# U-HAUL HOLDING CO /NV/

## FORM 10-Q
(Quarterly Report)

Filed 08/04/10 for the Period Ending 06/30/10

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

# Form 10-Q

(Mark One)

R **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the quarterly period ended June 30, 2010**

or

£ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
**For the transition period from __________________ to __________________**

| **Commission File Number** | **Registrant, State of Incorporation Address and Telephone Number** | **I.R.S. Employer Identification No.** |
|---|---|---|
| 1-11255 | **AMERCO**<br>(A Nevada Corporation)<br>1325 Airmotive Way, Ste. 100<br>Reno, Nevada 89502-3239<br>Telephone (775) 688-6300 | 88-0106815 |

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 R No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes £ No £

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

Larger accelerated filer £ Accelerated filer R Non-accelerated filer £ Smaller reporting company £

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

19,607,788 shares of AMERCO Common Stock, $0.25 par value, were outstanding at August 1, 2010.

## TABLE OF CONTENTS


| | | Page No. |
|---|---|---|
| | **PART I FINANCIAL INFORMATION** | |
| Item 1. | Financial Statements | |
| | a) Condensed Consolidated Balance Sheets as of June 30, 2010 (unaudited) and March 31, 2010 | 1 |
| | b) Condensed Consolidated Statements of Operations for the Quarters ended June 30, 2010 and 2009 (unaudited) | 2 |
| | c) Condensed Consolidated Statements of Comprehensive Income for the Quarters ended June 30, 2010 and 2009 (unaudited) | 3 |
| | d) Condensed Consolidated Statements of Cash Flows for the Quarters ended June 30, 2010 and 2009 (unaudited) | 4 |
| | e) Notes to Condensed Consolidated Financial Statements (unaudited) | 5 - 31 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 32 - 45 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 46 |
| Item 4. | Controls and Procedures | 46 - 47 |
| | **PART II OTHER INFORMATION** | |
| Item 1. | Legal Proceedings | 47 |
| Item 1A. | Risk Factors | 47 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 47 |
| Item 3. | Defaults Upon Senior Securities | 48 |
| Item 4. | (Removed and Reserved) | 48 |
| Item 5. | Other Information | 48 |
| Item 6. | Exhibits | 48 |

**PART I FINANCIAL INFORMATION**

***ITEM 1 . Financial Statements***

**AMERCO AND CONSOLIDATED ENTITIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

| | June 30, 2010 | March 31, 2010 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 288,114 | $ 244,118 |
| Reinsurance recoverables and trade receivables, net | 213,656 | 198,283 |
| Notes and mortgage receivables, net | 1,227 | 1,461 |
| Inventories, net | 55,626 | 52,837 |
| Prepaid expenses | 55,710 | 53,379 |
| Investments, fixed maturities and marketable equities | 593,562 | 549,318 |
| Investments, other | 192,724 | 227,486 |
| Deferred policy acquisition costs, net | 38,905 | 39,194 |
| Other assets | 146,993 | 145,864 |
| Related party assets | 296,601 | 302,126 |
| | 1,883,118 | 1,814,066 |
| Property, plant and equipment, at cost: | | |
| Land | 223,753 | 224,904 |
| Buildings and improvements | 992,336 | 970,937 |
| Furniture and equipment | 324,988 | 323,334 |
| Rental trailers and other rental equipment | 242,451 | 244,131 |
| Rental trucks | 1,562,423 | 1,529,817 |
| | 3,345,951 | 3,293,123 |
| Less: Accumulated depreciation | (1,349,529) | (1,344,735) |
| Total property, plant and equipment | 1,996,422 | 1,948,388 |
| Total assets | $ 3,879,540 | $ 3,762,454 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | $ 338,794 | $ 296,057 |
| Notes, loans and leases payable | 1,338,636 | 1,347,635 |
| Policy benefits and losses, claims and loss expenses payable | 826,189 | 816,909 |
| Liabilities from investment contracts | 263,142 | 268,810 |
| Other policyholders' funds and liabilities | 8,055 | 8,155 |
| Deferred income | 31,889 | 25,207 |
| Deferred income taxes | 207,727 | 186,770 |
| Total liabilities | 3,014,432 | 2,949,543 |
| | | |
| 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; 5,934,000 and 5,992,800 shares issued and outstanding as of June 30 and March 31, 2010 | - | - |
| Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of June 30 and March 31, 2010 | - | - |
| Series common stock, with or without par value, 150,000,000 shares authorized: | | |
| Series A common stock of $0.25 par value, 10,000,000 shares authorized; none issued and outstanding as of June 30 and March 31, 2010 | - | - |
| Common stock of $0.25 par value, 150,000,000 shares authorized; 41,985,700 issued as of June 30 and March 31, 2010 | 10,497 | 10,497 |
| Additional paid-in capital | 418,899 | 419,811 |
| Accumulated other comprehensive loss | (66,708) | (56,207) |
| Retained earnings | 1,032,332 | 969,017 |
| Cost of common shares in treasury, net (22,377,912 shares as of June 30 and March 31, 2010) | (525,653) | (525,653) |
| Unearned employee stock ownership plan shares | (4,259) | (4,554) |
| Total stockholders' equity | 865,108 | 812,911 |
| Total liabilities and stockholders' equity | $ 3,879,540 | $ 3,762,454 |

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

**AMERCO AND CONSOLIDATED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Quarter Ended June 30, 2010 | Quarter Ended June 30, 2009 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands, except share and per share amounts) | |
| Revenues: | | |
| Self-moving equipment rentals | $ 419,463 | $ 372,941 |
| Self-storage revenues | 28,227 | 27,004 |
| Self-moving and self-storage products and service sales | 63,290 | 57,822 |
| Property management fees | 4,536 | 4,450 |
| Life insurance premiums | 37,803 | 27,604 |
| Property and casualty insurance premiums | 6,179 | 6,215 |
| Net investment and interest income | 13,355 | 13,680 |
| Other revenue | 13,094 | 10,943 |
| Total revenues | 585,947 | 520,659 |
| | | |
| Costs and expenses: | | |
| Operating expenses | 253,134 | 258,501 |
| Commission expenses | 52,169 | 44,411 |
| Cost of sales | 31,665 | 30,450 |
| Benefits and losses | 35,422 | 27,694 |
| Amortization of deferred policy acquisition costs | 2,193 | 1,917 |
| Lease expense | 38,666 | 39,273 |
| Depreciation, net of (gains) losses on disposals | 44,589 | 59,217 |
| Total costs and expenses | 457,838 | 461,463 |
| | | |
| Earnings from operations | 128,109 | 59,196 |
| Interest expense | (21,464) | (23,221) |
| Pretax earnings | 106,645 | 35,975 |
| Income tax expense | (40,143) | (13,543) |
| Net earnings | 66,502 | 22,432 |
| Excess (loss) of carrying amount of preferred stock over consideration paid | (31) | 323 |
| Less: Preferred stock dividends | (3,156) | (3,241) |
| Earnings available to common shareholders | $ 63,315 | $ 19,514 |
| Basic and diluted earnings per common share | $ 3.26 | $ 1.01 |
| Weighted average common shares outstanding: Basic and diluted | 19,414,815 | 19,369,591 |

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

**AMERCO AND CONSOLIDATED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

| | Pre-tax | Tax | Net |
|---|---|---|---|
| | | (Unaudited) | |
| | | (In thousands) | |
| **Quarter Ended June 30, 2010** | | | |
| Comprehensive income: | | | |
| Net earnings | $ 106,645 | $ (40,143) | $ 66,502 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | (3,876) | - | (3,876) |
| Unrealized gain on investments | 1,188 | (322) | 866 |
| Change in fair value of cash flow hedges | (12,083) | 4,592 | (7,491) |
| Total comprehensive income | $ 91,874 | $ (35,873) | $ 56,001 |

| | Pre-tax | Tax | Net |
|---|---|---|---|
| | | (Unaudited) | |
| | | (In thousands) | |
| **Quarter Ended June 30, 2009** | | | |
| Comprehensive income: | | | |
| Net earnings | $ 35,975 | $ (13,543) | $ 22,432 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | 4,229 | - | 4,229 |
| Unrealized loss on investments | (5,182) | 1,809 | (3,373) |
| Change in fair value of cash flow hedges | 22,369 | (8,500) | 13,869 |
| Total comprehensive income | $ 57,391 | $ (20,234) | $ 37,157 |

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

**AMERCO AND CONSOLIDATED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Quarter Ended June 30, 2010 | 2009 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| Cash flow from operating activities: | | |
| Net earnings | $ 66,502 | $ 22,432 |
| Adjustments to reconcile net earnings to the cash provided by operations: | | |
| Depreciation | 52,977 | 57,879 |
| Amortization of deferred policy acquisition costs | 2,193 | 1,917 |
| Change in allowance for losses on trade receivables | (28) | 13 |
| Change in allowance for losses on mortgage notes | - | (6) |
| Change in allowance for inventory reserves | 494 | 754 |
| Net (gain) loss on sale of real and personal property | (8,388) | 1,338 |
| Net gain on sale of investments | (1,015) | (625) |
| Deferred income taxes | 25,230 | 5,328 |
| Net change in other operating assets and liabilities: | | |
| Reinsurance recoverables and trade receivables | (15,345) | (11,890) |
| Inventories | (3,283) | 5,807 |
| Prepaid expenses | (2,331) | (6,838) |
| Capitalization of deferred policy acquisition costs | (3,663) | (3,063) |
| Other assets | (1,043) | (1,631) |
| Related party assets | 4,691 | 7,792 |
| Accounts payable and accrued expenses | 38,968 | 6,962 |
| Policy benefits and losses, claims and loss expenses payable | 10,240 | 6,367 |
| Other policyholders' funds and liabilities | (100) | (2,021) |
| Deferred income | 6,727 | 4,050 |
| Related party liabilities | 791 | (343) |
| Net cash provided by operating activities | 173,617 | 94,222 |
| Cash flows from investing activities: | | |
| Purchases of: | | |
| Property, plant and equipment | (138,902) | (123,546) |
| Short term investments | (51,827) | (51,535) |
| Fixed maturities investments | (66,227) | (33,647) |
| Equity securities | (6,225) | - |
| Preferred stock | (3,475) | (882) |
| Real estate | (134) | (293) |
| Mortgage loans | (51) | (288) |
| Proceeds from sale of: | | |
| Property, plant and equipment | 47,225 | 38,088 |
| Short term investments | 84,427 | 60,778 |
| Fixed maturities investments | 33,701 | 40,572 |
| Equity securities | 133 | - |
| Real estate | 1,588 | 12 |
| Mortgage loans | 721 | 735 |
| Payments from notes and mortgage receivables | 234 | 497 |
| Net cash used by investing activities | (98,812) | (69,509) |
| Cash flows from financing activities: | | |
| Borrowings from credit facilities | 91,957 | 13,478 |
| Principal repayments on credit facilities | (106,679) | (37,757) |
| Debt issuance costs | (89) | (277) |
| Capital lease payments | (6,951) | (329) |
| Leveraged Employee Stock Ownership Plan - repayments from loan | 295 | 264 |
| Preferred stock dividends paid | (3,156) | (3,241) |
| Investment contract deposits | 3,018 | 2,829 |
| Investment contract withdrawals | (8,685) | (13,500) |
| Net cash used by financing activities | (30,290) | (38,533) |
| Effects of exchange rate on cash | (519) | (50) |
| Increase (decrease) in cash and cash equivalents | 43,996 | (13,870) |
| Cash and cash equivalents at the beginning of period | 244,118 | 240,587 |
| Cash and cash equivalents at the end of period | $ 288,114 | $ 226,717 |

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

## 1. Basis of Presentation

AMERCO, a Nevada Corporation ("AMERCO"), has a first fiscal quarter that ends on the 30 th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31 st of March for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. The Company discloses any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2010 and 2009 correspond to fiscal 2011 and 2010 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars. Certain amounts reported in previous years have been reclassified to conform to the current presentation.

The condensed consolidated balance sheet as of June 30, 2010 and the related condensed consolidated statements of operations and cash flows for the first quarter of fiscal 2011 and 2010 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 10-Q should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

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"),

Republic Western Insurance Company ("RepWest"), and

Oxford Life Insurance Company ("Oxford").

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

***Description of Operating Segments***

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

Moving and Storage operations include 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, the rental of self-storage spaces 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 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 across North America. Property and Casualty Insurance also underwrites components of the Safemove, Safetow, Super Safemove and Safestor protection packages to U-Haul customers. ARCOA is a captive insurer owned by the Company whose purpose is to provide insurance products related to the moving and storage business.

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

**2. Earnings per Share**

Net earnings for purposes of computing earnings per common share are net earnings less preferred stock dividends paid, adjusted for the price paid by our insurance companies for purchasing AMERCO Preferred stock less its carrying value on our balance sheet. Preferred stock dividends include accrued dividends of AMERCO. Preferred stock dividends paid to or accrued for entities that are part of the consolidated group are excluded.

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares net of shares committed to be released were 186,583 and 231,942 as of June 30, 2010 and June 30, 2009, respectively.

5,934,000 and 6,049,800 shares of preferred stock have been excluded from the weighted average shares outstanding calculation as of June 30, 2010 and 2009, respectively because they are not common stock and they are not convertible into common stock.

From January 1, 2009 through March 31, 2010, our insurance subsidiaries purchased 166,000 shares of our Series A 8½ % Preferred Stock ("Series A Preferred") on the open market for $3.6 million. Between April 1, 2010 and June 30, 2010 they acquired an additional 138,000 shares for $3.5 million. Our insurance subsidiaries may make additional investments in shares of the Series A Preferred in the future. Pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 260 - *Earnings Per Share* ("ASC 260"), for earnings per share purposes, we recognize the excess or deficit of the carrying amount of the Series A Preferred over the fair value of the consideration paid. In the first quarter of fiscal 2011 this resulted in a $31 thousand charge to net earnings as the amount paid by the insurance companies exceeded the carrying value, net of a prorated portion of original issue costs of the preferred stock. In the first quarter of fiscal 2010 we recognized a $0.3 million gain as the amount paid was less than our adjusted carrying value.

