U-HAUL HOLDING CO /NV/

FORM 10-Q
(Quarterly Report)

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

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the quarterly period ended December 31, 2012

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 **AMERCO** (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 regist rant is a large accelerated filer, an accelerated filer, a non-accelerated filer , or a smaller reporting company. See the definition s of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

L arge accelerated filer ☐ Accelerated filer ☑

Non-accelerated filer ☐ (Do not check if a smaller reporting company) 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 ☑

19,607,788 shares of AMERCO Common Stock, $0.25 par value, were outstanding at February 1, 201 3 .

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PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED BALANCE SHEETS

		December 31, 2012		March 31, 2012
		(Unaudited)		
		(In thousands, except share data)		
ASSETS				
Cash and cash equivalents	$	586,124	$	357,180
Reinsurance recoverables and trade receivables, net		226,340		297,974
Inventories, net		55,989		58,735
Prepaid expenses		55,148		41,858
Investments, fixed maturities and marketable equities		1,019,968		766,792
Investments, other		270,191		258,551
Deferred policy acquisition costs, net		93,533		63,914
Other assets		101,889		120,525
Related party assets		175,175		316,157
		2,584,357		2,281,686
Property, plant and equipment, at cost:				
Land		338,598		281,140
Buildings and improvements		1,155,754		1,087,119
Furniture and equipment		316,772		308,120
Rental trailers and other rental equipment		303,379		255,010
Rental trucks		2,044,639		1,856,433
		4,159,142		3,787,822
Less: Accumulated depreciation		(1,524,194)		(1,415,457)
Total property, plant and equipment		2,634,948		2,372,365
Total assets	$	5,219,305	$	4,654,051
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Accounts payable and accrued expenses	$	326,182	$	335,326
Notes, loans and leases payable		1,667,008		1,486,211
Policy benefits and losses, claims and loss expenses payable		1,115,823		1,145,943
Liabilities from investment contracts		486,502		240,961
Other policyholders' funds and liabilities		6,348		7,273
Deferred income		27,840		31,525
Deferred income taxes		399,103		370,992
Total liabilities		4,028,806		3,618,231
Commitments and contingencies (notes 4, 8, 9 and 10)		–		–
Stockholders' equity:				
Series preferred stock, with or without par value, 50,000,000 shares authorized:				
Series A preferred stock, with no par value, 6,100,000 shares authorized; 6,100,000 shares issued and none outstanding as of December 31 and March 31, 2012		–		–
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of December 31 and March 31, 2012		–		–
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 December 31 and March 31, 2012		–		–
Common stock of $0.25 par value, 150,000,000 shares authorized; 41,985,700 issued and 19,607,788 outstanding as of December 31 and March 31, 2012		10,497		10,497
Additional paid-in capital		436,926		433,743
Accumulated other comprehensive loss		(22,192)		(45,436)
Retained earnings		1,444,757		1,317,064
Cost of common shares in treasury, net (22,377,912 shares as of December 31 and March 31, 2012)		(525,653)		(525,653)
Cost of preferred shares in treasury, net (6,100,000 shares as of December 31 and March 31, 2012)		(151,997)		(151,997)
Unearned employee stock ownership plan shares		(1,839)		(2,398)
Total stockholders' equity		1,190,499		1,035,820
Total liabilities and stockholders' equity	$	5,219,305	$	4,654,051

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	$ 394,945	$ 375,744
Self-storage revenues	39,111	33,846
Self-moving and self-storage products and service sales	44,491	43,206
Property management fees	6,085	5,368
Life insurance premiums	43,248	132,643
Property and casualty insurance premiums	9,816	9,429
Net investment and interest income	18,927	15,234
Other revenue	22,188	17,619
Total revenues	578,811	633,089
Costs and expenses:		
Operating expenses	290,285	269,834
Commission expenses	51,130	47,864
Cost of sales	23,153	24,505
Benefits and losses	38,932	173,748
Amortization of deferred policy acquisition costs	3,391	3,666
Lease expense	27,575	32,325
Depreciation, net of (gains) on disposals of (($1,831) and ($699), respectively)	62,399	56,274
Total costs and expenses	496,865	608,216
Earnings from operations	81,946	24,873
Interest expense	(22,076)	(22,744)
Pretax earnings	59,870	2,129
Income tax expense	(23,024)	(1,401)
Earnings available to common shareholders	$ 36,846	$ 728
Basic and diluted earnings per common share	$ 1.89	$ 0.04
Weighted average common shares outstanding: Basic and diluted	19,523,794	19,481,614

Related party revenues for the third quarter of fiscal 2013 and 2012 , net of eliminations, were $ 9,422 thousand and $ 11,595 thousand , respectively.

