:	\$	51,161	\$ 31,695
Revenues recognized at a point in time:		84,820	64,802
Total revenues recognized under ASC 606		135,981	96,497
Revenues recognized under ASC 842 or 840		945,024	745,378
Revenues recognized under ASC 944		53,397	52,223
Revenues recognized under ASC 320		35,580	33,782
Total revenues	\$	1,169,982	\$ 927,880

		Nine Months Ended December 31,	
		2020	2019
		(Unaudited)	
		(In thousands)	
Revenues recognized over time:	\$	165,445	\$ 119,760
Revenues recognized at a point in time:		304,522	242,238
Total revenues recognized under ASC 606		469,967	361,998
Revenues recognized under ASC 842 or 840		2,780,668	2,540,372
Revenues recognized under ASC 944		145,597	152,344
Revenues recognized under ASC 320		85,895	102,629
Total revenues	\$	3,482,127	\$ 3,157,343

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

41

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

We recognized liabilities resulting from contracts with customers for self-moving equipment rentals, self-storage revenues, U-Box revenues and tenant revenue, in which the length of the contract goes beyond the reported period end, although rental periods of the equipment, storage and U-Box contract are generally short-term in nature. The timing of revenue recognition results in liabilities that are reflected in deferred income on the balance sheet.

16. Allowance for Credit Losses

Trade Receivables

Moving and Storage has two (2) primary components of trade receivables, receivables from corporate customers and credit card receivables from sales and rental of equipment. For credit card receivable, the Company uses a trailing 13 months average historical chargeback percentage of total credit card receivable. The Company rents equipment to corporate customers in which payment terms are 30 days.

The Company performs ongoing credit evaluations of its customers and assesses each customer's credit worthiness. In addition, the Company monitors collections and payments from its customers and maintains an allowance based upon applying an expected credit loss rate to receivables based on the historical loss rate from similar high risk customers adjusted for current conditions, including any specific customer collection issues identified, and forecasts of economic conditions. Delinquent account balances are written off after management has determined that the likelihood of collection is remote.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables because the composition of trade receivables as of that date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). However, management has determined that the current and reasonable and supportable forecasted economic conditions have declined as compared with the economic conditions included in the historical information partially as a result of COVID-19 during the first quarter of fiscal 2021. To adjust the historical loss rates to reflect the effects of these differences in current conditions and forecasted changes, management estimated the loss rate at approximately 5 %. Management developed this estimate based on its knowledge of past experience for which there were similar improvements in the economy. As a result, management applied the applicable credit loss rates to determine the expected credit loss estimate for each aging category. Accordingly, the allowance for expected credit losses at December 31, 2020 was \$ 2.9 million.

Available-for-Sale

For available-for-sale debt securities in an unrealized loss position, we first assess whether the security is below investment grade. For securities that are below investment grade, we evaluate whether the decline in fair value has resulted from credit losses or other factors such as the interest rate environment. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse market conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, cumulative default rates based on ratings are used to determine the potential cost of default, by year. The present value of these potential costs is then compared to the amortized cost of the security to determine the credit loss, limited by the amount that the fair value is less than the amortized cost basis.

Declines in fair value that have not been recorded through an allowance for credit losses, such as declines due to changes in market interest rates, are recorded through accumulated other comprehensive income, net of applicable taxes. If we intend to sell a security, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis, the security is written down to its fair value and the write down is charged against the allowance for credit losses, with any incremental impairment reported in earnings. Reversals of the allowance for credit losses are permitted and should not exceed the allowance amount initially recognized.

Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. There were no incremental impairment charges recorded during the quarter ended December 31, 2020.

42

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Accrued Interest Receivable

Accrued interest receivables on available for sale securities totaled \$ 25.8 million as of January 1, 2020 and are excluded from the estimate of credit losses.

Mortgage loans, net

The portfolio of mortgage loans are principally collateralized by self-storage facilities and commercial properties. Mortgage loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at amortized cost. Modeling for our mortgage loans is based on inputs most highly correlated to defaults, including loan-to-value, occupancy, and payment history. Historical credit loss experience provides additional support for the estimation of expected credit losses. In assessing the credit losses, the portfolio is reviewed on a collective basis, using loan-specific cash flows to determine the fair value of the collateral in the event of default. Adjustments to this analysis are made to assess loans with a loan-to-value of 65% or greater. Loans that fall under the >65% LTV are evaluated on an individual basis and loan specific risk characteristics such as occupancy levels, expense, income growth and other relevant available information from internal and external sources relating to post events, current conditions, and reasonable and supportable forecasts.

When management determines that foreclosure is probable, an allowance for expected credit losses based on the fair value of the collateral is recorded.

Reinsurance recoverable

Reinsurance recoverable on paid and unpaid benefits was less than 1 % of the total assets at January 1, 2020 which is immaterial based on historical loss experience and high credit rating of the reinsurers.

Premium receivable

Premiums receivable were \$ 3.0 million at January 1, 2020 in which the credit loss allowance is immaterial based on our ability to cancel the policy if the policyholder doesn't pay premiums.

The following details the changes in the Company's reserve allowance for credit losses for trade receivables, fixed maturities and investments, other for the first nine months of fiscal 2021:

	Allowance for Credit Losses			
	Trade Receivables	Investments, Fixed Maturities	Investments, other	Total
	(Unaudited) (In thousands)			
Balance as of March 31, 2020	\$ 2,680	\$ 503	\$ 501	\$ 3,684
Transition adjustment current expected credit losses	196	1,811	10	2,017
Write-offs against allowance	-	-	-	-
Recoveries	-	-	-	-
Balance as of December 31, 2020	\$ 2,876	\$ 2,314	\$ 511	\$ 5,701

43

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

17. Accounting Pronouncements

Adoption of New Accounting Pronouncements

On April 1, 2020, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). 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. We adopted ASU 2016-13 on April 1, 2020 using a modified retrospective approach. We recognized a cumulative-effect adjustment to our opening retained earnings balance in the period of adoption. Accordingly, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The impact of the adoption to our beginning retained earnings was \$ 2.9 million.