**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.

The Company deposits bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was $15.2 million at June 30, 2010.

***Available-for-Sale Investments***

Available-for-sale investments at June 30, 2010 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 |
|---|---|---|---|---|---|
| | | | (Unaudited) | | |
| | | | (In thousands) | | |
| U.S. treasury securities and government obligations | $ 75,475 | $ 2,071 | $ (48) | $ (98) | $ 77,400 |
| U.S. government agency mortgage-backed securities | 82,534 | 4,929 | (2) | (43) | 87,418 |
| Obligations of states and political subdivisions | 18,960 | 341 | (1,072) | (79) | 18,150 |
| Corporate securities | 348,660 | 16,321 | (1,169) | (624) | 363,188 |
| Mortgage-backed securities | 8,647 | 235 | (381) | (19) | 8,482 |
| Redeemable preferred stocks | 22,198 | 1,267 | (1,539) | (21) | 21,905 |
| Common stocks | 24,472 | 450 | - | (3,741) | 21,181 |
| Less: Preferred stock of AMERCO held by subsidiaries | (3,628) | (534) | - | - | (4,162) |
| | $ 577,318 | $ 25,080 | $ (4,211) | $ (4,625) | $ 593,562 |

The table on the previous page includes gross unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

The Company sold available-for-sale securities with a fair value of $33.8 million during the first quarter of fiscal 2011. The gross realized gains on these sales totaled $1.1 million.

The unrealized losses of more than twelve months in the available-for-sale table are considered temporary declines. The Company tracks each investment with an unrealized loss and evaluates them on an individual basis for other-than-temporary impairments including obtaining corroborating opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments had declines determined by management to be other-than-temporary and the Company recognized these write-downs through earnings in the amount of $0.1 million for the first quarter of fiscal 2010. There were no write downs in the first quarter of fiscal 2011.

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

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

Credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in other comprehensive income were as follows:

| | Credit Loss |
|---|---|
| | (Unaudited) |
| | (In thousands) |
| Balance at March 31, 2010 | $ 552 |
| Other-than-temporary impairment not previously recognized | - |
| Balance at June 30, 2010 | $ 552 |

The adjusted cost and estimated market value of available-for-sale investments at June 30, 2010, by contractual maturity, were as follows:

| | June 30, 2010 | |
|---|---|---|
| | Amortized Cost | Estimated Market Value |
| | (Unaudited) | |
| | (In thousands) | |
| Due in one year or less | $ 38,810 | $ 39,717 |
| Due after one year through five years | 165,687 | 173,065 |
| Due after five years through ten years | 119,014 | 123,910 |
| Due after ten years | 202,118 | 209,464 |
| | 525,629 | 546,156 |
| | | |
| Mortgage backed securities | 8,647 | 8,482 |
| Redeemable preferred stocks | 22,198 | 21,905 |
| Equity securities | 24,472 | 21,181 |
| Less: Preferred stock of AMERCO held by subsidiaries | (3,628) | (4,162) |
| | $ 577,318 | $ 593,562 |

## 4. Borrowings

### *Long-Term Debt*

Long-term debt was as follows:

| | 2011 Rate (a) | Maturities | June 30, 2010 | March 31, 2010 |
|---|---|---|---|---|
| | | | (Unaudited) | |
| | | | (In thousands) | |
| Real estate loan (amortizing term) | 6.93% | 2018 | $ 262,500 | $ 265,000 |
| Real estate loan (revolving credit) | 1.85% | 2018 | 60,000 | 86,000 |
| Real estate loan (amortizing term) | 5.00% | 2011 | 11,486 | 31,865 |
| Senior mortgages | 5.47% - 6.13% | 2015 - 2016 | 485,670 | 489,186 |
| Working capital loan (revolving credit) | - | 2011 | - | 15,000 |
| Fleet loans (amortizing term) | 4.78% - 7.95% | 2012 - 2017 | 328,741 | 276,222 |
| Fleet loans (securitization) | 5.56% | 2014 | 136,622 | 143,170 |
| Other obligations | 3.25% - 9.50% | 2011 - 2017 | 53,617 | 41,192 |
| Total notes, loans and leases payable | | | $ 1,338,636 | $ 1,347,635 |

(a) Interest rate as of June 30, 2010, including the effect of applicable hedging instruments.

### *Real Estate Backed Loans*

*Real Estate Loan*

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. The loan has a final maturity date of August 2018. The loan is comprised of a term loan facility with initial availability of $300.0 million and a revolving credit facility with an availability of $200.0 million. As of June 30, 2010, the outstanding balance on the Real Estate Loan was $262.5 million and $60.0 million had been drawn down on the revolving credit facility. U-Haul International, Inc. is a guarantor of this loan.

The amortizing term portion of the Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The revolving credit portion of the Real Estate Loan requires monthly interest payments when drawn, with the unpaid loan balance and any accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers.

The interest rate for the amortizing term portion, per the provisions of the amended Loan Agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At June 30, 2010, the applicable LIBOR was 0.35% and the applicable margin was 1.50%, the sum of which was 1.85%. The rate on the term facility portion of the loan is hedged with an interest rate swap fixing the rate at 6.93% based on current margin.

The interest rate for the revolving credit facility, per the provision of the amended Loan Agreement, is the applicable LIBOR plus the applicable margin. The margin ranges from 1.50% to 2.00%. At June 30, 2010, the applicable LIBOR was 0.35% and the applicable margin was 1.50%, the sum of which was 1.85%.

The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Amerco Real Estate Company and a subsidiary of U-Haul International, Inc. entered into a revolving credit construction loan effective June 29, 2006. This loan was modified and extended on June 25, 2010. The loan is comprised of a term loan facility and a revolving credit facility with combined availability of $20 million and a final maturity of June 2011. As of June 30, 2010, the outstanding balance was $11.5 million.

This Real Estate Loan requires monthly principal and interest payments with the unpaid principal and any accrued and unpaid interest due at maturity. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 3.00%. At June 30, 2010, the applicable LIBOR floor was 2.00% and the margin was 3.00%, the sum of which was 5.00%. U-Haul International, Inc. and AMERCO are guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

*Senior Mortgages*

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under certain senior mortgages. These senior mortgage loan balances as of June 30, 2010 were in the aggregate amount of $429.6 million and are due July 2015. The Senior Mortgages require average monthly principal and interest payments of $3.0 million with the unpaid loan balance and accrued and unpaid interest due at maturity. These senior mortgages are secured by certain properties owned by the borrowers. The interest rates, per the provisions of these senior mortgages, are 5.68% and 5.52% per annum. Amerco Real Estate Company and U-Haul International, Inc. have provided limited guarantees of these senior mortgages. The default provisions of these 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.

Various subsidiaries of the Company are borrowers under the mortgage backed loans that we also classify as senior mortgages. These loans are secured by certain properties owned by the borrowers. The loan balance of these notes totals $56.1 million as of June 30, 2010. These loans mature in 2015 and 2016. Rates for these loans range from 5.47% to 6.13%. The loans require monthly principal and interest payments with the balances due upon maturity. The default provisions of the loans 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.

*Working Capital Loans*

Amerco Real Estate Company is a borrower under an asset backed working capital loan. The maximum amount that can be drawn at any one time is $25.0 million. At June 30, 2010, the Company had the full $25.0 million available to be drawn. The loan is secured by certain properties owned by the borrower. The loan agreement provides for revolving loans, subject to the terms of the loan agreement with final maturity in November 2011. The loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. U-Haul International, Inc. and AMERCO are the guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.50%.

***Fleet Loans***

*Rental Truck Amortizing Loans*

U-Haul International, Inc. and several of its subsidiaries are borrowers under amortizing term loans. The balance of the loans as of June 30, 2010 was $272.0 million with the final maturities between April 2012 and July 2017.

The Amortizing Loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the Loan Agreements, are the applicable LIBOR plus a margin between 0.90% and 2.63%. At June 30, 2010, the applicable LIBOR was 0.35% and applicable margins were between 1.13% and 2.63%. The interest rates are hedged with interest rate swaps fixing the rates between 4.78% and 7.42% based on current margins. Additionally, $21.1 million of these loans are carried at a fixed rate of 7.95%.

AMERCO and U-Haul International, Inc. are guarantors 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.

On December 31, 2009 a subsidiary of U-Haul International, Inc. entered into an $85.0 million term note that will be used to fund cargo van and pickup acquisitions for the next three years. The loan matures thirty-six months after the last draw. The agreement contains options to extend the maturity. The note will be secured by the purchased equipment and the corresponding operating cash flows associated with their operation. At June 30, 2010, the applicable LIBOR was 0.54% and the applicable margin was 4.50%, the sum of which was 5.04%. At June 30, 2010 the Company had drawn $56.7 million on this loan.

*Rental Truck Securitizations*

U-Haul S Fleet and its subsidiaries (collectively, “USF”) issued a $217.0 million asset-backed note (“Box Truck Note”) on June 1, 2007. USF is a bankruptcy-remote special purpose entity wholly-owned by U-Haul International, Inc. The net proceeds from the securitized transaction were used to finance new box truck purchases throughout fiscal 2008. U.S. Bank, NA acts as the trustee for this securitization.

The Box Truck Note has a fixed interest rate of 5.56% with an estimated final maturity of February 2014. At June 30, 2010, the outstanding balance was $136.6 million. The note is secured by the box trucks that were purchased and the corresponding operating cash flows associated with their operation.

The Box Truck Note has the benefit of financial guaranty insurance policy that guarantees the timely payment of interest on and the ultimate payment of the principal of the note.

The Box Truck Note is subject to certain covenants with respect to liens, additional indebtedness of the special purpose entities, the disposition of assets and other customary covenants of bankruptcy-remote special purpose entities. The default provisions of the note include non-payment of principal or interest and other standard reporting and change-in-control covenants.

*Other Obligations*

The Company entered into capital leases for new equipment between April 2008 and May 2010, with terms of the leases between 3 and 7 years. At June 30, 2010, the balance of these leases was $46.9 million.

In January 2010, the Company entered into a $0.5 million premium financing arrangement for two years expiring in December 2011 with a fixed rate of 3.37%. The Company entered into $7.5 million of premium financing arrangements for one year expiring in March and April 2011 at rates between 3.25% and 5.50%. At June 30, 2010, the outstanding balance was $6.7 million.

***Annual Maturities of Notes, Loans and Leases Payable***

The annual maturities of long-term debt as of June 30, 2010 for the next five years and thereafter are as follows:

| | Year Ending June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2014 | 2015 | Thereafter |
| | (Unaudited) (In thousands) | | | | | |
| Notes, loans and leases payable, secured | $ 100,597 | $ 138,206 | $ 161,141 | $ 156,496 | $ 54,728 | $ 727,468 |

## 5. Interest on Borrowings

***Interest Expense***

Components of interest expense include the following:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) (In thousands) | |
| Interest expense | $ 14,425 | $ 16,059 |
| Capitalized interest | (147) | (151) |
| Amortization of transaction costs | 1,105 | 1,185 |
| Interest expense resulting from derivatives | 6,081 | 6,128 |
| Total interest expense | $ 21,464 | $ 23,221 |

Interest paid in cash by AMERCO amounted to $13.1 million and $14.9 million for the first quarter of fiscal 2011 and 2010, respectively.

The Company manages exposure to changes in market interest rates. The Company's 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, the designated benchmark interest rate being hedged on certain of our LIBOR indexed variable rate debt. The interest rate swaps effectively fix the Company's interest payments on certain LIBOR indexed variable rate debt. The Company monitors its positions and the credit ratings of its counterparties and does not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes.

| Original variable rate debt amount | | Agreement Date | Effective Date | Expiration Date | Designated cash flow hedge date |
|---|---|---|---|---|---|
| | | | (Unaudited) (In millions) | | |
| $ 142.3 | (a), (b) | 11/15/2005 | 5/10/2006 | 4/10/2012 | 5/31/2006 |
| 50.0 | (a) | 6/21/2006 | 7/10/2006 | 7/10/2013 | 6/9/2006 |
| 144.9 | (a), (b) | 6/9/2006 | 10/10/2006 | 10/10/2012 | 6/9/2006 |
| 300.0 | (a) | 8/16/2006 | 8/18/2006 | 8/10/2018 | 8/4/2006 |
| 30.0 | (a) | 2/9/2007 | 2/12/2007 | 2/10/2014 | 2/9/2007 |
| 20.0 | (a) | 3/8/2007 | 3/12/2007 | 3/10/2014 | 3/8/2007 |
| 20.0 | (a) | 3/8/2007 | 3/12/2007 | 3/10/2014 | 3/8/2007 |
| 19.3 | (a), (b) | 4/8/2008 | 8/15/2008 | 6/15/2015 | 3/31/2008 |
| 19.0 | (a) | 8/27/2008 | 8/29/2008 | 7/10/2015 | 4/10/2008 |
| 30.0 | (a) | 9/24/2008 | 9/30/2008 | 9/10/2015 | 9/24/2008 |
| 15.0 | (a), (b) | 3/24/2009 | 3/30/2009 | 4/15/2016 | 3/25/2009 |

(a) interest rate swap agreement
(b) forward swap

As of June 30, 2010, the total notional amount of the Company’s variable interest rate swaps was $505.2 million.

The derivative fair values located in Accounts payable and accrued expenses in the balance sheets were as follows:

| | Liability Derivatives Fair Value as of | |
|---|---|---|
| | June 30, 2010 | March 31, 2010 |
| | (Unaudited) | |
| | (In thousands) | |
| Interest rate contracts designated as hedging instruments | $66,142 | $54,239 |

| | The Effect of Interest Rate Contracts on the Statement of Operations | |
|---|---|---|
| | June 30, 2010 | June 30, 2009 |
| | (Unaudited) | |
| | (In thousands) | |
| Loss recognized in income on interest rate contracts | $ 6,081 | $ 6,128 |
| Loss recognized in AOCI on interest rate contracts (effective portion) | $ 12,083 | $ 22,368 |
| Loss reclassified from AOCI into income (effective portion) | $ 6,260 | $ 6,783 |
| (Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing) | $ (179) | $ 655 |

Gains or losses recognized in income on derivatives are recorded as interest expense in the statement of operations.