Related party costs and expenses for the third quarter of fiscal 2013 and 2012 , net of eliminations, were $ 10,372 thousand and $ 10,992 thousand , respectively.

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	$ 1,400,300	$ 1,333,918
Self-storage revenues	111,825	99,682
Self-moving and self-storage products and service sales	173,399	167,352
Property management fees	15,847	14,929
Life insurance premiums	137,341	229,839
Property and casualty insurance premiums	26,006	25,076
Net investment and interest income	44,237	48,398
Other revenue	76,589	60,041
Total revenues	1,985,544	1,979,235
Costs and expenses:		
Operating expenses	883,892	836,149
Commission expenses	180,801	168,865
Cost of sales	86,292	89,729
Benefits and losses	130,682	268,140
Amortization of deferred policy acquisition costs	9,290	10,716
Lease expense	89,962	99,271
Depreciation, net of (gains) on disposals of (($14,879) and ($18,326), respectively)	177,478	148,696
Total costs and expenses	1,558,397	1,621,566
Earnings from operations	427,147	357,669
Interest expense	(67,680)	(68,340)
Pretax earnings	359,467	289,329
Income tax expense	(132,632)	(109,367)
Net earnings	226,835	179,962
Less: Excess of redemption value over carrying value of preferred shares redeemed	–	(5,908)
Less: Preferred stock dividends	–	(2,913)
Earnings available to common shareholders	$ 226,835	$ 171,141
Basic and diluted earnings per common share	$ 11.62	$ 8.79
Weighted average common shares outstanding: Basic and diluted	19,512,974	19,470,886

Related party revenues for the first nine months of fiscal 2013 and 2012 , net of eliminations, were $ 26,344 thousand and $ 33,549 thousand , respectively.

Related party costs and expenses for the first nine months of fiscal 2013 and 2012 , net of eliminations, were $ 36,584 thousand and $ 34,906 thousand , respectively.

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

AMERCO AN D CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Quarter Ended December 31, 2012	**Pre-tax**	**Tax**	**Net**
		(Unaudited) (In thousands)	
Comprehensive income:			
Net earnings	$ 59,870	$ (23,024)	$ 36,846
Other comprehensive income (loss):			
Foreign currency translation	(1,068)	–	(1,068)
Unrealized net gain on investments	18,368	(6,574)	11,794
Change in fair value of cash flow hedges	4,248	(1,614)	2,634
Total comprehensive income	$ 81,418	$ (31,212)	$ 50,206

Quarter Ended December 31, 2011	**Pre-tax**	**Tax**	**Net**
		(Unaudited) (In thousands)	
Comprehensive income:			
Net earnings	$ 2,129	$ (1,401)	$ 728
Other comprehensive income (loss):			
Foreign currency translation	1,578	–	1,578
Unrealized net gain on investments	14,079	(4,901)	9,178
Change in fair value of cash flow hedges	2,977	(1,131)	1,846
Total comprehensive income	$ 20,763	$ (7,433)	$ 13,330

Nine Months Ended December 31, 2012	**Pre-tax**	**Tax**	**Net**
		(Unaudited) (In thousands)	
Comprehensive income:			
Net earnings	$ 359,467	$ (132,632)	$ 226,835
Other comprehensive income (loss):			
Foreign currency translation	462	–	462
Unrealized net gain on investments	30,914	(10,923)	19,991
Change in fair value of cash flow hedges	4,501	(1,710)	2,791
Total comprehensive income	$ 395,344	$ (145,265)	$ 250,079

Nine Months Ended December 31, 2011	**Pre-tax**	**Tax**	**Net**
		(Unaudited) (In thousands)	
Comprehensive income:			
Net earnings	$ 289,329	$ (109,367)	$ 179,962
Other comprehensive income (loss):			
Foreign currency translation	(4,179)	–	(4,179)
Unrealized net gain on investments	7,328	(2,159)	5,169
Change in fair value of cash flow hedges	(13,133)	4,991	(8,142)
Total comprehensive income	$ 279,345	$ (106,535)	$ 172,810