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. The adoption of the standard did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements

In August 2018, the FASB issued 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. In November 2020, FASB issued ASU 2020-11, *Financial Services - Insurance (Topic 944)*, which deferred the effective date of ASU 2018-12 to December 15, 2022. We are currently in the process of evaluating the impact of the adoption of ASU 2018-12 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 2018-14, *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.

In March 2020, FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). This standard provides temporary optional expedients and exceptions to the US GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the LIBOR and other interbank offered rates to alternative reference rates, such as Secured Overnight Financing Rate. Entities can elect not to apply certain modification accounting requirements to contracts affected by what the guidance calls reference rate reform, if certain criteria are met. An entity that makes this election would not have to remeasure the contracts at the modification date or reassess a previous accounting determination. The guidance is effective upon issuance and generally can be applied through December 31, 2022. We are currently evaluating the impact of this standard on our consolidated financial statements.

44

AMERCO AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

In October 2020, FASB issued ASU 2020-08, *Clarifying Guidance on Amortization of the Excess of the Cost Basis of Certain Callable Debt Securities Over the Amount Repayable*. This standard requires that, for each reporting period, callable debt securities be reevaluated to determine if they remain subject to the guidance, which will depend on the amortized cost basis of the security and the terms of the next call option. The guidance is effective for fiscal years beginning after December 15, 2020. We are currently evaluating the impact of this standard on our consolidated financial statements.

In January 2021, the FASB issued ASU 2021-1, *Reference Rate Reform (Topic 848)*. This standard permits a company to apply certain optional expedients to modifications of interest rate indexes used for margining, discounting or contract price alignment of certain derivatives as a result of reference rate reform initiatives ("discounting transitions"). Extends optional expedients to account for a derivative contract modified as a continuation of the existing contract and to continue hedge accounting with certain critical terms of a hedging relationship change to modifications made as part of the discounting transition. This standard is effective immediately, may be applied as of the beginning of the interim period that includes March 12, 2020 and is available for a limited time, generally through December 31, 2022.

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.

45

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations ("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 the third quarter and first nine months of fiscal 2021, compared with the third quarter and first nine months of fiscal 2020, which is 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 - Summary and Disclosures about Contractual Obligations and Commercial Commitments and a discussion of off-balance sheet arrangements. We conclude this MD&A by discussing our current outlook for the remainder of fiscal 2021.

This MD&A should be read in conjunction with the other sections of this Quarterly Report, including the Notes to Condensed Consolidated Financial Statements. 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 risks described throughout this filing or in our most recent Annual Report on Form 10-K for the fiscal year ended March 31, 2020. Many of these risks and uncertainties are beyond our control and our actual results may differ materially from these forward-looking statements.

AMERCO, a Nevada corporation, has a third fiscal quarter that ends on the 31st of December for each year that is referenced. Our insurance company subsidiaries have a third quarter that ends on the 30th of September 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 material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2020 and 2019 correspond to fiscal 2021 and 2020 for AMERCO.

Overall Strategy

Our overall strategy is to maintain our leadership position in the United States and Canada "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, 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 insurance, 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 wholly owned subsidiaries of U-Haul and Real Estate;
- Property and Casualty Insurance, comprised of Repwest and its wholly owned subsidiaries and ARCOA; and

46

- Life Insurance, comprised of Oxford and its wholly owned subsidiaries.

Moving and Storage

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

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[®], 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 insurance products in other U-Haul related programs.

Life Insurance

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

Impairment of Investments

Current expected credit loss ("CECL") has replaced the previous other-than-temporary-impairment ("OTTI") model. Under the OTTI model, credit losses were recognized as a reduction to the cost basis of the investment with recovery of an impairment loss recognized prospectively over time as interest income and reversals of impairment were not allowed. Under CECL, a valuation allowance is recognized in earnings for credit losses. If we intend to sell a debt security, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis, the debt security is written down to its fair value and the write down is charged against the allowance for credit losses, with any incremental impairment reported in earnings. Reversals of the allowance for credit losses are permitted and should not exceed the allowance amount initially recognized.

47

Results of Operations

AMERCO and Consolidated Entities

Quarter Ended December 31, 2020 compared with the Quarter Ended December 31, 2019

Listed below, on a consolidated basis, are revenues for our major product lines for the third quarter of fiscal 2021 and the third quarter of fiscal 2020:

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 808,215	\$ 621,471
Self-storage revenues	123,024	106,701
Self-moving and self-storage products and service sales	74,586	54,454
Property management fees	8,765	9,098
Life insurance premiums	29,993	31,164
Property and casualty insurance premiums	19,933	19,267
Net investment and interest income	35,580	33,782
Other revenue	69,886	51,943
Consolidated revenue	<u>\$ 1,169,982</u>	<u>\$ 927,880</u>

Self-moving equipment rental revenues increased \$186.7 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Transactions along with average revenue per transaction increased for both our In-town and one-way markets. During the quarter we experienced an increase in the volume of our Corporate Account business. Compared to the same period last year, we increased the number of retail locations, independent dealers, box trucks and trailers in the rental fleet.

Self-storage revenues increased \$16.3 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. The average monthly number of occupied units increased by 20%, or 65,000 units, during the third quarter of fiscal 2021 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations and from the addition of new capacity to the portfolio. Over the last twelve months, we added approximately 4.1 million net rentable square feet, or a 10% increase, with approximately 1.0 million of that coming on during the third quarter of fiscal 2021.

Sales of self-moving and self-storage products and services increased \$20.1 million during the third quarter of fiscal 2021, compared with third quarter of fiscal 2020. This was due to increased sales of hitches, moving supplies and propane.

Life insurance premiums decreased \$1.2 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020 due primarily to decreased life and Medicare supplement premiums.

Property and casualty insurance premiums increased \$0.7 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium increase corresponded with the increased moving and storage transactions at U-Haul during July, August and September.

Net investment and interest income increased \$1.8 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Changes in the market value of unaffiliated common stocks held in our Property and Casualty Insurance subsidiary accounted for \$0.4 million of the increase and a \$1.0 million realized gain in derivatives used as hedges for our fixed indexed annuities at our life insurance subsidiary also contributed to the increase during the third quarter of fiscal 2021. Realized capital gains from the sale of fixed maturities increased by \$2.2 million. In addition, the change in the provision for expected credit losses stemming from ASU 2016-13 resulted in an increase to net investment income of \$2.0 million for the third quarter of fiscal 2021. Interest earned on short-term cash at Moving and Storage decreased \$1.8 million from lower interest rates.