***Interest Rates***

Interest rates and Company borrowings were as follows:

| | Revolving Credit Activity | |
|---|---|---|
| | Quarter Ended June 30, | |
| | 2010 | 2009 |
| | (Unaudited) | |
| | (In thousands, except interest rates) | |
| Weighted average interest rate during the quarter | 1.80% | 1.90% |
| Interest rate at the end of the quarter | 1.85% | 1.83% |
| Maximum amount outstanding during the quarter | $ 111,000 | $ 207,280 |
| Average amount outstanding during the quarter | $ 85,648 | $ 205,232 |
| Facility fees | $ 56 | $ 242 |

**6. Stockholders Equity**

On December 3, 2008, the Board of Directors (the “Board”) authorized us, using management’s discretion, to buy back shares from former employees who were participants in our Employee Stock Ownership Plan (“ESOP”). To be eligible for consideration, the employees’ respective ESOP account balances must be valued at more than $1,000 at the then-prevailing market prices but have less than 100 shares. No such shares have been purchased.

Between January 1, 2009 and June 30, 2010, our insurance subsidiaries purchased 304,000 shares of Series A Preferred on the open market for $7.1 million. Our insurance subsidiaries may make additional investments in shares of the Series A Preferred in the future.

**7. Comprehensive Income (Loss)**

A summary of accumulated other comprehensive income (loss) components, net of tax, were as follows:

| | Foreign Currency Translation | Unrealized Gain on Investments | Fair Market Value of Cash Flow Hedges | Postretirement Benefit Obligation Gain | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|---|
| | | | (Unaudited) | | |
| | | | (In thousands) | | |
| Balance at March 31, 2010 | $ (29,142) | $ 5,931 | $ (33,933) | $ 937 | $ (56,207) |
| Foreign currency translation | (3,876) | - | - | - | (3,876) |
| Unrealized gain on investments | - | 866 | - | - | 866 |
| Change in fair value of cash flow hedges | - | - | (7,491) | - | (7,491) |
| Balance at June 30, 2010 | $ (33,018) | $ 6,797 | $ (41,424) | $ 937 | $ (66,708) |

**8. Contingent Liabilities and Commitments**

The Company leases a portion of its rental equipment and certain of its facilities under operating leases with terms that expire at various dates through 2017, with the exception of one land lease expiring in 2034. As of June 30, 2010, AMERCO has guaranteed $174.6 million of residual values for these rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, the Company has the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. AMERCO has been leasing equipment since 1987 and has experienced no material losses relating to these types of residual value guarantees.

Lease commitments for leases having terms of more than one year were as follows:

| | Property, Plant and Equipment | Rental Equipment | Total |
|---|---|---|---|
| | | (Unaudited) | |
| | | (In thousands) | |
| Year-ended June 30: | | | |
| 2011 | $ 15,076 | $ 116,061 | $ 131,137 |
| 2012 | 14,134 | 101,436 | 115,570 |
| 2013 | 13,637 | 84,443 | 98,080 |
| 2014 | 11,824 | 67,352 | 79,176 |
| 2015 | 721 | 43,574 | 44,295 |
| Thereafter | 5,818 | 13,020 | 18,838 |
| Total | $ 61,210 | $ 425,886 | $ 487,096 |

**9. Contingencies**

***Shoen***

In September 2002, Paul F. Shoen filed a shareholder derivative lawsuit in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Paul F. Shoen vs. SAC Holding Corporation et al ., CV 02-05602, seeking damages and equitable relief on behalf of AMERCO from SAC Holdings and certain current and former members of the AMERCO Board of Directors, including Edward J. Shoen, Mark V. Shoen and James P. Shoen as Defendants. AMERCO is named as a nominal Defendant in the case. The complaint alleges breach of fiduciary duty, self-dealing, usurpation of corporate opportunities, wrongful interference with prospective economic advantage and unjust enrichment and seeks the unwinding of sales of self-storage properties by subsidiaries of AMERCO to SAC prior to the filing of the complaint. The complaint seeks a declaration that such transfers are void as well as unspecified damages. In October 2002, the Defendants filed motions to dismiss the complaint. Also in October 2002, Ron Belec filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Ron Belec vs. William E. Carty, et al ., CV 02-06331 and in January 2003, M.S. Management Company, Inc. filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned M.S. Management Company, Inc. vs. William E. Carty, et al ., CV 03-00386. Two additional derivative suits were also filed against these parties. Each of these suits is substantially similar to the Paul F. Shoen case. The Court consolidated the five cases and thereafter dismissed these actions in May 2003, concluding that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board. Plaintiffs appealed this decision and, in July 2006, the Nevada Supreme Court reversed the ruling of the trial court and remanded the case to the trial court for proceedings consistent with its ruling, allowing the Plaintiffs to file an amended complaint and plead in addition to substantive claims, demand futility.

In November 2006, the Plaintiffs filed an amended complaint. In December 2006, the Defendants filed motions to dismiss, based on various legal theories. In March 2007, the Court denied AMERCO's motion to dismiss regarding the issue of demand futility, stating that "Plaintiffs have satisfied the heightened pleading requirements of demand futility by showing a majority of the members of the AMERCO Board of Directors were interested parties in the SAC transactions." The Court heard oral argument on the remainder of the Defendants' motions to dismiss, including the motion ("Goldwasser Motion") based on the fact that the subject matter of the lawsuit had been settled and dismissed in earlier litigation known as Goldwasser v. Shoen , C.V.N.-94-00810-ECR (D.Nev), Washoe County, Nevada. In addition, in September and October 2007, the Defendants filed Motions for Judgment on the Pleadings or in the Alternative Summary Judgment, based on the fact that the stockholders of the Company had ratified the underlying transactions at the 2007 annual meeting of stockholders of AMERCO. In December 2007, the Court denied this motion. This ruling does not preclude a renewed motion for summary judgment after discovery and further proceedings on these issues. On April 7, 2008, the litigation was dismissed, on the basis of the Goldwasser Motion. On May 8, 2008, the Plaintiffs filed a notice of appeal of such dismissal to the Nevada Supreme Court. On May 20, 2008, AMERCO filed a cross appeal relating to the denial of its Motion to Dismiss in regard to demand futility. The Nevada Supreme Court heard the case En Banc on July 7, 2010 and we are awaiting the ruling.

***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. Real Estate expects to spend approximately $2.6 million in total through 2011 to remediate these properties.

***Other***

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

**10. Related Party Transactions**

As set forth in the Audit Committee Charter and consistent with Nasdaq Listing Rules, the Audit Committee reviews and maintains oversight over related party transactions which are required to be disclosed under the SEC rules and regulations. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. The Company's internal processes ensure that the Company's legal and finance departments identify and monitor potential related party transactions which may require disclosure and Audit Committee oversight.

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

SAC Holding Corporation and SAC Holding II Corporation, (collectively "SAC Holdings") were established in order to acquire self-storage properties. These properties are being managed by the Company pursuant to management agreements. In the past, the Company has sold various self-storage properties to SAC Holdings, and such sales provided significant cash flows to the Company.

Management believes that the sales of self-storage properties to SAC Holdings has provided a unique structure for the Company to earn moving equipment rental revenues and property management fee revenues from the SAC Holdings self-storage properties that the Company manages.

During the first quarter of fiscal 2011, subsidiaries of the Company held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly-owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. The Company does not have an equity ownership interest in SAC Holdings. The Company recorded interest income of $4.8 million and $4.7 million, and received cash interest payments of $3.3 million and $2.8 million, from SAC Holdings during the first quarter of fiscal 2011 and 2010, respectively. The largest aggregate amount of notes receivable outstanding during the first quarter of fiscal 2011 was $196.9 million and the aggregate notes receivable balance at June 30, 2010 was $196.7 million. In accordance with the terms of these notes, SAC Holdings may prepay the notes without penalty or premium at any time. The scheduled maturities of these notes are between 2019 and 2024.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a 9.0% rate per annum. A fixed portion of that basic interest is paid on a monthly basis. Additional interest can be earned on notes totaling $122.2 million of principal depending upon the amount of remaining basic interest and the cash flow generated by the underlying property. This amount is referred to as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest would be paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred. In addition, subject to certain contingencies, the junior notes provide that the holder of the note is entitled to receive a portion of the appreciation realized upon, among other things, the sale of such property by SAC Holdings. To date, no excess cash flows related to these arrangements have been earned or paid.

During the first quarter of fiscal 2011, AMERCO and U-Haul held various junior notes with Private Mini Storage Realty, L.P. ("Private Mini"). The equity interests of Private Mini are ultimately controlled by Blackwater. The Company recorded interest income of $1.4 million and $1.3 million for the first quarter of fiscal 2011 and 2010, respectively and received cash interest payments of $1.4 million and $1.3 million from Private Mini for the first quarter of fiscal 2011 and 2010, respectively. The balance of notes receivable from Private Mini at June 30, 2010 was $67.0 million. The largest aggregate amount outstanding during the first quarter of fiscal 2011 was $67.3 million.

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. ("Mercury"), Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini pursuant to a standard form of management agreement, under which the Company receives a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. The Company received management fees, exclusive of reimbursed expenses, of $8.8 million and $9.7 million from the above mentioned entities during the first quarter of fiscal 2011 and 2010, respectively. This management fee is consistent with the fee received for other properties the Company previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

The Company leases space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were $0.6 million for both the first quarter of fiscal 2011 and 2010. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At June 30, 2010, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with the Company's other independent dealers whereby commissions are paid by the Company based upon equipment rental revenues. The Company paid the above mentioned entities $10.0 million and $9.2 million in commissions pursuant to such dealership contracts during the first quarter of fiscal 2011 and 2010, respectively.

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of $10.2 million, expenses of $0.6 million and cash flows of $11.5 million during the first quarter of fiscal 2011. Revenues and commission expenses related to the Dealer Agreements were $47.5 million and $10.0 million, respectively during the first quarter of fiscal 2011.

Between January 1, 2009 and June 30, 2010, our insurance subsidiaries purchased 304,000 shares of Series A Preferred on the open market for $7.1 million. Our insurance subsidiaries may make additional investments in shares of the Series A Preferred in the future.

The Company adopted Accounting Standards Update (“ASU”) 2009-17, which amends the FASB ASC for the issuance of FASB Statement No. 167, *Amendments to FASB Interpretation No. 46(R)* , as of April 1, 2010. Management determined that the junior notes of SAC Holdings and Private Mini and the management agreements with SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini represent potential variable interests for the Company. Management evaluated whether it should be identified as the primary beneficiary of one or more of these variable interest entity’s (“VIE’s”) using a two step approach in which management a) identified all other parties that hold interests in the VIE’s, and b) determined if any variable interest holder has the power to direct the activities of the VIE’s that most significantly impact their economic performance.

Management determined that they do not have a variable interest in the holding entities Mercury, 4 SAC, 5 SAC, or Galaxy through management agreements which are with the individual operating entities or through the issuance of junior debt therefore the Company is precluded from consolidating these entities, which is consistent with the accounting treatment immediately prior to adopting ASU 2009-17.

The Company has junior debt with the holding entities SAC Holding Corporation, SAC Holding II Corporation, and Private Mini which represents a variable interest in each individual entity. Though the Company has certain protective rights within these debt agreements, the Company has no present influence or control over these holding entities unless their protective rights become exercisable, which management considers unlikely based on their payment history. As a result, the Company has no basis under ASC 810 - *Consolidation (*“ ASC 810”) to consolidate these entities, which is consistent with the accounting treatment immediately prior to adopting ASU 2009-17.

The Company does not have the power to direct the activities that most significantly impact the economic performance of the individual operating entities which have management agreements with U-Haul. Through control of the holding entities assets, and its ability and history of making key decisions relating to the entity and its assets, Blackwater, and its owner, are the variable interest holder with the power to direct the activities that most significantly impact each of the individual holding entities and the individual operating entities’ performance. As a result, the Company has no basis under ASC 810 to consolidate these entities, which is consistent with the accounting treatment immediately prior to adopting ASU 2009-17.

The Company has not provided financial or other support explicitly or implicitly during the quarter ended June 30, 2010 to any of these entities that it was not previously contractually required to provide. The carrying amount and classification of the assets and liabilities in the Company’s balance sheet that relate to the Company’s variable interests in the aforementioned entities are as follows, which approximate the maximum exposure to loss as a result of the Company’s involvement with these entities:

***Related Party Assets***

| | June 30, 2010 | March 31, 2010 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| U-Haul notes, receivables and interest from Private Mini | $ 69,236 | $ 69,867 |
| U-Haul notes receivable from SAC Holdings | 196,741 | 196,903 |
| U-Haul interest receivable from SAC Holdings | 15,200 | 13,775 |
| U-Haul receivable from SAC Holdings | 11,202 | 15,780 |
| U-Haul receivable from Mercury | 4,421 | 6,138 |
| Other (a) | (199) | (337) |
| | $ 296,601 | $ 302,126 |

(a) Timing differences for intercompany balances with insurance subsidiaries.

**11. Consolidating Financial Information by Industry Segment**

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

AMERCO's three reportable segments are:

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

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.