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended December 31, 2012	2011
	(Unaudited) (In thousands)	
Cash flow from operating activities:		
Net earnings	$ 226,835	$ 179,962
Adjustments to reconcile net earnings to cash provided by operations:		
Depreciation	192,357	167,022
Amortization of deferred policy acquisition costs	9,290	10,716
Change in allowance for losses on trade receivables	(73)	(89)
Change in allowance for inventory reserves	2,050	3,005
Net gain on sale of real and personal property	(14,879)	(18,326)
Net gain on sale of investments	(1,050)	(5,454)
Deferred income taxes	17,757	94,581
Net change in other operating assets and liabilities:		
Reinsurance recoverables and trade receivables	71,709	(145,727)
Inventories	696	173
Prepaid expenses	(13,283)	2,666
Capitalization of deferred policy acquisition costs	(43,085)	(19,072)
Other assets	22,712	3,623
Related party assets	138,042	(5,357)
Accounts payable and accrued expenses	(872)	7,428
Policy benefits and losses, claims and loss expenses payable	(30,226)	221,797
Other policyholders' funds and liabilities	(925)	(3,333)
Deferred income	(3,704)	1,070
Related party liabilities	2,970	2,965
Net cash provided by operating activities	576,321	497,650
Cash flows from investing activities:		
Purchases of:		
Property, plant and equipment	(422,840)	(421,743)
Short term investments	(289,773)	(169,313)
Fixed maturities investments	(308,290)	(172,570)
Equity securities	(3,130)	(9,048)
Preferred stock	(2,761)	(1,617)
Real estate	(1,053)	(5,201)
Mortgage loans	(50,583)	(94,111)
Proceeds from sale of:		
Property, plant and equipment	166,904	139,852
Short term investments	280,856	186,941
Fixed maturities investments	85,132	116,609
Equity securities	–	10,210
Preferred stock	5,728	1,252
Real estate	671	146
Mortgage loans	49,215	40,883
Net cash used by investing activities	(489,924)	(377,710)
Cash flows from financing activities:		
Borrowings from credit facilities	251,319	234,562
Principal repayments on credit facilities	(234,698)	(166,615)
Debt issuance costs	(2,352)	(1,788)
Capital lease payments	(18,310)	(5,962)
Leveraged Employee Stock Ownership Plan - repayments from loan	559	827
Securitization deposits	(1,729)	40,500
Preferred stock redemption paid	–	(144,289)
Preferred stock dividends paid	–	(2,913)
Common stock dividends paid	(97,421)	–
Contribution to related party	–	(518)
Investment contract deposits	268,478	10,810
Investment contract withdrawals	(22,937)	(21,419)
Net cash provided (used) by financing activities	142,909	(56,805)
Effects of exchange rate on cash	(362)	(306)
Increase in cash and cash equivalents	228,944	62,829
Cash and cash equivalents at the beginning of period	357,180	382,514
Cash and cash equivalents at the end of period	$ 586,124	$ 445,343

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

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

AMERCO, a Nevada corporation ("AMERCO"), has a third fiscal quarter that ends on the 31st of December for each year that is referenced. Our insurance company subsidiaries have a third quarter that ends on the 30th of September for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as r equired 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 even ts occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2012 and 2011 correspond to fiscal 2013 and 2012 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 December 31, 2012 and the related condensed consolidated statements of operations and comprehensive income for the thir d quarter and the first nine months and the cash flows f or the first nine months ended fiscal 2013 and 2012 are unaudited.

In our opinion, all adjustments necessary for the fair presentation of such condensed consolidated financial statements have been inclu ded. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year. The information in this Quarterly Report on Form 10-Q ("Quarterly Report") sh ould be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2012 .

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"),

Rep w est Insura nce Company ("Rep w est"), 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 rep ortable segments. They are Moving and Storage , Property and Casualty Insurance and Life Insurance.

The Moving and Storage operati ng segment include s AMERCO, U-Haul, and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate. Operations con sist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and mobile self -storage spaces to the "do-it-yourself" mover and management of self- storage properties owned by othe rs. Operations are conducted under the registered trade name U-Haul ® throughout the United States and Canada.

The Property and Casualty Insurance operating segment includes Rep w est and its wholly-owned subsidiaries and ARCOA risk retention group ("ARCOA"). The Property and Casualty Insurance operating segment provides loss adjusting and claims handling for U-Haul through regional offices a cross North America. The Property and Casualty Insurance operating segment also underwrites components of the Safemove, Safetow, Super Safemove and Safestor protection packages to U-Haul customers. The business plan for the Property and Casualty Insurance operating segment includes offering property and casualty products in other U-Haul related programs. ARCOA is a group captive insurer owned by us and our wholly-owned subsidiaries whose purpose is t o provide insurance products related to the moving and storage business .

The 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 d irect 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 for the third quarter and first nine months of fiscal 2012 are net earnings less preferred stock dividends paid, adjusted for the price paid by us for the redemption of our p referred stock less its carrying value on our balance sheet at that time . Preferred stoc k dividends include accrued dividends of AMERCO. Preferred stock dividends paid to or accrued for entities that are part of the consolidated group are eliminated in consolidation .

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not be en committed to be released. The unreleased shares , net of shares committed to be released , were 75,657 and 120,725 as of December 31, 2012 and December 31, 2011 , respectiv ely.

On June 1, 2011 , we redeemed all 6,100,000 shares of our issued and outstanding Series A 8½% Preferred Stock ("Series A Preferred") at a redemption price of $ 25 per share plus accrued dividends through that date. 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 deficit of the carrying amount of the Series A Preferred over the consideration paid to redeem the shares.