Other revenue increased \$17.9 million during the past nine months of fiscal 2021, compared with the same nine months of fiscal 2020, primarily coming from increased moving and storage transactions within our U-Box[®] program.

48

Listed below are revenues and earnings from operations at each of our operating segments for the third quarter of fiscal 2021 and the third quarter of fiscal 2020. The insurance companies' third quarters ended September 30, 2020 and 2019.

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	

Moving and storage		
Revenues	\$ 1,085,281	\$ 846,364
Earnings from operations before equity in earnings of subsidiaries	264,004	61,769
Property and casualty insurance		
Revenues	26,640	25,366
Earnings from operations	11,491	9,884
Life insurance		
Revenues	61,077	58,889
Earnings from operations	8,724	9,190
Eliminations		
Revenues	(3,016)	(2,739)
Earnings from operations before equity in earnings of subsidiaries	(273)	(278)
Consolidated results		
Revenues	1,169,982	927,880
Earnings from operations	283,946	80,565

Total costs and expenses increased \$38.7 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Operating expenses for Moving and Storage increased \$21.4 million from personnel, liability costs, property taxes and shipping costs associated with U-Box. Repair costs associated with the rental fleet experienced a \$2.9 million increase during the quarter. Although fewer trucks were sold, net gains from the disposal of rental equipment increased \$13.1 million from higher resale values. Depreciation expense associated with our rental fleet decreased \$9.5 million to \$119.7 as new truck production has been slowed by COVID-19 related delays earlier this year at manufacturers. Depreciation expense on all other assets, largely from buildings and improvements, increased \$5.1 million to \$43.9 million. Losses on real estate increased \$0.6 million as we have begun this year to identify and write-off the remaining book value of roofs that we have had to replace. Cost of goods sold associated with our retail sales programs have increased in relation to the increase in sales activity.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased \$203.4 million to \$283.9 million for the third quarter of fiscal 2021, compared with \$80.6 million for the third quarter of fiscal 2020.

Interest expense for the third quarter of fiscal 2021 was \$42.1 million, compared with \$40.0 million for the third quarter of fiscal 2020, due to increased borrowings.

Income tax expense was \$58.6 million for the third quarter of fiscal 2021, compared with \$9.4 million for the third quarter of fiscal 2020.

As a result of the above-mentioned items, earnings available to common stockholders were \$183.0 million for the third quarter of fiscal 2021, compared with \$30.9 million for the third quarter of fiscal 2020.

Basic and diluted earnings per share for the third quarter of fiscal 2021 were \$9.33, compared with \$1.58 for the third quarter of fiscal 2020.

The weighted average common shares outstanding basic and diluted were 19,607,788 for both the third quarter of fiscal 2021 and 2020.

49

Moving and Storage

Quarter Ended December 31, 2020 compared with the Quarter Ended December 31, 2019

Listed below are revenues for our major product lines at Moving and Storage for the third quarter of fiscal 2021 and the third quarter of fiscal 2020:

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 809,371	\$ 622,902
Self-storage revenues	123,024	106,701
Self-moving and self-storage products and service sales	74,586	54,454
Property management fees	8,765	9,098
Net investment and interest income	524	2,351
Other revenue	69,011	50,858
Moving and Storage revenue	\$ 1,085,281	\$ 846,364

Self-moving equipment rental revenues increased \$186.5 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Transactions along with average revenue per transaction increased for both our In-town and one-way markets. During the quarter we experienced an increase in the volume of our Corporate Account business. Compared to the same period last year, we increased the number of retail locations, independent dealers, box trucks and trailers in the rental fleet.

Self-storage revenues increased \$16.3 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. The average monthly number of occupied units increased by 20%, or 65,000 units, during the third quarter of fiscal 2021 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations and from the addition of new capacity to the portfolio. Over the last twelve months, we added approximately 4.1 million net rentable square feet, or a 10% increase, with approximately 1.0 million of that coming on during the third quarter of fiscal 2021.

We own and manage 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:

	Quarter Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of December 31	532	487
Square footage as of December 31	44,948	40,835
Average monthly number of units occupied	388	323
Average monthly occupancy rate based on unit count	73.4%	66.9%
Average monthly square footage occupied	34,802	29,318

Over the last twelve months, we added approximately 4.1 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 3.5%.

Sales of self-moving and self-storage products and services increased \$20.1 million during the third quarter of fiscal 2021, compared with third quarter of fiscal 2020. This was due to increased sales of hitches, moving supplies and propane.

Net investment and interest income decreased \$1.8 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Average short-term cash held has increased from the third quarter of last year; however, earned rates on these invested balances have decreased.

Other revenue increased \$18.2 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020 primarily coming from increased

Total costs and expenses increased \$36.7 million during the third quarter of fiscal 2021, compared with the third quarter of fiscal 2020. Operating expenses for Moving and Storage increased \$21.4 million from personnel, liability costs, property taxes and shipping costs associated with U-Box. Repair costs associated with the rental fleet experienced a \$2.9 million increase during the quarter. Although fewer trucks were sold, net gains from the disposal of rental equipment increased \$13.1 million from higher resale values. Depreciation expense associated with our rental fleet decreased \$9.5 million to \$119.7 as new truck production has been slowed by COVID-19 related delays at manufacturers earlier this year. Depreciation expense on all other assets, largely from buildings and improvements, increased \$5.1 million to \$43.9 million. Losses on real estate increased \$0.6 million as we have begun this year to identify and write-off the remaining book value of roofs that we have had to replace. Cost of goods sold associated with our retail sales programs have increased in relation to the increase in sales activity.

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 \$202.2 million to \$264.0 million for the third quarter of fiscal 2021, compared with \$61.8 million for the third quarter of fiscal 2020.

Equity in the earnings of AMERCO's insurance subsidiaries was \$16.1 million for the third quarter of fiscal 2021, compared with \$15.2 million for the third quarter of fiscal 2020.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased to \$280.1 million for the third quarter of fiscal 2021, compared with \$77.0 million for the third quarter of fiscal 2020.