## 11. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of June 30, 2010 are as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| | | | | | (Unaudited) (In thousands) | | | | |
| Assets: | | | | | | | | | |
| Cash and cash equivalents | $ 132,490 | $ 122,283 | $ 3 | $ - | $ 254,776 | $ 20,388 | $ 12,950 | $ - | $ 288,114 |
| Reinsurance recoverables and trade receivables, net | - | 28,440 | - | - | 28,440 | 166,450 | 18,766 | - | 213,656 |
| Notes and mortgage receivables, net | - | 357 | 870 | - | 1,227 | - | - | - | 1,227 |
| Inventories, net | - | 55,626 | - | - | 55,626 | - | - | - | 55,626 |
| Prepaid expenses | - | 55,684 | 26 | - | 55,710 | - | - | - | 55,710 |
| Investments, fixed maturities and marketable equities | 19,720 | - | - | - | 19,720 | 108,331 | 469,673 | (4,162) (d) | 593,562 |
| Investments, other | - | 1,120 | 12,908 | - | 14,028 | 98,490 | 80,206 | - | 192,724 |
| Deferred policy acquisition costs, net | - | - | - | - | - | - | 38,905 | - | 38,905 |
| Other assets | 37,797 | 80,950 | 26,999 | - | 145,746 | 782 | 465 | - | 146,993 |
| Related party assets | 1,172,454 | 242,197 | 25 | (1,115,514) (c) | 299,162 | 2,734 | - | (5,295) (c) | 296,601 |
| | 1,362,461 | 586,657 | 40,831 | (1,115,514) | 874,435 | 397,175 | 620,965 | (9,457) | 1,883,118 |
| Investment in subsidiaries | (234,014) | - | - | 564,949 (b) | 330,935 | - | - | (330,935) (b) | - |
| Property, plant and equipment, at cost: | | | | | | | | | |
| Land | - | 43,450 | 180,303 | - | 223,753 | - | - | - | 223,753 |
| Buildings and improvements | 1 | 164,488 | 827,847 | - | 992,336 | - | - | - | 992,336 |
| Furniture and equipment | 246 | 306,574 | 18,168 | - | 324,988 | - | - | - | 324,988 |
| Rental trailers and other rental equipment | - | 242,451 | - | - | 242,451 | - | - | - | 242,451 |
| Rental trucks | - | 1,562,423 | - | - | 1,562,423 | - | - | - | 1,562,423 |
| | 247 | 2,319,386 | 1,026,318 | - | 3,345,951 | - | - | - | 3,345,951 |
| Less: Accumulated depreciation | (215) | (1,014,230) | (335,084) | - | (1,349,529) | - | - | - | (1,349,529) |
| Total property, plant and equipment | 32 | 1,305,156 | 691,234 | - | 1,996,422 | - | - | - | 1,996,422 |
| Total assets | $ 1,128,479 | $ 1,891,813 | $ 732,065 | $ (550,565) | $ 3,201,792 | $ 397,175 | $ 620,965 | $ (340,392) | $ 3,879,540 |

(a) Balances as of March 31, 2010
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables
(d) Eliminate intercompany preferred stock investment

Consolidating balance sheets by industry segment as of June 30, 2010 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| | | | | | (Unaudited) (In thousands) | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued expenses | $ 15,565 | $ 312,247 | $ 4,036 | $ - | $ 331,848 | $ - | $ 6,946 | $ - | $ 338,794 |
| Notes, loans and leases payable | - | 560,547 | 778,089 | - | 1,338,636 | - | - | - | 1,338,636 |
| Policy benefits and losses, claims and loss expenses payable | - | 387,202 | - | - | 387,202 | 267,752 | 171,235 | - | 826,189 |
| Liabilities from investment contracts | - | - | - | - | - | - | 263,142 | - | 263,142 |
| Other policyholders' funds and liabilities | - | - | - | - | - | 6,200 | 1,855 | - | 8,055 |
| Deferred income | - | 31,889 | - | - | 31,889 | - | - | - | 31,889 |
| Deferred income taxes | 239,573 | - | - | - | 239,573 | (32,066) | 408 | (188) (d) | 207,727 |
| Related party liabilities | - | 1,011,042 | 108,034 | (1,115,514) (c) | 3,562 | 1,606 | 127 | (5,295) (c) | - |
| Total liabilities | 255,138 | 2,302,927 | 890,159 | (1,115,514) | 2,332,710 | 243,492 | 443,713 | (5,483) | 3,014,432 |
| | | | | | | | | | |
| Stockholders' equity: | | | | | | | | | |
| Series preferred stock: | | | | | | | | | |
| Series A preferred stock | - | - | - | - | - | - | - | - | - |
| Series B preferred stock | - | - | - | - | - | - | - | - | - |
| Series A common stock | - | - | - | - | - | - | - | - | - |
| Common stock | 10,497 | 540 | 1 | (541) (b) | 10,497 | 3,301 | 2,500 | (5,801) (b) | 10,497 |
| Additional paid-in capital | 422,883 | 121,230 | 147,941 | (269,171) (b) | 422,883 | 89,620 | 26,271 | (119,875) (b,d ) | 418,899 |
| Accumulated other comprehensive income (loss) | (66,361) | (73,505) | - | 73,505 (b) | (66,361) | 1,340 | 7,525 | (9,212) (b,d ) | (66,708) |
| Retained earnings (deficit) | 1,031,975 | (455,120) | (306,036) | 761,156 (b) | 1,031,975 | 59,422 | 140,956 | (200,021) (b,d ) | 1,032,332 |
| Cost of common shares in treasury, net | (525,653) | - | - | - | (525,653) | - | - | - | (525,653) |
| Unearned employee stock ownership plan shares | - | (4,259) | - | - | (4,259) | - | - | - | (4,259) |
| Total stockholders' equity (deficit) | 873,341 | (411,114) | (158,094) | 564,949 | 869,082 | 153,683 | 177,252 | (334,909) | 865,108 |
| Total liabilities and stockholders' equity | $ 1,128,479 | $ 1,891,813 | $ 732,065 | $ (550,565) | $ 3,201,792 | $ 397,175 | $ 620,965 | $ (340,392) | $ 3,879,540 |

(a) Balances as of March 31, 2010
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables
(d) Eliminate intercompany preferred stock investment

Consolidating balance sheets by industry segment as of March 31, 2010 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | AMERCO Consolidated |
| | | | | | (In thousands) | | | | |
| Assets: | | | | | | | | | |
| Cash and cash equivalents | $ 100,460 | $ 107,241 | $ 4 | $ - | $ 207,705 | $ 22,126 | $ 14,287 | $ - | $ 244,118 |
| Reinsurance recoverables and trade receivables, net | - | 17,797 | - | - | 17,797 | 168,119 | 12,367 | - | 198,283 |
| Notes and mortgage receivables, net | - | 379 | 1,082 | - | 1,461 | - | - | - | 1,461 |
| Inventories, net | - | 52,837 | - | - | 52,837 | - | - | - | 52,837 |
| Prepaid expenses | - | 53,305 | 74 | - | 53,379 | - | - | - | 53,379 |
| Investments, fixed maturities and marketable equities | 18,247 | - | - | - | 18,247 | 98,623 | 435,015 | (2,567) (d) | 549,318 |
| Investments, other | - | 2,626 | 12,990 | - | 15,616 | 106,334 | 105,536 | - | 227,486 |
| Deferred policy acquisition costs, net | - | - | - | - | - | - | 39,194 | - | 39,194 |
| Other assets | 37,800 | 79,228 | 27,407 | - | 144,435 | 912 | 517 | - | 145,864 |
| Related party assets | 1,176,096 | 247,074 | 8 | (1,118,983) (c) | 304,195 | 2,446 | - | (4,515) (c) | 302,126 |
| | 1,332,603 | 560,487 | 41,565 | (1,118,983) | 815,672 | 398,560 | 606,916 | (7,082) | 1,814,066 |
| Investment in subsidiaries | (279,582) | - | - | 604,478 (b) | 324,896 | - | - | (324,896) (b) | - |
| Property, plant and equipment, at cost: | | | | | | | | | |
| Land | - | 44,525 | 180,379 | - | 224,904 | - | - | - | 224,904 |
| Buildings and improvements | - | 157,073 | 813,864 | - | 970,937 | - | - | - | 970,937 |
| Furniture and equipment | 248 | 304,926 | 18,160 | - | 323,334 | - | - | - | 323,334 |
| Rental trailers and other rental equipment | - | 244,131 | - | - | 244,131 | - | - | - | 244,131 |
| Rental trucks | - | 1,529,817 | - | - | 1,529,817 | - | - | - | 1,529,817 |
| | 248 | 2,280,472 | 1,012,403 | - | 3,293,123 | - | - | - | 3,293,123 |
| Less: Accumulated depreciation | (216) | (1,012,575) | (331,944) | - | (1,344,735) | - | - | - | (1,344,735) |
| Total property, plant and equipment | 32 | 1,267,897 | 680,459 | - | 1,948,388 | - | - | - | 1,948,388 |
| Total assets | $ 1,053,053 | $ 1,828,384 | $ 722,024 | $ (514,505) | $ 3,088,956 | $ 398,560 | $ 606,916 | $ (331,978) | $ 3,762,454 |

(a) Balances as of December 31, 2009
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

(d) Eliminate intercompany preferred stock investment

Consolidating balance sheets by industry segment as of March 31, 2010 are as follows:

| | Moving & Storage | | | | | | AMERCO Legal Group | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | | AMERCO Consolidated |
| | | | | | | (In thousands) | | | | | |
| Liabilities: | | | | | | | | | | | |
| Accounts payable and accrued expenses | $ 12,496 | $ 275,150 | $ 4,212 | $ - | | $ 291,858 | $ - | $ 4,199 | $ - | | $ 296,057 |
| Notes, loans and leases payable | - | 508,930 | 838,705 | - | | 1,347,635 | - | - | - | | 1,347,635 |
| Policy benefits and losses, claims and loss expenses payable | - | 385,520 | - | - | | 385,520 | 272,438 | 158,951 | - | | 816,909 |
| Liabilities from investment contracts | - | - | - | - | | - | - | 268,810 | - | | 268,810 |
| Other policyholders' funds and liabilities | - | - | - | - | | - | 5,609 | 2,546 | - | | 8,155 |
| Deferred income | - | 25,207 | - | - | | 25,207 | - | - | - | | 25,207 |
| Deferred income taxes | 220,659 | - | - | - | | 220,659 | (32,819) | (936) | (134) | (d) | 186,770 |
| Related party liabilities | - | 1,081,278 | 40,438 | (1,118,983) | (c) | 2,733 | 1,655 | 127 | (4,515) | (c) | - |
| Total liabilities | 233,155 | 2,276,085 | 883,355 | (1,118,983) | | 2,273,612 | 246,883 | 433,697 | (4,649) | | 2,949,543 |
| | | | | | | | | | | | |
| Stockholders' equity: | | | | | | | | | | | |
| Series preferred stock: | | | | | | | | | | | |
| Series A preferred stock | - | - | - | - | | - | - | - | - | | - |
| Series B preferred stock | - | - | - | - | | - | - | - | - | | - |
| Series A common stock | - | - | - | - | | - | - | - | - | | - |
| Common stock | 10,497 | 540 | 1 | (541) | (b) | 10,497 | 3,301 | 2,500 | (5,801) | (b) | 10,497 |
| Additional paid-in capital | 422,384 | 121,230 | 147,941 | (269,171) | (b) | 422,384 | 89,620 | 26,271 | (118,464) | (b,d) | 419,811 |
| Accumulated other comprehensive income (loss) | (55,959) | (62,138) | - | 62,138 | (b) | (55,959) | 242 | 5,625 | (6,115) | (b,d) | (56,207) |
| Retained earnings (deficit) | 968,629 | (502,779) | (309,273) | 812,052 | (b) | 968,629 | 58,514 | 138,823 | (196,949) | (b,d) | 969,017 |
| Cost of common shares in treasury, net | (525,653) | - | - | - | | (525,653) | - | - | - | | (525,653) |
| Unearned employee stock ownership plan shares | - | (4,554) | - | - | | (4,554) | - | - | - | | (4,554) |
| Total stockholders' equity (deficit) | 819,898 | (447,701) | (161,331) | 604,478 | | 815,344 | 151,677 | 173,219 | (327,329) | | 812,911 |
| Total liabilities and stockholders' equity | $ 1,053,053 | $ 1,828,384 | $ 722,024 | $ (514,505) | | $ 3,088,956 | $ 398,560 | $ 606,916 | $ (331,978) | | $ 3,762,454 |

(a) Balances as of December 31, 2009
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables
(d) Eliminate intercompany preferred stock investment

Consolidating statement of operations by industry segment for the quarter ending June 30, 2010 is as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | | AMERCO Consolidated |
| | | | | | | (Unaudited) (In thousands) | | | | | |
| Revenues: | | | | | | | | | | | |
| Self-moving equipment rentals | $ - | $ 419,880 | $ - | $ - | | $ 419,880 | $ - | $ - | $ (417) | (c) | $ 419,463 |
| Self-storage revenues | - | 27,915 | 312 | - | | 28,227 | - | - | - | | 28,227 |
| Self-moving & self-storage products & service sales | - | 63,290 | - | - | | 63,290 | - | - | - | | 63,290 |
| Property management fees | - | 4,536 | - | - | | 4,536 | - | - | - | | 4,536 |
| Life insurance premiums | - | - | - | - | | - | - | 37,803 | - | | 37,803 |
| Property and casualty insurance premiums | - | - | - | - | | - | 6,179 | - | - | | 6,179 |
| Net investment and interest income | 1,211 | 5,079 | - | - | | 6,290 | 1,915 | 5,532 | (382) | (b,e) | 13,355 |
| Other revenue | 20 | 14,172 | 19,372 | (20,629) | (b) | 12,935 | - | 507 | (348) | (b) | 13,094 |
| Total revenues | 1,231 | 534,872 | 19,684 | (20,629) | | 535,158 | 8,094 | 43,842 | (1,147) | | 585,947 |
| Costs and expenses: | | | | | | | | | | | |
| Operating expenses | 2,079 | 260,657 | 2,263 | (20,629) | (b) | 244,370 | 2,818 | 6,703 | (757) | (b,c) | 253,134 |
| Commission expenses | - | 52,169 | - | - | | 52,169 | - | - | - | | 52,169 |
| Cost of sales | - | 31,665 | - | - | | 31,665 | - | - | - | | 31,665 |
| Benefits and losses | - | - | - | - | | - | 3,879 | 31,543 | - | | 35,422 |
| Amortization of deferred policy acquisition costs | - | - | - | - | | - | - | 2,193 | - | | 2,193 |
| Lease expense | 25 | 38,941 | 5 | - | | 38,971 | - | - | (305) | (b) | 38,666 |
| Depreciation, net of (gains) losses on disposals | 2 | 42,607 | 1,980 | - | | 44,589 | - | - | - | | 44,589 |
| Total costs and expenses | 2,106 | 426,039 | 4,248 | (20,629) | | 411,764 | 6,697 | 40,439 | (1,062) | | 457,838 |
| Equity in earnings of subsidiaries | 53,937 | - | - | (50,896) | (d) | 3,041 | - | - | (3,041) | (d) | - |
| Earnings from operations | 53,062 | 108,833 | 15,436 | (50,896) | | 126,435 | 1,397 | 3,403 | (3,126) | | 128,109 |
| Interest income (expense) | 21,280 | (32,876) | (9,868) | - | | (21,464) | - | - | - | | (21,464) |
| Pretax earnings | 74,342 | 75,957 | 5,568 | (50,896) | | 104,971 | 1,397 | 3,403 | (3,126) | | 106,645 |
| Income tax expense | (7,755) | (28,298) | (2,331) | - | | (38,384) | (489) | (1,270) | - | | (40,143) |
| Net earnings | 66,587 | 47,659 | 3,237 | (50,896) | | 66,587 | 908 | 2,133 | (3,126) | | 66,502 |
| Excess (loss) of carrying amount of preferred stock over consideration paid | - | - | - | - | | - | - | - | (31) | | (31) |
| Less: Preferred stock dividends | (3,241) | - | - | - | | (3,241) | - | - | 85 | (e) | (3,156) |
| Earnings available to common shareholders | $ 63,346 | $ 47,659 | $ 3,237 | $ (50,896) | | $ 63,346 | $ 908 | $ 2,133 | $ (3,072) | | $ 63,315 |