Property and Casualty Insurance

Quarter Ended September 30, 2020 compared with the Quarter Ended September 30, 2019

Net premiums were \$20.7 million and \$20.0 million for the third quarters ended September 30, 2020 and 2019, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium increase corresponded with the increased moving and storage transactions at U-Haul during July, August and September.

Net investment and interest income were \$5.9 million and \$5.3 million for the third quarters ended September 30, 2020 and 2019, respectively. The main driver of the change in net investment income was the increase in valuation of unaffiliated common stock of \$0.4 million. In addition, the provision for expected credit losses stemming from ASU 2016-13 resulted in an increase to net investment income of \$0.4 million for the three months ended September 30, 2020.

Net operating expenses were \$10.1 million and \$9.3 million for the quarters ended September 30, 2020 and 2019, respectively due to an increase in commissions and loss adjusting fees.

Benefits and losses incurred were \$4.9 million and \$6.2 million for the third quarters ended September 30, 2020 and 2019, respectively. The decrease was due to favorable loss experience.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$11.5 million and \$9.9 million for the third quarters ended September 30, 2020 and 2019, respectively.

Life Insurance

Quarter Ended September 30, 2020 compared with the Quarter Ended September 30, 2019

Net premiums were \$30.0 million and \$31.2 million for the third quarters ended September 30, 2020 and 2019, respectively. Medicare Supplement premiums decreased \$2.4 million from the policy decrements offset by premium rate increases. This was partially offset by a \$1.3 million increase in life premiums from new sales. Premiums on the remaining lines of business decreased \$0.1 million. Deferred annuity deposits were \$190.3 million or \$137.8 million above prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was \$30.1 million and \$26.6 million for the third quarters ended September 30, 2020 and 2019, respectively. The increase in realized capital gains was \$2.2 million coupled with a \$1.0 million increase in realized gains in derivatives used as hedges for our fixed indexed annuities. Investment income from fixed maturities and the remaining invested assets increased \$1.2 million on a larger asset base. In addition, the change in the provision for expected credit losses resulted in a \$1.6 million increase to investment income. This was partially offset by a \$2.5 million decrease in mortgage loan prepayment gains.

Benefits and losses incurred were \$40.7 million and \$36.7 million for the third quarters ended September 30, 2020 and 2019, respectively. Interest credited to policyholders increased \$3.1 million from the improved interest credited rates on fixed indexed annuities driven by market improvements and from the increase in annuity deposit base from continued sales. Life benefits increased \$3.1 million due to adverse mortality. Benefits on the remaining lines of business increased \$0.5 million. This was offset by a \$2.7 million decrease in Medicare supplement benefits from the declined policies in force.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was \$6.6 million and \$8.0 million for the third quarters ended September 30, 2020 and 2019, respectively. A decrease in annuity DAC amortization resulted from a higher amortization expense in the prior year due to a one-time DAC write off. A decrease in life DAC amortization is from a reduction in policy lapses driven by the premium forbearance on policyholders. A decrease in Medicare supplement DAC Amortization is from a decline in the in-force.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$8.7 million and \$9.2 million for the third quarters ended September 30, 2020 and 2019, respectively.

AMERCO and Consolidated Entities

Nine Months Ended December 31, 2020 compared with the Nine Months Ended December 31, 2019

Listed below on a consolidated basis are revenues for our major product lines for the first nine months of fiscal 2021 and the first nine months of fiscal 2020:

	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 2,393,530	\$ 2,174,392
Self-storage revenues	347,252	309,940
Self-moving and self-storage products and service sales	264,564	207,601
Property management fees	23,952	23,487
Life insurance premiums	91,958	96,229
Property and casualty insurance premiums	49,536	51,056
Net investment and interest income	85,895	102,629
Other revenue	225,440	192,009
Consolidated revenue	<u>\$ 3,482,127</u>	<u>\$ 3,157,343</u>

Self-moving equipment rental revenues increased \$219.1 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. During our first quarter this year we experienced a decrease in these revenues of \$94.3 million, or 13%. Since then these revenues have increased \$313.4 million or 22% over the last six months. Transactions along with average revenue per transaction increased for both our In-town and one-way markets. Compared to the same period last year, we increased the number of retail locations, independent dealers, box trucks and trailers in the rental fleet.

52

Self-storage revenues increased \$37.3 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. The average monthly number of occupied units increased by 17%, or 53,000 units, during the first nine months of fiscal 2021 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations and from the addition of new capacity to the portfolio. Over the last twelve months we added approximately 4.1 million net rentable square feet, or a 10% increase, with approximately 2.9 million of that coming on during the first nine months of fiscal 2021.

Sales of self-moving and self-storage products and services increased \$57.0 million for the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. This was due to increased sales of hitches, moving supplies and propane.

Life insurance premiums decreased \$4.3 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020 due primarily to decreased Medicare supplement premiums.

Property and casualty insurance premiums decreased \$1.5 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium decrease corresponded with the decreased moving and storage transactions at U-Haul during January 2020 through September 2020.

Net investment and interest income decreased \$16.7 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. Changes in the market value of unaffiliated common stocks held at our Property and Casualty Insurance subsidiary accounted for \$4.5 million of the decrease for the nine months. A \$4.0 million realized loss in derivatives used as hedges for our fixed indexed annuities at our life insurance subsidiary also contributed to the decrease during the nine months. In addition, the adoption of ASU 2016-13 resulted in net credit loss expense of \$1.8 million for the nine months of fiscal 2021. Moving and Storage accounted for \$6.9 million of the decrease due to a decrease in interest rates on short-term deposits.

Other revenue increased \$33.4 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020, primarily coming from increased moving and storage transactions within our U-Box[®] program.

Listed below are revenues and earnings from operations at each of our operating segments for the first nine months of fiscal 2021 and the first nine months of fiscal 2020. The insurance companies' first nine months ended September 30, 2020 and 2019.