(a) Balances for the quarter ended March 31, 2010
(b) Eliminate intercompany lease income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries
(e) Eliminate preferred stock dividend paid to affiliate

Consolidating statements of operations by industry for the quarter ended June 30, 2009 are as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Eliminations | | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | | AMERCO Consolidated |
| | | | | | | (Unaudited) (In thousands) | | | | | |
| Revenues: | | | | | | | | | | | |
| Self-moving equipment rentals | $ - | $ 373,255 | $ - | $ - | | $ 373,255 | $ - | $ - | $ (314) | (c) | $ 372,941 |
| Self-storage revenues | - | 26,658 | 346 | - | | 27,004 | - | - | - | | 27,004 |
| Self-moving & self-storage products & service sales | - | 57,822 | - | - | | 57,822 | - | - | - | | 57,822 |
| Property management fees | - | 4,450 | - | - | | 4,450 | - | - | - | | 4,450 |
| Life insurance premiums | - | - | - | - | | - | - | 27,604 | - | | 27,604 |
| Property and casualty insurance premiums | - | - | - | - | | - | 6,215 | - | - | | 6,215 |
| Net investment and interest income | 1,072 | 5,537 | - | - | | 6,609 | 1,836 | 5,532 | (297) | (b,e) | 13,680 |
| Other revenue | - | 11,923 | 18,302 | (19,692) | (b) | 10,533 | - | 736 | (326) | (b) | 10,943 |
| Total revenues | 1,072 | 479,645 | 18,648 | (19,692) | | 479,673 | 8,051 | 33,872 | (937) | | 520,659 |
| Costs and expenses: | | | | | | | | | | | |
| Operating expenses | 2,686 | 265,591 | 2,241 | (19,692) | (b) | 250,826 | 3,262 | 5,045 | (632) | (b,c) | 258,501 |
| Commission expenses | - | 44,411 | - | - | | 44,411 | - | - | - | | 44,411 |
| Cost of sales | - | 30,450 | - | - | | 30,450 | - | - | - | | 30,450 |
| Benefits and losses | - | - | - | - | | - | 3,362 | 24,332 | - | | 27,694 |
| Amortization of deferred policy acquisition costs | - | - | - | - | | - | - | 1,917 | - | | 1,917 |
| Lease expense | 14 | 39,562 | 2 | - | | 39,578 | - | - | (305) | (b) | 39,273 |
| Depreciation, net of (gains) losses on disposals | 4 | 56,038 | 3,175 | - | | 59,217 | - | - | - | | 59,217 |
| Total costs and expenses | 2,704 | 436,052 | 5,418 | (19,692) | | 424,482 | 6,624 | 31,294 | (937) | | 461,463 |
| Equity in earnings of subsidiaries | 8,777 | - | - | (6,191) | (d) | 2,586 | - | - | (2,586) | (d) | - |
| Earnings from operations | 7,145 | 43,593 | 13,230 | (6,191) | | 57,777 | 1,427 | 2,578 | (2,586) | | 59,196 |
| Interest income (expense) | 23,411 | (38,206) | (8,426) | - | | (23,221) | - | - | - | | (23,221) |
| Pretax earnings | 30,556 | 5,387 | 4,804 | (6,191) | | 34,556 | 1,427 | 2,578 | (2,586) | | 35,975 |
| Income tax expense | (8,124) | (1,912) | (2,088) | - | | (12,124) | (500) | (919) | - | | (13,543) |
| Net earnings | 22,432 | 3,475 | 2,716 | (6,191) | | 22,432 | 927 | 1,659 | (2,586) | | 22,432 |
| Excess carrying amount of preferred stock over consideration paid | - | - | - | - | | - | - | - | 323 | | 323 |
| Less: Preferred stock dividends | (3,241) | - | - | - | | (3,241) | - | - | - | | (3,241) |
| Earnings available to common shareholders | $ 19,191 | $ 3,475 | $ 2,716 | $ (6,191) | | $ 19,191 | $ 927 | $ 1,659 | $ (2,263) | | $ 19,514 |

(a) Balances for the quarter ended March 31, 2009
(b) Eliminate intercompany lease income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries
(e) Elimination of preferred stock dividend paid to affiliate

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2010 are as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | AMERCO Consolidated |
| | | | | | (Unaudited) (In thousands) | | | | |
| Cash flows from operating activities: | | | | | | | | | |
| Net earnings | $ 66,587 | $ 47,659 | $ 3,237 | $ (50,896) | $ 66,587 | $ 908 | $ 2,133 | $ (3,126) | $ 66,502 |
| Earnings from consolidated entities | (53,937) | - | - | 50,896 | (3,041) | - | - | 3,041 | - |
| Adjustments to reconcile net earnings to the cash provided by operations: | | | | | | | | | |
| Depreciation | 2 | 49,781 | 3,194 | - | 52,977 | - | - | - | 52,977 |
| Amortization of deferred policy acquisition costs | - | - | - | - | - | - | 2,193 | - | 2,193 |
| Change in allowance for losses on trade receivables | - | (29) | - | - | (29) | - | 1 | - | (28) |
| Change in allowance for losses on mortgage notes | - | - | - | - | - | - | - | - | - |
| Change in allowance for inventory reserve | - | 494 | - | - | 494 | - | - | - | 494 |
| Net gain on sale of real and personal property | - | (7,174) | (1,214) | - | (8,388) | - | - | - | (8,388) |
| Net (gain) loss on sale of investments | - | - | - | - | - | 8 | (1,023) | - | (1,015) |
| Deferred income taxes | 24,747 | - | - | - | 24,747 | 162 | 321 | - | 25,230 |
| Net change in other operating assets and liabilities: | | | | | | | | | |
| Reinsurance recoverables and trade receivables | - | (10,614) | - | - | (10,614) | 1,669 | (6,400) | - | (15,345) |
| Inventories | - | (3,283) | - | - | (3,283) | - | - | - | (3,283) |
| Prepaid expenses | - | (2,379) | 48 | - | (2,331) | - | - | - | (2,331) |
| Capitalization of deferred policy acquisition costs | - | - | - | - | - | - | (3,663) | - | (3,663) |
| Other assets | 3 | (1,637) | 408 | - | (1,226) | 131 | 52 | - | (1,043) |
| Related party assets | 172 | 4,835 | (17) | - | 4,990 | (299) | - | - | 4,691 |
| Accounts payable and accrued expenses | 3,567 | 32,429 | (177) | - | 35,819 | - | 3,149 | - | 38,968 |
| Policy benefits and losses, claims and loss expenses payable | - | 2,641 | - | - | 2,641 | (4,686) | 12,285 | - | 10,240 |
| Other policyholders' funds and liabilities | - | - | - | - | - | 591 | (691) | - | (100) |
| Deferred income | - | 6,727 | - | - | 6,727 | - | - | - | 6,727 |
| Related party liabilities | - | 829 | - | - | 829 | (38) | - | - | 791 |
| Net cash provided (used) by operating activities | 41,141 | 120,279 | 5,479 | - | 166,899 | (1,554) | 8,357 | (85) | 173,617 |
| Cash flows from investing activities: | | | | | | | | | |
| Purchases of: | | | | | | | | | |
| Property, plant and equipment | (2) | (124,784) | (14,116) | - | (138,902) | - | - | - | (138,902) |
| Short term investments | - | - | - | - | - | (22,060) | (29,767) | - | (51,827) |
| Fixed maturities investments | - | - | - | - | - | (10,443) | (55,784) | - | (66,227) |
| Equity securities | (4,746) | - | - | - | (4,746) | (1,479) | - | - | (6,225) |
| Preferred stock | - | - | - | - | - | (3,327) | (148) | - | (3,475) |
| Real estate | - | - | - | - | - | (53) | (81) | - | (134) |
| Mortgage loans | - | - | - | - | - | (51) | - | - | (51) |
| Proceeds from sales of: | | | | | | | | | |
| Property, plant and equipment | - | 45,863 | 1,362 | - | 47,225 | - | - | - | 47,225 |
| Short term investments | - | - | - | - | - | 29,951 | 54,476 | - | 84,427 |
| Fixed maturities investments | - | - | - | - | - | 7,126 | 26,575 | - | 33,701 |
| Equity securities | - | - | - | - | - | 133 | - | - | 133 |
| Real estate | - | 1,506 | 82 | - | 1,588 | - | - | - | 1,588 |
| Mortgage loans | - | - | - | - | - | 19 | 702 | - | 721 |
| Payments from notes and mortgage receivables | - | 22 | 212 | - | 234 | - | - | - | 234 |
| Net cash provided (used) by investing activities | (4,748) | (77,393) | (12,460) | - | (94,601) | (184) | (4,027) | - | (98,812) |

(page 1 of 2)

(a) Balance for the period ended March 31, 2010

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Continuation of consolidating cash flow statements by industry segment for the quarter ended June 30, 2010, are as follows **:**

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | AMERCO Consolidated |
| | | | | | (Unaudited) | | | | |
| Cash flows from financing activities: | | | | | (In thousands) | | | | |
| Borrowings from credit facilities | - | 72,823 | 19,134 | - | 91,957 | - | - | - | 91,957 |
| Principal repayments on credit facilities | - | (26,929) | (79,750) | - | (106,679) | - | - | - | (106,679) |
| Debt issuance costs | - | (89) | - | - | (89) | - | - | - | (89) |
| Capital lease payments | - | (6,951) | - | - | (6,951) | - | - | - | (6,951) |
| Leveraged Employee Stock Ownership Plan - repayments from loan | - | 295 | - | - | 295 | - | - | - | 295 |
| Proceeds from (repayment of) intercompany loans | (1,122) | (66,474) | 67,596 | - | - | - | - | - | - |
| Preferred stock dividends paid | (3,241) | - | - | - | (3,241) | - | - | 85 (b) | (3,156) |
| Investment contract deposits | - | - | - | - | - | - | 3,018 | - | 3,018 |
| Investment contract withdrawals | - | - | - | - | - | - | (8,685) | - | (8,685) |
| Net cash provided (used) by financing activities | (4,363) | (27,325) | 6,980 | - | (24,708) | - | (5,667) | 85 | (30,290) |
| Effects of exchange rate on cash | - | (519) | - | - | (519) | - | - | - | (519) |
| Increase (decrease) in cash and cash equivalents | 32,030 | 15,042 | (1) | - | 47,071 | (1,738) | (1,337) | - | 43,996 |
| Cash and cash equivalents at beginning of period | 100,460 | 107,241 | 4 | - | 207,705 | 22,126 | 14,287 | - | 244,118 |
| Cash and cash equivalents at end of period | $ 132,490 | $ 122,283 | $ 3 | $ - | $ 254,776 | $ 20,388 | $ 12,950 | $ - | $ 288,114 |

(page 2 of 2)