	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 3,256,899	\$ 2,916,314
Earnings from operations before equity in earnings of subsidiaries	789,621	492,652
Property and casualty insurance		
Revenues	62,947	69,199
Earnings from operations	24,338	27,442
Life insurance		
Revenues	170,290	179,069
Earnings from operations	16,684	19,912
Eliminations		
Revenues	(8,009)	(7,239)
Earnings from operations before equity in earnings of subsidiaries	(821)	(836)
Consolidated results		
Revenues	3,482,127	3,157,343
Earnings from operations	829,822	539,170

53

Total costs and expenses increased \$34.1 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. Operating expenses for Moving and Storage decreased \$10.9 million. Repair costs associated with the rental fleet experienced a \$31.7 million decrease for the nine months of fiscal 2021 due to fewer trucks being prepped for sale at auction. We experienced increases in liability costs, property taxes and shipping costs associated with U-Box transactions. Net gains from the disposal of rental equipment decreased \$7.6 million from a reduction in auction activity due to COVID-19. Depreciation expense associated with our rental fleet decreased \$17.5 million to \$366.1 million as new truck production has been slowed by COVID-19 related delays at manufacturers earlier in the year. Depreciation expense on all other assets, largely from buildings and improvements, increased \$18.6 million to \$129.7 million. Losses on the disposal of real estate increased \$5.6 million due to the condemnation of a property in the first quarter of fiscal 2020 combined with our ability this year to begin to identify and write-off the remaining book value of roofs that we have had to replace.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased to \$829.8 million for the first nine months of fiscal 2021, as compared with \$539.2 million for the first nine months of fiscal 2020.

Interest expense for the first nine months of fiscal 2021 was \$122.2 million, compared with \$118.0 million for the first nine months of fiscal 2020, primarily due to increased borrowings.

Income tax expense was \$169.8 million for the first nine months of fiscal 2021, compared with \$100.7 million for first nine months of fiscal 2020.

As a result of the above-mentioned items, earnings available to common shareholders were \$537.1 million for the first nine months of fiscal 2021, compared with \$319.7 million for the first nine months of fiscal 2020.

Basic and diluted earnings per common share for the first nine months of fiscal 2021 were \$27.39, compared with \$16.31 for the first nine months of fiscal 2020.

The weighted average common shares outstanding basic and diluted were 19,607,788 for the first nine months of fiscal 2021, compared with 19,602,484 for the first nine months of fiscal 2020.

Moving and Storage

Nine Months Ended December 31, 2020 compared with the Nine Months Ended December 31, 2019

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the first nine months of fiscal 2021 and the first nine months of fiscal 2020:

Nine Months Ended December 31,	
2020	2019
(Unaudited)	
(In thousands)	

Self-moving equipment rentals	\$	2,396,098	\$	2,177,697
Self-storage revenues		347,252		309,940
Self-moving and self-storage products and service sales		264,564		207,601
Property management fees		23,952		23,487
Net investment and interest income		1,781		8,649
Other revenue		223,252		188,940
Moving and Storage revenue	\$	3,256,899	\$	2,916,314

Self-moving equipment rental revenues increased \$218.4 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. During our first quarter this year we experienced a decrease in these revenues of \$94.3 million, or 13%. Since then these revenues have increased \$312.6 million or 22% over the last six months. Transactions along with average revenue per transaction increased for both our In-town and one-way markets. Compared to the same period last year, we increased the number of retail locations, independent dealers, box trucks and trailers in the rental fleet.

54

Self-storage revenues increased \$37.3 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. The average monthly number of occupied units increased by 17%, or 53,000 units, during the first nine months of fiscal 2021 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations and from the addition of new capacity to the portfolio. Over the last twelve months we added approximately 4.1 million net rentable square feet, or a 10% increase, with approximately 2.9 million of that coming on during the first nine months of fiscal 2021.

We own and manage 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:

	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of December 31	532	487
Square footage as of December 31	44,948	40,835
Average monthly number of units occupied	369	316
Average monthly occupancy rate based on unit count	71.0%	68.2%
Average monthly square footage occupied	33,036	28,646

Over the last twelve months, we added approximately 4.1 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 3.5%.

Sales of self-moving and self-storage products and services increased \$57.0 million for the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. This was due to increased sales of hitches, moving supplies and propane.

Net investment and interest income decreased \$6.9 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020 due to a decrease in interest rates on short-term deposits.

Other revenue increased \$34.3 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020, primarily coming from increased moving and storage transactions within our U-Box® program.

Total costs and expenses increased \$43.6 million during the first nine months of fiscal 2021, compared with the first nine months of fiscal 2020. Operating expenses for Moving and Storage decreased \$10.9 million. Repair costs associated with the rental fleet experienced a \$31.7 million decrease for the nine months of fiscal 2021 due to fewer trucks being prepped for sale at auction. We experienced increases in liability costs, property taxes and shipping costs associated with U-Box transactions. Net gains from the disposal of rental equipment decreased \$7.6 million from a reduction in auction activity in fiscal 2021 due to COVID-19. Depreciation expense associated with our rental fleet decreased \$17.5 million to \$366.1 million as new truck production has been slowed by COVID-19 related delays at manufacturers earlier this year. Depreciation expense on all other assets, largely from buildings and improvements, increased \$18.6 million to \$129.7 million. Losses on the disposal of real estate increased \$5.6 million due to the condemnation of a property in the first quarter of fiscal 2020 combined with our ability this year to begin to identify and write-off the remaining book value of roofs that we have had to replace.

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 \$789.6 million for the first nine months of fiscal 2021, compared with \$492.7 million for the first nine months of fiscal 2020.

Equity in the earnings of AMERCO's insurance subsidiaries was \$32.9 million for the first nine months of fiscal 2021, compared with \$37.9 million for the first nine months of fiscal 2020.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations increased to \$822.5 million for the first nine months of fiscal 2021, compared with \$530.6 million for the first nine months of fiscal 2020.

55

Property and Casualty Insurance

Nine Months Ended September 30, 2020 compared with the Nine Months Ended September 30, 2019

Net premiums were \$51.9 million and \$53.4 million for the nine months ended September 30, 2020 and 2019, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium decrease corresponded with the decreased moving and storage transactions at U-Haul during the same period.

Net investment and interest income were \$11.0 million and \$15.8 million for the nine months ended September 30, 2020 and 2019, respectively. The main driver of the change in net investment income was the decrease in valuation of unaffiliated common stock of \$4.5 million.

Net operating expenses were \$27.1 million and \$26.8 million for the nine months ended September 30, 2020 and 2019, respectively. The change was due to an increase in loss adjusting fees and subrogation income which were offset by a decrease in commissions.

Benefits and losses incurred were \$11.4 million and \$15.0 million for the nine months ended September 30, 2020 and 2019, respectively. The decrease was due to favorable loss experience.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$24.3 million and \$27.4 million for the nine months ended September 30, 2020 and 2019, respectively.

Life Insurance

Nine Months Ended September 30, 2020 compared with the Nine Months Ended September 30, 2019

Net premiums were \$92.0 million and \$96.2 million for the nine months ended September 30, 2020 and 2019, respectively. Medicare Supplement premiums decreased \$7.6 million from the policy decrements offset by premium rate increases. This was partially offset by a \$3.6 million increase in life premiums from the new sales. Premiums on other lines of business decreased \$0.2 million. Deferred annuity deposits were \$279.5 million or \$121.2 million above prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was \$75.7 million and \$79.4 million for the nine months ended September 30, 2020 and 2019, respectively. A \$4.0 million loss was realized on derivatives used as hedges for our fixed indexed annuities. The implementation of ASU 2016-13 resulted in net credit loss expense of \$1.7 million. Additionally, there was a decrease of \$2.5 million in mortgage loan prepayment gains. This was partially offset by a net \$3.5 million increase in investment income from the remaining invested assets on a larger asset base and a \$1.0 million increase in realized gain on fixed maturities.

Net operating expenses were \$15.2 million and \$15.8 million for the nine months ended September 30, 2020 and 2019, respectively. The decrease stems from a one-time accrual for a loss in the second quarter of the prior year.

Benefits and losses incurred were \$119.3 million and \$122.7 million for the nine months ended September 30, 2020 and 2019, respectively. Medicare supplement benefits decreased \$8.6 million from the declined policies in force. This was partially offset by a \$5.0 million increase in benefits on life products due to adverse mortality. Benefits on the remaining lines of business decreased \$0.2 million.

Amortization of DAC, SIA and VOBA was \$19.0 million and \$20.6 million for the nine months ended September 30, 2020 and 2019, respectively. A decrease was primarily in life DAC amortization from a reduction in policy lapses driven by the premium forbearance on policyholders and Medicare supplement DAC amortization from a decline in the in-force. An increase in the annuity DAC amortization was from larger asset base despite a one-time DAC write off in the prior year.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$16.7 million and \$19.9 million for the nine months ended September 30, 2020 and 2019, respectively.

56

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 that 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.

As of December 31, 2020, cash and cash equivalents totaled \$1,398.8 million, compared with \$494.4 million as of March 31, 2020. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (Moving and Storage). As of December 31, 2020 (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:

			Property & Casualty Insurance (a)		Life Insurance (a)
	Moving & Storage		(Unaudited)		
			(In thousands)		
Cash and cash equivalents	\$	1,250,267	\$	7,046	\$ 141,527
Other financial assets		182,284		489,114	2,691,398
Debt obligations		4,666,968		-	11,259

(a) As of September 30, 2020

As of December 31, 2020, Moving and Storage had additional cash available under existing credit facilities of \$93.0 million. The majority of invested cash at the Moving and Storage segment is held in government money market funds.

During the first quarter of fiscal 2021, COVID-19 negatively affected our operating cash flows through lower self-moving equipment rental revenues along with a significant reduction in equipment sales proceeds stemming from the closures of commercial auto auctions. Cash and liquidity improved during the second and third quarters from increased operating cash flows and proceeds from commercial auto auctions. We believe that the Company has adequate liquidity to meet our obligations. However, there can be no assurance that market conditions resulting from COVID-19 will not worsen and have a material negative effect on our liquidity.

Net cash provided by operating activities increased \$423.6 million in the first nine months of fiscal 2021 compared with the third quarter of fiscal 2020. The increase was primarily due to improved operations and the receipt of \$109.3 million of federal income tax refunds.

Net cash used in investing activities decreased \$766.8 million in the first nine months of fiscal 2021, compared with the third quarter of fiscal 2020. Purchases of property, plant and equipment decreased \$955.9 million. Reinvestment in the rental fleet has declined because new truck production has been slowed from COVID-19 related delays at manufacturers. We have also slowed our investment in new self-storage acquisitions and development during the first nine months of fiscal 2021. Cash from the sales of property, plant and equipment decreased \$164.9 million largely due to reduced fleet sales. For our insurance subsidiaries, net cash used in investing activities increased \$14.7 million.

Net cash provided by financing activities decreased \$245.8 million in the first nine months of fiscal 2021, as compared with the first nine months of fiscal 2020. This was due to a combination of increased debt payments of \$342.7 million, decreased finance/capital lease repayments of \$73.7 million, a decrease in cash from borrowings of \$77.3 million, an increase in net annuity deposits from Life Insurance of \$108.5 million and an increase in dividends paid of \$29.4 million.

57

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 2021 the Company will reinvest in its truck and trailer rental fleet approximately \$420 million, net of equipment sales and excluding any lease buyouts. Through the first nine months of fiscal 2021, the Company invested, net of equipment sales, approximately \$111 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2021 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 2021 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. Based upon interactions with our existing lenders, the Company does not believe that COVID-19 will materially inhibit our ability to obtain financing for the purchases of rental equipment in fiscal 2021. Should the situation severely worsen this belief could change.

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 the first nine months of fiscal 2021, the Company invested \$365.2 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2021, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, the identification and successful acquisition of target properties and any lingering effects of COVID-19. In the first nine months of fiscal 2021, the Company has opted to slow the development of new self-storage projects to preserve liquidity. We will calibrate our capital spending based in part upon the evolving effects of COVID-19. 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 \$527.1 million and \$1,318.1 million for the first nine months of fiscal 2021 and 2020, respectively. The components of our net capital expenditures are provided in the following table:

	Nine Months Ended December 31,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Purchases of rental equipment	\$ 546,612	\$ 1,160,892
Equipment lease buyouts	11,477	61,781
Purchases of real estate, construction and renovations	365,237	599,815
Other capital expenditures	38,669	95,374
Gross capital expenditures	961,995	1,917,862
Less: Sales of property, plant and equipment	(434,860)	(599,797)
Net capital expenditures	\$ 527,135	\$ 1,318,065

Moving and Storage continues to hold significant cash and 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 or reduce existing indebtedness where possible.