(a) Balance for the period ended March 31, 2010

(b) Elimination of preferred stock dividend paid to affiliate

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2009 are as follows:

| | Moving & Storage | | | | AMERCO Legal Group | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | AMERCO Consolidated |
| | | | | | (Unaudited) | | | | |
| | | | | | (In thousands) | | | | |
| Cash flows from operating activities: | | | | | | | | | |
| Net earnings | $ 22,432 | $ 3,475 | $ 2,716 | $ (6,191) | $ 22,432 | $ 927 | $ 1,659 | $ (2,586) | $ 22,432 |
| Earnings from consolidated entities | (8,777) | - | - | 6,191 | (2,586) | - | - | 2,586 | - |
| Adjustments to reconcile net earnings to the cash provided by operations: | | | | | | | | | |
| Depreciation | 4 | 54,699 | 3,176 | - | 57,879 | - | - | - | 57,879 |
| Amortization of deferred policy acquisition costs | - | - | - | - | - | - | 1,917 | - | 1,917 |
| Change in allowance for losses on trade receivables | - | 14 | - | - | 14 | - | (1) | - | 13 |
| Change in allowance for losses on mortgage notes | - | (6) | - | - | (6) | - | - | - | (6) |
| Change in allowance for inventory reserve | - | 754 | - | - | 754 | - | - | - | 754 |
| Net (gain) loss on sale of real and personal property | - | 1,339 | (1) | - | 1,338 | - | - | - | 1,338 |
| Net (gain) loss on sale of investments | - | - | - | - | - | 54 | (679) | - | (625) |
| Deferred income taxes | 10,712 | - | - | - | 10,712 | 301 | (5,685) | - | 5,328 |
| Net change in other operating assets and liabilities: | | | | | | | | | |
| Reinsurance recoverables and trade receivables | - | (9,278) | (6) | - | (9,284) | (1,396) | (1,210) | - | (11,890) |
| Inventories | - | 5,807 | - | - | 5,807 | - | - | - | 5,807 |
| Prepaid expenses | 1,129 | (7,874) | (93) | - | (6,838) | - | - | - | (6,838) |
| Capitalization of deferred policy acquisition costs | - | - | - | - | - | - | (3,063) | - | (3,063) |
| Other assets | (303) | (1,761) | 381 | - | (1,683) | 73 | (21) | - | (1,631) |
| Related party assets | 174 | 7,281 | (8) | - | 7,447 | 345 | - | - | 7,792 |
| Accounts payable and accrued expenses | (442) | 8,389 | (755) | - | 7,192 | - | (230) | - | 6,962 |
| Policy benefits and losses, claims and loss expenses payable | - | 6,249 | - | - | 6,249 | (1,881) | 1,999 | - | 6,367 |
| Other policyholders' funds and liabilities | - | - | - | - | - | (1,875) | (146) | - | (2,021) |
| Deferred income | - | 4,050 | - | - | 4,050 | - | - | - | 4,050 |
| Related party liabilities | - | 197 | - | - | 197 | (487) | (53) | - | (343) |
| Net cash provided (used) by operating activities | 24,929 | 73,335 | 5,410 | - | 103,674 | (3,939) | (5,513) | - | 94,222 |
| Cash flows from investing activities: | | | | | | | | | |
| Purchases of: | | | | | | | | | |
| Property, plant and equipment | - | (120,567) | (2,979) | - | (123,546) | - | - | - | (123,546) |
| Short term investments | - | - | - | - | - | (10,398) | (41,137) | - | (51,535) |
| Fixed maturities investments | - | - | - | - | - | (4,392) | (29,255) | - | (33,647) |
| Preferred stock | - | - | - | - | - | (882) | - | - | (882) |
| Real estate | - | - | (293) | - | (293) | - | - | - | (293) |
| Mortgage loans | - | (288) | - | - | (288) | - | - | - | (288) |
| Proceeds from sales of: | | | | | | | | | |
| Property, plant and equipment | - | 36,988 | 1,100 | - | 38,088 | - | - | - | 38,088 |
| Short term investments | - | - | - | - | - | 12,402 | 48,376 | - | 60,778 |
| Fixed maturities investments | - | - | - | - | - | 7,603 | 32,969 | - | 40,572 |
| Real estate | - | - | - | - | - | 12 | - | - | 12 |
| Mortgage loans | - | - | - | - | - | 7 | 728 | - | 735 |
| Payments from notes and mortgage receivables | - | 100 | 397 | - | 497 | - | - | - | 497 |
| Net cash provided (used) by investing activities | - | (83,767) | (1,775) | - | (85,542) | 4,352 | 11,681 | - | (69,509) |

(page 1 of 2)

(a) Balance for the period ended March 31, 2009

Continuation of consolidating cash flow statements by industry segment for the quarter ended June 30, 2009, are as follows:

| | Moving & Storage | | | | | AMERCO Legal Group | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AMERCO | U-Haul | Real Estate | Elimination | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | AMERCO Consolidated |
| | | | | | (Unaudited) | | | | |
| Cash flows from financing activities: | | | | | (In thousands) | | | | |
| Borrowings from credit facilities | - | 12,269 | 1,209 | - | 13,478 | - | - | - | 13,478 |
| Principal repayments on credit facilities | - | (30,133) | (7,624) | - | (37,757) | - | - | - | (37,757) |
| Debt issuance costs | - | (100) | (177) | - | (277) | - | - | - | (277) |
| Capital lease payments | - | (329) | - | - | (329) | - | - | - | (329) |
| Leveraged Employee Stock Ownership Plan - repayments from loan | - | 264 | - | - | 264 | - | - | - | 264 |
| Proceeds from (repayment of) intercompany loans | (21,688) | 18,731 | 2,957 | - | - | - | - | - | - |
| Preferred stock dividends paid | (3,241) | - | - | - | (3,241) | - | - | - | (3,241) |
| Investment contract deposits | - | - | - | - | - | - | 2,829 | - | 2,829 |
| Investment contract withdrawals | - | - | - | - | - | - | (13,500) | - | (13,500) |
| Net cash provided (used) by financing activities | (24,929) | 702 | (3,635) | - | (27,862) | - | (10,671) | - | (38,533) |
| Effects of exchange rate on cash | - | (50) | - | - | (50) | - | - | - | (50) |
| Increase (decrease) in cash and cash equivalents | - | (9,780) | - | - | (9,780) | 413 | (4,503) | - | (13,870) |
| Cash and cash equivalents at beginning of period | 38 | 213,040 | - | - | 213,078 | 19,197 | 8,312 | - | 240,587 |
| Cash and cash equivalents at end of period | $ 38 | $ 203,260 | $ - | $ - | $ 203,298 | $ 19,610 | $ 3,809 | $ - | $ 226,717 |

(page 2 of 2)

(a) Balance for the period ended March 31, 2009

**12. Industry Segment and Geographic Area Data**

| | United States | Canada | Consolidated |
|---|---|---|---|
| | | (Unaudited) | |
| | (All amounts are in thousands of U.S. $'s) | | |
| **Quarter ended June 30, 2010** | | | |
| Total revenues | $ 549,783 | $ 36,164 | $ 585,947 |
| Depreciation and amortization, net of (gains) losses on disposals | 45,037 | 1,745 | 46,782 |
| Interest expense | 21,310 | 154 | 21,464 |
| Pretax earnings | 99,882 | 6,763 | 106,645 |
| Income tax expense | 38,151 | 1,992 | 40,143 |
| Identifiable assets | 3,758,773 | 120,767 | 3,879,540 |

| | United States | Canada | Consolidated |
|---|---|---|---|
| | | (Unaudited) | |
| | (All amounts are in thousands of U.S. $'s) | | |
| **Quarter ended June 30, 2009** | | | |
| Total revenues | $ 490,887 | $ 29,772 | $ 520,659 |
| Depreciation and amortization, net of (gains) losses on disposals | 59,387 | 1,747 | 61,134 |
| Interest expense | 23,081 | 140 | 23,221 |
| Pretax earnings | 33,071 | 2,904 | 35,975 |
| Income tax expense | 12,555 | 988 | 13,543 |
| Identifiable assets | 3,730,675 | 108,774 | 3,839,449 |

**13. Employee Benefit Plans**

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

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) | |
| | (In thousands) | |
| Service cost for benefits earned during the period | $ 115 | $ 105 |
| Interest cost on accumulated postretirement benefit | 142 | 151 |
| Other components | (9) | (26) |
| Net periodic postretirement benefit cost | $ 248 | $ 230 |

**14. Fair Value Measurements**

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.

The Company's 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. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution.

The Company has mortgage receivables, which potentially expose the Company to credit risk. The portfolio of notes is principally collateralized by mini-warehouse storage facilities and commercial properties. The Company has 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.

Effective April 1, 2008, assets and liabilities recorded at fair value on the condensed consolidated balance sheets were measured and classified based upon a three tiered approach to valuation. ASC 820 - *Fair Value Measurements and Disclosures* ("ASC 820") requires that financial assets and liabilities recorded at fair value be 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;

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. The following table represents the financial assets and liabilities on the condensed consolidated balance sheet at June 30, 2010 that are subject to ASC 820 and the valuation approach applied to each of these items.

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| | | (Unaudited) (In thousands) | | |
| **Assets** | | | | |
| Short-term investments | $ 307,753 | $ 307,753 | $ - | $ - |
| Fixed maturities - available for sale | 554,638 | 384,903 | 166,657 | 3,078 |
| Preferred stock | 21,905 | 21,905 | - | - |
| Common stock | 21,181 | 21,181 | - | - |
| Less: Preferred stock of AMERCO held by subsidiaries | (4,162) | (4,162) | - | - |
| Total | $ 901,315 | $ 731,580 | $ 166,657 | $ 3,078 |
| **Liabilities** | | | | |
| Guaranteed residual values of TRAC leases | $ - | $ - | $ - | $ - |
| Derivatives | 66,142 | - | 66,142 | - |
| Total | $ 66,142 | $ - | $ 66,142 | $ - |

The following table represents the fair value measurements at June 30, 2010 using significant unobservable inputs (Level 3).

| | Fixed Maturities - Auction Rate Securities | Fixed Maturities - Asset Backed Securities | Total |
|---|---|---|---|
| | | (Unaudited) (In thousands) | |
| Balance at March 31, 2010 | $ 1,673 | $ 1,615 | $ 3,288 |
| Transfers into Level 3 (a) | 43 | - | 43 |
| Fixed Maturities - Auction Rate Securities gain (unrealized) | 2 | - | 2 |
| Fixed Maturities - Asset Backed Securities loss (unrealized) | - | (160) | (160) |
| Securities called at par | - | (95) | (95) |
| Balance at June 30, 2010 | $ 1,718 | $ 1,360 | $ 3,078 |

(a) Reflects the transfer of auction rate securities for which no meaningful market rate bids are currently available. The valuation of these assets was based on a pricing matrix system as determined by the custodian of these securities.

***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. We then discuss our results of operations for the first quarter of fiscal 2011 compared with the first quarter of fiscal 2010 which is followed by an analysis of changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our outlook for the remainder of fiscal 2011.

This MD&A should be read in conjunction with the other sections of this Quarterly Report on Form 10-Q, 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 risk factors described throughout this filing or in our most recent Annual Report on Form 10-K for the year ended March 31, 2010. Our actual results may differ materially from these forward-looking statements.

The first fiscal quarter for AMERCO ends on the 30 th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31 st of March for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. The Company discloses any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2010 and 2009 correspond to fiscal 2011 and 2010 for AMERCO.

**Overall Strategy**

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

Our primary focus is to provide our customers with a wide selection of moving rental equipment, convenient self-storage rental facilities and 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 rooms available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our growing eMove capabilities.

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

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

**Description of Operating Segments**

AMERCO's three reportable segments are:

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

***Moving and Storage Operating Segment***

Our Moving and Storage operating segment consists of the rental of trucks, trailers, 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.

eMove is an online marketplace that connects consumers to independent Moving Help™ service providers and over 5,100 independent Self-Storage Affiliates. Our network of customer rated affiliates provides pack and load help, cleaning help, self-storage and similar services, all over North America. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

For sixty five years, 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 need for total large capacity vehicles. We remain focused on reducing waste and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

***Property and Casualty Insurance Operating Segment***

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

***Life Insurance Operating Segment***

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

**Critical Accounting Policies and Estimates**

The Company's financial statements have been prepared in accordance with the generally accepted accounting principles ("GAAP") in the United States. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. Certain accounting policies require us to make difficult and subjective judgments and assumptions, often as a result of the need to estimate matters that are inherently uncertain.

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

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

***Principles of Consolidation***

The Company applies ASC 810 in its principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a VIE. A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

As promulgated by ASC 810, a VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of ASC 810. After a triggering event occurs the most recent facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(s) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

In fiscal 2003 and fiscal 2002, SAC Holdings were considered special purpose entities and were consolidated based on the provisions of Emerging Issues Task Force Issue 90-15, *Impact of Nonsubstantive Lessors, Residual Value Guarantees and Other Provisions in Leasing Transactions* . In fiscal 2004, the Company evaluated its interests in SAC Holdings and the Company concluded that SAC Holdings were VIE's and that the Company was the primary beneficiary. Accordingly, the Company continued to include SAC Holdings in its consolidated financial statements.

Triggering events in February and March of 2004 and November 2007 required AMERCO to reassess its involvement in specific SAC Holdings entities. During these reassessments it was concluded that AMERCO was no longer the primary beneficiary resulting in the deconsolidation of SAC Holding Corporation in fiscal 2004 and SAC Holding II Corporation in fiscal 2008.

It is possible that SAC Holdings could take actions that would require us to re-determine whether SAC Holdings has become a VIE or whether we have become the primary beneficiary of SAC Holdings. Should this occur, we could be required to consolidate some or all of SAC Holdings with our financial statements.

The condensed consolidated balance sheets as of June 30, 2010 and March 31, 2010 include the accounts of AMERCO and its wholly-owned subsidiaries. The June 30, 2010 and 2009 condensed consolidated statements of operations and cash flows include the accounts of AMERCO and its wholly-owned subsidiaries.

***Recoverability of Property, Plant and Equipment***

Property, plant and equipment are stated at cost. Interest expense incurred during the initial construction of buildings and rental equipment is considered part of cost. Depreciation is computed for financial reporting purposes using the straight-line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. The Company follows the deferral method of accounting based on ASC 908 - *Airlines* for major overhauls in which engine overhauls are capitalized and amortized over five years and transmission overhauls are capitalized and amortized over three years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment are netted against depreciation expense when realized. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed.

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

In fiscal 2006, management performed an analysis of the expected economic value of new rental trucks and determined that additions to the fleet resulting from purchase should be depreciated on an accelerated method based upon a declining formula. The salvage value and useful life assumptions of the rental truck fleet remain unchanged. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively and then reduced on a straight line basis an additional 10% by the end of year fifteen. Whereas, a standard straight line approach would reduce the book value by approximately 5.3% per year over the life of the truck. For the affected equipment, the accelerated depreciation was $10.4 million and $12.8 million greater than what it would have been if calculated under a straight line approach for the first quarter of fiscal 2011 and 2010, respectively.

Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle . We typically sell our used vehicles at our sales centers throughout North America, on our web site at uhaul.com/trucksales or by phone at 1-866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

***Insurance Reserves***

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

Insurance reserves for our Property and Casualty Insurance operating segment and U-Haul take into account losses incurred based upon actuarial estimates. These estimates are based on past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle liabilities cannot be precisely determined and may vary significantly from the estimated liability.

Due to the long tailed nature of the assumed reinsurance and the excess workers compensation lines of insurance that were written by RepWest, it may take a number of years for claims to be fully reported and finally settled.

***Impairment of Investments***

Investments are evaluated pursuant to guidance contained in ASC 320 - *Investments - Debt and Equity Securities* to determine if and when a decline in market value below amortized cost is other-than-temporary. Management makes certain assumptions or judgments in its assessment including but not limited to: ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. The Company’s insurance subsidiaries recognized other-than-temporary impairments $0.1 million for the first quarter of fiscal 2010. There were no write downs in the first quarter of fiscal 2011.