58

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. In December 2020, Repwest paid a \$22.6 million dividend to AMERCO.

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

Property and Casualty Insurance's stockholder's equity was \$276.4 million and \$251.1 million as of September 30, 2020 and December 31, 2019, respectively. The increase resulted from net earnings of \$19.2 million, an increase in other comprehensive income of \$7.6 million and a decrease of \$1.5 million to beginning retained earnings due to implementation of ASU 2016-13. 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 deposits for the nine months as of September 30, 2020 were \$157.0 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. In April 2020, Oxford paid AMERCO an \$18.6 million dividend.

Life Insurance's stockholder's equity was \$454.7 million and \$417.4 million as of September 30, 2020 and December 31, 2019, respectively. The increase resulted from net earnings of \$13.6 million, an increase in other comprehensive income of \$42.9 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio, a \$18.6 million stockholder's dividend paid in the third quarter of fiscal 2021 to AMERCO and a decrease of \$0.6 million to beginning retained earnings due to the implementation of ASU 2016-13. 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 September 30, 2020, Oxford had outstanding deposits of \$76.5 million through its membership in the FHLB system. For a more detailed discussion of this deposit, please see Note 4, Borrowings, of the Notes to Condensed Consolidated Financial Statements. In December 2020, AMERCO contributed \$12.0 million to Oxford in the form of a surplus note. This note will be repaid to AMERCO with interest over the next seven years.

Cash Provided from Operating Activities by Operating Segments

Moving and Storage

Net cash provided from operating activities were \$1,277.1 million and \$872.2 million for the first nine months of fiscal 2021 and 2020, respectively. The increase was primarily due to improved operations and the receipt of \$109.3 million of federal income tax refunds.

Property and Casualty Insurance

Net cash provided by operating activities were \$11.1 million and \$19.8 million for the first nine months ended September 30, 2020 and 2019, 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 \$14.0 million and \$11.8 million as of September 30, 2020 and December 31, 2019, 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 by operating activities were \$88.3 million and \$61.0 million for the first nine months ended September 30, 2020 and 2019, respectively. The increase in operating cash flows was primarily due to timing of settlement of payables and receivables.

59

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 September 30, 2020 and December 31, 2019, cash and cash equivalents and short-term investments amounted to \$141.5 million and \$30.5 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.

As a result of the federal income tax provisions of the CARES Act, we have filed applicable forms with the IRS to carryback net operating losses and requested refunds of previous deposits totaling approximately \$234 million. Through December 31, 2020, we have received \$109.3 million of these claims. We believe that upon the filing of our March 31, 2020 federal income tax return additional refunds of \$258 million will be due to the Company. These amounts are expected to provide us additional liquidity in fiscal 2021. It is possible future legislation could negatively impact our ability to receive these tax refunds.

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 December 31, 2020, we had

available borrowing capacity under existing credit facilities of \$93.0 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 4, Borrowings, of the Notes to Condensed Consolidated Financial Statements.

Disclosures about Contractual Obligations and Commercial Commitments

Our estimates as to future contractual obligations have not materially changed from the disclosure included under the subheading Disclosures about Contractual Obligations and Commercial Commitments in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

Off-Balance Sheet Arrangements

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

Historically, we have used off-balance sheet arrangements in connection with the expansion of our self-storage business. For more information please see Note 10, Related Party Transactions, of the Notes to Condensed Consolidated Financial Statements. 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.

Fiscal 2021 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.

60

With respect to our storage business, we have added new locations and expanded at existing locations. In fiscal 2021, we are actively looking to acquire new locations, complete current projects and increase occupancy in our existing portfolio of 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 2021.

In light of COVID-19 and its lingering effects, we may be challenged in our progress.

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.

Item 3. 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 swap agreements as of December 31, 2020:

Notional Amount	Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
(Unaudited)					
(In thousands)					
\$ 85,000	\$ (2,040)	6/28/2019	6/15/2022	1.76%	1 Month LIBOR
75,000	(1,863)	6/28/2019	6/30/2022	1.78%	1 Month LIBOR
75,000	(2,255)	6/28/2019	10/31/2022	1.76%	1 Month LIBOR

As of December 31, 2020, we had \$1,167.4 million of variable rate debt obligations. If LIBOR were to increase 100 basis points, the increase in interest expense on the variable rate debt would decrease future earnings and cash flows by \$9.3 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.

61

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. As of September 30, 2020 and December 31, 2019, these derivative hedges had a net market value of \$5.8 million and \$5.9 million, with notional amounts of \$306.3 million and \$246.8 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 4.7% of our revenue was generated in Canada during the first nine months of both fiscal 2021 and 2020. The result of a 10.0% 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.

Cautionary Statements Regarding Forward-Looking Statements

This Quarterly 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 Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements may include, but are not limited to, the risk associated with COVID-19 or similar events on employees or customers, impact on the economic environment or demand of our products and the cost and availability of debt and capital, estimates of capital expenditures, plans for future operations, products or services, financing needs, plans and strategies, 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 beliefs regarding our sustainable practices, 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.

62

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 degree and nature of our competition; our leverage; general economic conditions; fluctuations in our costs to maintain and update our fleet and facilities; the limited number of manufacturers that supply our rental trucks; our ability to effectively hedge our variable interest rate debt; that we are controlled by a small contingent of stockholders; fluctuations in quarterly results and seasonality; changes in, and our compliance with, government regulations, particularly environmental regulations and regulations relating to motor carrier operations; outcomes of litigation; our reliance on our third party dealer network; liability claims relating to our rental vehicles and equipment; our ability to attract, motivate and retain key employees; reliance on our automated systems and the internet; our credit ratings; our ability to recover under reinsurance arrangements and other factors described in our Annual Report on Form 10-K in Item 1A, Risk Factors, and in this Quarterly Report or the other documents we file with the SEC. The above factors, as well as other statements in this Quarterly Report and in the Notes to Condensed 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 4. Controls and Procedures

Attached as exhibits to this Quarterly 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 titled Evaluation of Disclosure Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the design and operation of our "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 most recently completed fiscal quarter covered by this Quarterly 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 Quarterly 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 Quarterly Report, our Disclosure Controls were effective at a reasonable assurance level related to the above stated design purposes.

Inherent Limitations on the Effectiveness of Controls

Our management, including our 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.

63

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

The information regarding our legal proceedings in Note 9, Contingencies, of the Notes to Condensed Consolidated Financial Statements is incorporated by reference herein.

Item 1A. Risk Factors

We refer you to documents filed by us with the SEC, specifically "Item 1A. Risk Factors" of our most recent Annual Report on Form 10-K for the year ended March 31, 2020, which identify important risk factors that could materially affect our business, financial condition and future results. We also refer you to the factors and cautionary language set forth in the section entitled "Cautionary Statements Regarding Forward-Looking Statements" in our MD&A of this Quarterly Report on Form 10-Q. MD&A and the consolidated financial statements and related notes should be read in conjunction with such risks and other factors for a full understanding of our operations and financial conditions. The risks described in our Form 10-K and herein are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Below we set forth material updates to the risk factors contained in "Item 1A. Risk Factors" or our most recently filed Form 10-K:

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.

The Biden administration has communicated its willingness to consider the imposition of carbon-based taxes. Our truck rental fleet burns gasoline, a carbon intensive fuel. Where in the supply chain and in what amount these taxes could arise is uncertain. We have no evidence to support a belief that do-it-yourself moving customers are willing to accept these additional costs. Should such a tax be enacted, we could see an increase in expenses, including compliance costs and a negative effect on our operating margin.

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. 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.

64

The introduction or expansion of regulations favoring electric, autonomous, connected and shared vehicles may negatively impact our business and results of operations.

Regulatory pressure in connection with the introduction and expansion of electric, autonomous and connected rental vehicles could negatively impact our cost of acquisition for rental trucks and require infrastructure improvements that could inhibit our current business model. Our Company operated-locations and independent dealer network may require physical upgrades to accommodate these types of vehicles that are uneconomical and/or unachievable. Our one-way rental business would depend on an in-transit recharging network that simply does not exist today, and when completed, may be so costly or require so much charging time as to substantially limit our ability to serve customers needing to move long distances.

Our repair and maintenance infrastructures, including both physical plant as well as personnel, may be inappropriate for these new types of vehicles. Without such maintenance capabilities it could compromise our ability to operate such a fleet of compliant vehicles. There is risk inherent in our ability to prepare for these possibilities.

We cooperate with original equipment manufacturers ("OEM"s), maintain and train our own technical experts and operate an equipment Technical Center that has positioned us as an industry leader in innovation for over fifty years. The proposed changes to electric, autonomous and connected vehicles raises challenges of enormous scale. We necessarily may also be dependent upon third party providers who may not be able to provide workable solutions.

The growing insistence that the future of the economy will be based on an all-electric solution instead of a hybrid version or other alternative fuels may create an infrastructure in which personal interstate travel will be uneconomical or severely regulated. This would impact the moving business. There may be areas of North America where a charging grid with adequate capacity for our customers may not exist.

U-Haul has already made significant progress on several initiatives aimed at these future possibilities including: TruckShare 24/7, contactless rentals, a North American propane alternative fuel network, alternative fuel test vehicles and close OEM working relationships. Government regulators may knowingly or unknowingly choose the winners and losers in this evolving transportation environment. There remains a possibility that governments may not select U-Haul customers and U-Haul to be among the winners.

The recent novel coronavirus ("COVID-19") global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations. Future viral pandemics could have similar or more severe effects on our business.

In late 2019, COVID-19 was first detected in Wuhan, China. In March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19. The virus, along with such measures, have adversely affected workforces, customers, consumer sentiment, economies and financial markets. The combination of customer-initiated changes in behavior along with state and local jurisdictions imposing shelter-in-place orders, quarantines, executive orders and similar government orders and restrictions to control the spread of COVID-19 have resulted in reduced business activity. These events have highlighted several risks to our business resulting from COVID-19 or other potential future pandemics.

Our locations are considered essential services and have been open and serving communities throughout the current pandemic. There is a risk this may not always be the case. Additionally, our workforce may be negatively impacted by such a pandemic that could lead to disruptions in our ability to serve customers.

We are unable to accurately predict the impact that COVID-19 or other such similar outbreaks will have on our operations going forward due to uncertainties which will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration of COVID-19 and the impact of governmental regulations that might be imposed in response to the pandemic.

It is premature to accurately predict the ultimate impact of these developments. For this fiscal year, we saw our first quarter results negatively impacted while our second and third quarter results showed improvement. There remains enough uncertainty that the remainder of fiscal 2021 may be significantly affected.

65

To the extent COVID-19 adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in "Item 1A. Risk Factors" of our most recent Annual Report on Form 10-K for the year ended March 31, 2020, such as those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, our ability to comply with the covenants contained in the agreements that govern our indebtedness, our fleet rotation program, the manufacturers and suppliers of our rental equipment, our independent dealers and the operation of our rental fleet, sales of our products and operation of our locations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following documents are filed as part of this report:

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

Exhibit Number	Description	Page or Method of Filing
		Current Report on Form 8-K, filed on September 5, 2013, file no. 1-11255
4.1	Thirty-ninth Supplemental Indenture and Pledge and Security Agreement dated October 20, 2020 by and between AMERCO and U.S. Bank National Association, as trustee	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 20, 2020 file no. 1-11255
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	Inline XBRL Instance Document	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema	Filed herewith
66		
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	Filed herewith
104	Cover page interactive Data File (formatted as inline XBRL and contained in exhibit 101)	Filed herewith

67

SIGNATURES

Pursuant to the requirements 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: February 3, 2021

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board
(Principal Executive Officer)

Date: February 3, 2021

/s/ Jason A. Berg

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

Date: February 3, 2021

/s/ Maria L. Bell

Maria L. Bell
Chief Accounting Officer

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

I, Edward J. Shoen, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: February 3, 2021

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

I, Jason A. Berg, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: February 3, 2021

**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-Q for the quarter ended December 31, 2020 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on February 3, 2021 (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.

AMERCO

a Nevada corporation

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: February 3, 2021

**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-Q for the quarter ended December 31, 2020 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on February 3, 2021 (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.

AMERCO

a Nevada corporation

/s/ Jason A. Berg _____

Jason A. Berg
Chief Financial Officer

Date: February 3, 2021