***Income Taxes***

The Company’s tax returns are periodically reviewed by various taxing authorities. The final outcome of these audits may cause changes that could materially impact our financial results.

AMERCO files a consolidated tax return with all of its legal subsidiaries, except for Dallas General Life Insurance Company, a subsidiary of Oxford, which will file on a stand alone basis until 2012.

***Fair Values***

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

The Company’s 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. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution.

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

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

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

***Subsequent Events***

On August 2, 2010, the Board declared a regular quarterly cash dividend of $0.53125 per share on the Company’s Series A Preferred. The dividend will be payable September 1, 2010 to holders of record on August 17, 2010.

The Company’s management has evaluated subsequent events occurring after June 30, 2010, the date of our most recent balance sheet date, through the date our financial statements will be issued. Other than the Series A Preferred dividend, we do not believe any subsequent events have occurred that would require further disclosure or adjustment to our financial statements.

***Adoption of New Accounting Pronouncements***

ASU 2009-16 formally incorporates into the FASB Codification amendments to Statements of Financial Accounting Standards (“SFAS”) 140 made by SFAS 166 primarily to (1) eliminate the concept of a qualifying special-purpose entity, (2) limit the circumstances under which a financial asset (or portion thereof) should be derecognized when the entire financial asset has not been transferred to a non-consolidated entity, (3) require additional information to be disclosed concerning a transferor's continuing involvement with transferred financial assets, and (4) require that all servicing assets and servicing liabilities be initially measured at fair value. The Company adopted the amendments to ASC 860-10 and ASC 860-50 in the first quarter of fiscal 2011 and they did not have a material impact on our financial statements.

ASU 2009-17 formally incorporates into the FASB Codification amendments to FIN 46(R) made by SFAS 167 to require that a comprehensive qualitative analysis be performed to determine whether a holder of variable interests in a variable interest entity also has a controlling financial interest in that entity. In addition, the amendments require that the same type of analysis be applied to entities that were previously designated as qualified special-purpose entities. The Company adopted the amendments to ASC 810-10 in the first quarter of fiscal 2011 and it did not have a material impact on our financial statements.

ASU 2010-06 formally incorporates into the FASB Codification amendments to SFAS 157. Entities will be required to provide enhanced disclosures about transfers in and out of Level 1 and 2 fair value classifications and separate disclosures about purchases, sales, issuances and settlements relating to the Level 3 fair value classification. The new guidance also clarifies existing fair value disclosures regarding the level of disaggregation of assets or liabilities and the valuation techniques and inputs used to measure fair value. The Company adopted the amendments to ASC 820-10 for Level 1 and 2 disclosures and for Level 3 disclosures in the first quarter of fiscal 2011 and it did not have a material impact on our financial statements.

***Recent Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by the Company as of the specified effective date. Unless otherwise discussed, these ASU’s 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.

**Results of Operations**

**AMERCO and Consolidated Entities**

***Quarter Ended June 30, 2010 compared with the Quarter Ended June 30, 2009***

Listed below on a consolidated basis are revenues for our major product lines for the first quarter of fiscal 2011 and the first quarter of fiscal 2010:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) | |
| | (In thousands) | |
| Self-moving equipment rentals | $ 419,463 | $ 372,941 |
| Self-storage revenues | 28,227 | 27,004 |
| Self-moving and self-storage products and service sales | 63,290 | 57,822 |
| Property management fees | 4,536 | 4,450 |
| Life insurance premiums | 37,803 | 27,604 |
| Property and casualty insurance premiums | 6,179 | 6,215 |
| Net investment and interest income | 13,355 | 13,680 |
| Other revenue | 13,094 | 10,943 |
| Consolidated revenue | $ 585,947 | $ 520,659 |

Self-moving equipment rental revenues increased $46.5 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. These increases were due to growth in transactions and average revenue per transaction for both In-Town and one-way moves. Revenue per transaction is influenced by several factors including amount of miles driven, mix of equipment rented and rental rates charged. With fewer trucks in the fleet this year as compared to the same period last year we were able to improve upon our utilization of the equipment.

Self-storage revenues increased $1.2 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010 due primarily to an increase in the number of rooms rented. Over the last twelve months we have added over 590,000 net rentable square feet to the storage portfolio while increasing the square footage occupied by nearly the same amount resulting in increased revenue and yet a flat occupancy rate.

Sales of self-moving and self-storage products and services increased $5.5 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. We had increases in each of our three major product categories including propane, hitches and towing accessories and moving supplies.

Life insurance premiums increased $10.2 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010 primarily as a result of continued expansion of its final expense life insurance business combined with its single premium whole life product.

Other revenue increased $2.2 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010 primarily from the expansion of new business initiatives including our U-Box ™ program.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were $585.9 million for the first quarter of fiscal 2011, compared with $520.7 million for the first quarter of fiscal 2010.

Listed below are revenues and earnings from operations at each of our operating segments for the first quarter of fiscal 2011 and the first quarter of fiscal 2010. The insurance companies first quarters ended March 31, 2010 and 2009:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) | |
| | (In thousands) | |
| Moving and storage | | |
| Revenues | $ 535,158 | $ 479,673 |
| Earnings from operations | 126,435 | 57,777 |
| Property and casualty insurance | | |
| Revenues | 8,094 | 8,051 |
| Earnings from operations | 1,397 | 1,427 |
| Life insurance | | |
| Revenues | 43,842 | 33,872 |
| Earnings from operations | 3,403 | 2,578 |
| Eliminations | | |
| Revenues | (1,147) | (937) |
| Earnings from operations | (3,126) | (2,586) |
| Consolidated results | | |
| Revenues | 585,947 | 520,659 |
| Earnings from operations | 128,109 | 59,196 |

Total costs and expenses decreased $3.6 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. Operating expenses for Moving and Storage decreased $6.5 million due to improvements in maintenance and repair costs and reduced liability costs associated with the rental equipment fleet. Maintenance and repair has been positively influenced by the retirement of older equipment from our truck fleet. Liability costs have improved as expected losses from prior years continue to develop positively. Depreciation expense decreased $14.6 million due to a decline in the amount of new equipment added along with the aging of the current fleet. Also included in this decrease is a $9.7 million improvement in the gain on disposal of property, plant and equipment. Cost of sales and commission expenses increased in relation to the associated revenues.

Total costs and expenses for Life Insurance increased $9.1 million due to additional insurance reserves and commissions associated with the increase in new business.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $128.1 million for the first quarter of fiscal 2011, compared with $59.2 million for the first quarter of fiscal 2010.

Interest expense for the first quarter of fiscal 2011 was $21.5 million, compared with $23.2 million for the first quarter of fiscal 2010.

Income tax expense was $40.1 million for the first quarter of fiscal 2011, compared with $13.5 million for first quarter of fiscal 2010 due to higher pretax earnings for the first quarter of fiscal 2011.

Dividends accrued on our Series A Preferred were $3.2 million for the first quarter of fiscal 2011 and 2010.

As a result of the above mentioned items, earnings available to common shareholders were $63.3 million for the first quarter of fiscal 2011, compared with $19.5 million for the first quarter of fiscal 2010.

Basic and diluted earnings per share for the first quarter of fiscal 2011 were $3.26, compared with $1.01 for the first quarter of fiscal 2010.

The weighted average common shares outstanding basic and diluted were 19,414,815 for the first quarter of fiscal 2011, compared with 19,369,591 for the first quarter of fiscal 2010.

**Moving and Storage**

***Quarter Ended June 30, 2010 compared with the Quarter Ended June 30, 2009***

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the first quarter of fiscal 2011 and the first quarter of fiscal 2010:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) (In thousands) | |
| Self-moving equipment rentals | $ 419,880 | $ 373,255 |
| Self-storage revenues | 28,227 | 27,004 |
| Self-moving and self-storage products and service sales | 63,290 | 57,822 |
| Property management fees | 4,536 | 4,450 |
| Net investment and interest income | 6,290 | 6,609 |
| Other revenue | 12,935 | 10,533 |
| Moving and Storage revenue | $ 535,158 | $ 479,673 |

Self-moving equipment rental revenues increased $46.6 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. These increases were due to growth in transactions and average revenue per transaction for both In-Town and one-way moves. Revenue per transaction is influenced by several factors including amount of miles driven, mix of equipment rented and rental rates charged. With fewer trucks in the fleet this year as compared to the same period last year we were able to improve upon our utilization of the equipment.

Self-storage revenues increased $1.2 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010 due primarily to an increase in the number of rooms rented. Over the last twelve months we have added over 590,000 net rentable square feet to the storage portfolio while increasing the square footage occupied by nearly the same amount resulting in increased revenue and yet a flat occupancy rate.

Sales of self-moving and self-storage products and services increased $5.5 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. We had increases in each of our three major product categories including propane, hitches and towing accessories and moving supplies.

Other revenue increased $2.4 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010 primarily from the expansion of new business initiatives including our U-Box TM program.

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

| | Quarter Ended June 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) (In thousands, except occupancy rate) | |
| Room count as of June 30 | 146 | 139 |
| Square footage as of June 30 | 11,864 | 11,272 |
| Average number of rooms occupied | 110 | 105 |
| Average occupancy rate based on room count | 75.8% | 75.9% |
| Average square footage occupied | 9,220 | 8,697 |

Total costs and expenses decreased $12.7 million during the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010. Operating expenses for Moving and Storage decreased $6.5 million due to improvements in maintenance and repair costs and reduced liability costs associated with the rental equipment fleet. Maintenance and repair has been positively influenced by the retirement of older equipment from our truck fleet. Liability costs have improved as expected losses from prior years continue to develop positively. Depreciation expense decreased $14.6 million due to a decline in the amount of new equipment added along with the aging of the current fleet. Also included in this decrease is a $9.7 million improvement in the gain on disposal of property, plant and equipment. Cost of sales and commission expenses increased in relation to the associated revenues.

Equity in the earnings of AMERCO's insurance subsidiaries increased $0.5 million for the first quarter of fiscal 2011, compared with the first quarter of fiscal 2010.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $126.4 million for the first quarter of fiscal 2011, compared with $57.8 million for the first quarter of fiscal 2010.

**Property and Casualty Insurance**

***Quarter Ended March 31, 2010 compared with the Quarter Ended March 31, 2009***

Net premiums were $6.2 million for the quarters ended March 31, 2010 and 2009.

Net investment income was $1.9 million and $1.8 million for the quarters ended March 31, 2010 and 2009, respectively.

Net operating expenses were $2.8 million and $3.3 million for the quarters ended March 31, 2010 and 2009, respectively. The decrease was a result of consolidating claims offices which reduced operating expenses by $0.4 million.

Benefits and losses incurred were $3.9 million and $3.4 million for the quarters ended March 31, 2010 and 2009, respectively.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $1.4 million for the quarters ended March 31, 2010 and 2009.

**Life Insurance**

***Quarter Ended March 31, 2010 compared with the Quarter Ended March 31, 2009***

Net premiums were $37.8 million and $27.6 million for the quarters ended March 31, 2010 and 2009, respectively. Life insurance premiums increased by $12.4 million primarily as a result of sales of the Company's single premium life product. This was offset by a decrease in Medicare supplement premiums of $1.2 million due to decrements in excess of new sales and premium rate increases.

Net investment income was $5.5 million for the quarters ended March 31, 2010 and 2009.

Net operating expenses were $6.7 million and $5.0 million for the quarters ended March 31, 2010 and 2009, respectively. The growth was a result of increased commissions paid on expanded sales of the single premium life product. This was partially offset by a reduction of Medicare supplement commissions.

Benefits and losses incurred were $31.5 million and $24.3 million for the quarters ended March 31, 2010 and 2009, respectively. Life insurance benefits increased $10.8 million due to the increase in reserves related to sales of the Company's single premium life product and additional claims on a larger volume of inforce business; offset by a decrease in Medicare supplement benefits of $2.4 million.

Amortization of deferred acquisition costs and the value of business acquired were $2.2 million and $1.9 million for the quarters ended March 31, 2010 and 2009, respectively.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $3.4 million and $2.6 million for the quarters ended March 31, 2010 and 2009, respectively.

**Liquidity and Capital Resources**

We believe our current capital structure is a positive factor that will enable us to pursue our operational plans and goals, and provide us with sufficient liquidity for the foreseeable future. The majority of our obligations currently in place mature at the end of fiscal years 2014, 2015 or 2018. However, since there are many factors which could affect our liquidity, including some which are beyond our control, there is no assurance that future cash flows will be sufficient to meet our outstanding debt obligations and our other future capital needs.

At June 30, 2010, cash and cash equivalents totaled $288.1 million, compared with $244.1 million on March 31, 2010. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). As of June 30, 2010 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and obligations of each operating segment were:

| | Moving & Storage | Property and Casualty Insurance (a) | Life Insurance (a) |
|---|---|---|---|
| | | (Unaudited) | |
| | | (In thousands) | |
| Cash and cash equivalents | $ 254,776 | $ 20,388 | $ 12,950 |
| Other financial assets | 362,577 | 376,005 | 568,645 |
| Debt obligations | 1,338,636 | - | - |

(a) As of March 31, 2010

Our Moving and Storage segment (AMERCO, U-Haul and Real Estate) had cash available under existing credit facilities of $173.5 million, and also available was $28.3 million of a term loan to be used for new equipment purchases.

Net cash provided by operating activities increased $79.4 million in the first quarter of fiscal 2011, compared with fiscal 2010 primarily due to improved profitability at the Moving and Storage segment. This improvement largely came from increased revenues. Operating cash flows from our Life Insurance segment increased $13.9 million primarily due to new premiums.

Net cash used in investing activities increased $29.3 million in the first quarter of fiscal 2011, compared with fiscal 2010. Purchases of property, plant and equipment, which are reported net of cash from operating leases, increased $15.4 million. Cash from new leases decreased $4.8 million and cash used to purchase new rental equipment, invest in construction and real estate decreased $10.6 million. Cash from the sales of property, plant and equipment increased $9.1 million largely due to improving resale values for pickup and cargo vans and an increase in the number sold. Cash used for investing activities at the insurance companies increased $20.2 million primarily due to investment in their fixed maturity portfolios.

Net cash used by financing activities decreased $8.2 million in the first quarter of fiscal 2011, as compared with fiscal 2010. Net annuity withdrawals at Life Insurance decreased $5.0 million.

**Liquidity and Capital Resources and Requirements of Our Operating Segments**

***Moving and Storage***

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily reflected 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 2011 the Company will reinvest in its truck and trailer rental fleet approximately $210 million, net of equipment sales and excluding any lease buyouts. Fleet investments in fiscal 2011 and beyond will be dependent upon several factors including availability of capital, the truck rental environment and the used-truck sales market. We anticipate that the fiscal 2011 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations and sales. 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 is funding these development projects through construction loans and internally generated funds. For the first quarter of fiscal 2011, the Company invested approximately $24 million in real estate acquisitions, new construction and renovation and repair.

For fiscal 2011, the timing of new projects will be dependent upon several factors including the entitlement process, availability of capital, weather, and the identification and successful acquisition of target properties. U-Haul's growth plan in self-storage also includes the expansion of the eMove 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) were $91.7 million and $85.5 million for the first quarter of fiscal 2011 and 2010, respectively. During the first quarter of fiscal 2011 and 2010, the Company entered into $13.6 million and $17.9 million, respectively of new equipment leases.

The Moving and Storage operating segment 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 market place or reduce existing indebtedness where possible.

***Property and Casualty Insurance***

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

Stockholder's equity was $153.7 million and $151.7 million at March 31, 2010 and December 31, 2009, respectively. The increase resulted from earnings of $0.9 million and an increase in the other comprehensive income of $1.1 million. 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***

The Life Insurance operating segment manages its financial assets to meet policyholder and other obligations including investment contract withdrawals. Life Insurance's net withdrawals for the quarter ended March 31, 2010 were $5.7 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's funds are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Life Insurance's stockholder's equity was $177.3 million and $173.2 million at March 31, 2010 and December 31, 2009, respectively. The net increase resulted from earnings of $2.1 million and an increase in other comprehensive income of $1.9 million. Life 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.

**Cash Provided (Used) from Operating Activities by Operating Segments**

***Moving and Storage***

Net cash provided from operating activities was $166.9 million and $103.7 million in the first quarter of fiscal 2011 and 2010, respectively. The increase in self-moving equipment rental revenues and product and service sales was the principal contributor to the increase in operating cash flows.

***Property and Casualty Insurance***

Net cash used by operating activities was $1.6 million and $3.9 million for the quarters ended March 31, 2010 and 2009, respectively. The decrease was a result of a $1.9 million return of funds held.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolio amounted to $96.7 million and $106.3 million at March 31, 2010 and December 31, 2009, respectively. This balance reflects 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 periodic needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

***Life Insurance***

Net cash provided (used) by operating activities was $8.4 million and ($5.5) million for the quarters ended March 31, 2010 and 2009, respectively. The increase was primarily due to an increase of $9.7 million in net cash received from new sales of our single premium life product.

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. At March 31, 2010 and December 31, 2009, cash and cash equivalents and short-term investments amounted to $31.5 million and $57.5 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

**Liquidity and Capital Resources - Summary**

We believe we have the financial resources needed to meet our business plans and to meet our business requirements including capital expenditures for the investment in our rental fleet, rental equipment and storage space, working capital requirements and our preferred stock dividend program.

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment operating leases. As part of this strategy, we seek to ladder maturities and hedge floating rate loans through the use of interest rate swaps. While each of these loans typically contain 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 feels it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing facilities to meet the current and expected needs of the Company over the next several years. At June 30, 2010, we had cash availability under existing credit facilities of $173.5 million and $28.3 million of a term loan to be used for new equipment purchases. It is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit. Despite the current financial market conditions, 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.

**Fair Value of Financial Instruments**

On April 1, 2008, assets and liabilities recorded at fair value on the condensed consolidated balance sheets were measured and classified based upon a three tiered approach to valuation. ASC 820 requires that financial assets and liabilities recorded at fair value be classified and disclosed in a Level 1, Level 2 or Level 3 category. For more information, please see Note 14, Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements.

The available-for-sale securities held by the Company are recorded at fair value. These values are determined primarily from actively traded markets where prices are based either on direct market quotes or observed transactions. Liquidity is a factor considered during the determination of the fair value of these securities. Market price quotes may not be readily available for certain securities or the market for them has slowed or ceased. In situations where the market is determined to be illiquid, fair value is determined based upon limited available information and other factors including expected cash flows. At June 30, 2010, we had $3.1 million of available-for-sale assets classified in Level 3.

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

**Disclosures about Contractual Obligations and Commercial Commitments**

Our estimates as to future contractual obligations have not materially changed from the disclosure included under the subheading Contractual Obligations 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, 2010.

**Off Balance Sheet Arrangements**

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

AMERCO utilizes operating leases for certain rental equipment and facilities with terms expiring through 2017, with the exception of one land lease expiring in 2034. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed approximately $174.6 million of residual values at June 30, 2010 for these assets at the end of their respective lease terms. AMERCO has been leasing rental equipment since 1987. To date, we have not experienced residual value shortfalls related to these leasing arrangements. Using the average cost of fleet related debt as the discount rate, the present value of AMERCO's minimum lease payments and residual value guarantees were $517.7 million at June 30, 2010.

Historically, AMERCO has 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 the Company's overall borrowing structure was more limited. The Company does 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, the Company will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to the Company and its stockholders.

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini pursuant to a standard form of management agreement, under which the Company receives a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. The Company received management fees, exclusive of reimbursed expenses, of $8.8 million and $9.7 million from the above mentioned entities during the first quarter of fiscal 2011 and 2010, respectively. This management fee is consistent with the fee received for other properties the Company previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

The Company leases space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were $0.6 million for the first quarter of fiscal 2011 and 2010. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At June 30, 2010, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with the Company's other independent dealers whereby commissions are paid by the Company based on equipment rental revenues. The Company paid the above mentioned entities $10.0 million and $9.2 million in commissions pursuant to such dealership contracts during the first quarter of fiscal 2011 and 2010, respectively.

These agreements along with notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of $10.2 million, expenses of $0.6 million and cash flows of $11.5 million during the first quarter of fiscal 2011. Revenues and commission expenses related to the Dealer Agreements were $47.5 million and $10.0 million, respectively during the first quarter of fiscal 2011.

During the first quarter of fiscal 2011, subsidiaries of the Company held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater. Blackwater is wholly-owned by Mark V. Shoen. The Company does not have an equity ownership interest in SAC Holdings. The Company recorded interest income of $4.8 million and $4.7 million, and received cash interest payments of $3.3 million and $2.8 million, from SAC Holdings during the first quarter of fiscal 2011 and 2010, respectively. The largest aggregate amount of notes receivable outstanding during the first quarter of fiscal 2011 was $196.9 million and the aggregate notes receivable balance at June 30, 2010 was $196.7 million. In accordance with the terms of these notes, SAC Holdings may prepay the notes without penalty or premium at any time. The scheduled maturities of these notes are between 2019 and 2024.

**Fiscal 2011 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 these 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 the adverse economic conditions that are beyond our control.

We have added new storage locations and expanded at existing locations. In fiscal 2011 we are looking to 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. The Company will continue to invest capital and resources in the U-Box TM storage container program throughout fiscal 2011.

The Property and Casualty Insurance operating segment will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove, Safetow, Super Safemove and Safestor protection packages to U-Haul customers.

The Life Insurance operating segment 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.

**Cautionary Statements Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q, 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, projections of revenues, earnings or loss, estimates of capital expenditures, plans for future operations, products or services, financing needs and plans, our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us, liquidity, goals and strategies, plans for new business, storage occupancy, growth rate assumptions, pricing, costs, and access to capital and leasing markets as well as assumptions relating to the foregoing. The words “believe,” “expect,” “anticipate,” “estimate,” “project” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could significantly affect results include, without limitation, the risk factors set forth in the section entitled Item 1A. Risk Factors contained in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010, as well as the following: the Company’s ability to operate pursuant to the terms of its credit facilities; the Company’s ability to maintain contracts that are critical to its operations; the costs and availability of financing; the Company’s ability to execute its business plan; the Company’s ability to attract, motivate and retain key employees; general economic conditions; fluctuations in our costs to maintain and update our fleet and facilities; our ability to refinance our debt; changes in government regulations, particularly environmental regulations; our credit ratings; the availability of credit; changes in demand for our products; changes in the general domestic economy; the degree and nature of our competition; the resolution of pending litigation against the Company; changes in accounting standards and other factors described in this report or the other documents we file with the SEC. The above factors, the following disclosures, as well as other statements in this 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 the Company that such matters will be realized. The Company assumes no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

***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. We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. The Company enters 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.

| Notional Amount | | | Fair Value | Effective Date | Expiration Date | Fixed Rate | Floating Rate |
|---|---|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | | | |
| $ | 63,444 | (a), (b) | (4,014) | 5/10/2006 | 4/10/2012 | 5.06% | 1 Month LIBOR |
| | 65,073 | (a), (b) | (5,520) | 10/10/2006 | 10/10/2012 | 5.57% | 1 Month LIBOR |
| | 22,238 | (a) | (2,423) | 7/10/2006 | 7/10/2013 | 5.67% | 1 Month LIBOR |
| | 261,667 | (a) | (46,888) | 8/18/2006 | 8/10/2018 | 5.43% | 1 Month LIBOR |
| | 14,400 | (a) | (1,583) | 2/12/2007 | 2/10/2014 | 5.24% | 1 Month LIBOR |
| | 9,693 | (a) | (1,062) | 3/12/2007 | 3/10/2014 | 4.99% | 1 Month LIBOR |
| | 9,700 | (a) | (1,010) | 3/12/2007 | 3/10/2014 | 4.99% | 1 Month LIBOR |
| | 13,000 | (a), (b) | (810) | 8/15/2008 | 6/15/2015 | 3.62% | 1 Month LIBOR |
| | 13,775 | (a) | (985) | 8/29/2008 | 7/10/2015 | 4.04% | 1 Month LIBOR |
| | 20,611 | (a) | (1,687) | 9/30/2008 | 9/10/2015 | 4.16% | 1 Month LIBOR |
| | 11,625 | (a), (b) | (160) | 3/30/2009 | 4/15/2016 | 2.24% | 1 Month LIBOR |

(a) interest rate swap agreement
(b) forward swap

As of June 30, 2010, the Company had approximately $641.7 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 approximately $1.4 million annually (after consideration of the effect of the above derivative contracts).

Additionally, our insurance subsidiaries' fixed income investment portfolios expose the Company 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.

**Foreign Currency Exchange Rate Risk**

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 6.2% and 5.7% of our revenue was generated in Canada for the first quarter of fiscal 2011 and 2010, respectively. 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.

***Item 4. Controls and Procedures***

Attached as exhibits to this Form 10-Q are certifications of the registrants' Chief Executive Officer ("CEO") and Chief Accounting Officer ("CAO"), 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 Evaluation of Disclosure Controls and Procedures.

**Evaluation of Disclosure Controls and Procedures**

The Company’s management, with the participation of the CEO and CAO, conducted an evaluation of the effectiveness of the design and operation of the Company’s "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) (“Disclosure Controls”) as of the end of the period covered by this Form 10-Q. Our Disclosure Controls are designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Form 10-Q, 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 reasonably assure that such information is accumulated and communicated to our management, including the CEO and CAO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CAO have concluded that as of the end of the period covered by this Form 10-Q, our Disclosure Controls were effective related to the above stated design purposes.

**Inherent Limitations on the Effectiveness of Controls**

The Company's management, including the CEO and CAO, 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 controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

**Changes in Internal Control over Financial Reporting**

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

## PART II OTHER INFORMATION

**Item 1. Legal Proceedings**

For information regarding our legal proceedings please see Note 9, Contingencies of the Notes to Condensed Consolidated Financial Statements.

**Item 1A . Risk Factors**

We are not aware of any material updates to the risk factors described in the Company’s previously filed Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

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

On December 3, 2008, the Board authorized us, using management’s discretion, to buy back shares from former employees who were participants in our Employee Stock Ownership Plan. To be eligible for consideration, the employees’ respective ESOP account balances must be valued at more than $1,000 at the then-prevailing market prices but have less than 100 shares. No such shares have been purchased.

Between January 1, 2009 and June 30, 2010, our insurance subsidiaries purchased 304,000 shares of Series A Preferred on the open market for $7.1 million. Our insurance subsidiaries may make additional investments in shares of the Series A Preferred in the future.

**Item 3. Defaults upon Senior Securities**

Not applicable.

**Item 4. (Removed and Reserved)**

**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 | Restated Articles of Incorporation of AMERCO | Incorporated by reference to AMERCO’s Registration Statement on form S-4 filed March 30, 2004, file no. 1-11255 |
| 3.2 | Restated By-Laws of AMERCO | Incorporated by reference to AMERCO’s Current Report on Form 8-K filed on December 5, 2007, 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, Principal Financial Officer and Chief Accounting 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, Principal Financial Officer and Chief Accounting Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |

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: August 4, 2010 /s/ Edward J. Shoen

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

Date: August 4, 2010 /s/ Jason A. Berg

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

EXHIBIT 31.1

**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 (the “Registrant”);

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’s, 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 of AMERCO

Date: August 4, 2010

EXHIBIT 31.2

**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 (the "Registrant");

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's, 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
Principal Financial Officer and
Chief Accounting Officer of AMERCO

Date: August 4, 2010

EXHIBIT 32.1

**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 June 30, 2010 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on August 4, 2010 (the "Report"), I, Edward J. Shoen, President and Chairman of the Board of the Company, certify, 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: August 4, 2010

EXHIBIT 32.2

**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 June 30, 2010 of AMERCO (the “Company”), as filed with the Securities and Exchange Commission on August 4, 2010 (the “Report”), I, Jason A. Berg, Chief Accounting Officer of the Company, certify, 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
Principal Financial Officer and
Chief Accounting Officer

Date: August 4, 2010