The Series A Preferred was recorded in our Additional Paid-In Capital account, net of original issue costs at $ 146.3 million prior to the redemption. We paid $ 1 52.5 million to redeem the shares on June 1, 2011 of which $ 7.7 million was paid to our insurance subsidiaries in exchange for their holdings. The difference between what was paid to redeem the shares less their carrying amount on our balance sheet, reduced by our insurance subsidiaries holdings wa s $ 5.9 million. This amount was recognized as a reduction to our earnings available to our common shareholders for the purposes of computing earnings per share for the first nine months of fiscal 2012 .

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 pe nalties.

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was $ 16.3 million at December 31, 2012 .

Available-for-Sale Investments

Available-for-sale investments at December 31, 2012 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	$ 21,201	$ 2,910	$ (3)	$ –	$ 24,108
U.S. government agency mortgage-backed securities	41,010	4,427	(7)	(1)	45,429
Obligations of states and political subdivisions	149,644	16,073	(2)	(54)	165,661
Corporate securities	662,087	52,067	(650)	(1,131)	712,373
Mortgage-backed securities	24,597	774	(25)	(30)	25,316
Redeemable preferred stocks	21,353	1,208	(342)	(11)	22,208
Common stocks	30,866	99	(6,092)	–	24,873
	$ 950,758	$ 77,558	$ (7,121)	$ (1,227)	$ 1,019,968

The table above 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.

We sold available-for-sale securities with a fair value of $ 90.7 million during the first nine months of fiscal 2013 . The gross realized gains on these sales totaled $ 1.9 million. The gross realized losses on these sales totaled $ 0.6 million.

The unrealized losses of more than twelve months in the available-for-sale table are considered temporary declines. The majority of this unrealized lo ss is related to our long term investments in 1.8 million shares of Bank of America common stock. We track each investment with an unrealized loss and evaluate them on an individual basis for other-than-temporary impairments including obtaining corroborati ng opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments may have declines determined by management to be other-than-temporary and we recognize d these write-downs through earnings . Our insurance subsidiaries recognized $ 0.1 million in other-than-temporary impairments for the first nine months of fiscal 2012 . There were no write downs in the third quarter of fiscal 2013 and 2012 or for the first nine months of fiscal 2013 .

The investment portfolio primarily consists of corporate securities and U.S. government securities. We believe we monitor our investments as appropriate. Our methodology of assessing other-than-temporary impairments is based on security-specific analysis a s 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, inc luding payment at maturity. We have the ability and intent not to sell our fixed maturity and common stock investments for a period of time sufficient to allow us to recover our costs.

The portion of other-than-temporary impairment related to a credit loss is recognized in earnings. The significant inputs utilized in the evaluation of mortgage backed securities credit losses include ratings, delinquency rates, and prepayment activity. The significant inputs utilized in the evaluation of asset backed securit ies 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 comprehen sive income were as follows:

		Credit Loss
		(Unaudited)
		(In thousands)
Balance at March 31, 2012	$	552
Additions:		
Other-than-temporary impairment not previously recognized		–
Balance at December 31, 2012	$	552

The adjusted cost and estimated market value of available-for-sale investments at December 31, 2012 , by contractual maturity, were as follows:

		Amortized Cost		Estimated Market Value
		(Unaudited) (In thousands)		
Due in one year or less	$	48,841	$	49,768
Due after one year through five years		168,987		180,963
Due after five years through ten years		243,324		263,840
Due after ten years		412,790		453,000
		873,942		947,571
Mortgage backed securities		24,597		25,316
Redeemable preferred stocks		21,353		22,208
Common stocks		30,866		24,873
	$	950,758	$	1,019,968

4. Borrowings

Long-Term Debt

Long-term debt was as follows:

	2013 Rate (a)	Maturities		December 31, 2012		March 31, 2012
				(Unaudited)		
				(In thousands)		
Real estate loan (amortizing term)	6.93%	2018	$	237,500	$	245,000
Real estate loan (revolving credit)	–	2018		–		–
Real estate loan (amortizing term)	2.11%	2016		24,779		25,451
Real estate loan (revolving credit)	–	2013		–		23,920
Senior mortgages	4.90% - 5.75%	2015 - 2038		560,775		459,822
Working capital loan (revolving credit)	–	2013		–		–
Fleet loans (amortizing term)	1.75% - 6.92%	2012 - 2020		360,690		384,888
Fleet loans (securitization)	4.90% - 5.56%	2014 - 2017		196,179		228,655
Capital leases (rental equipment)	2.37% - 9.57%	2015 - 2019		274,394		109,689
Other obligations	3.00% - 8.00%	2013 - 2042		12,691		8,786
Total notes, loans and leases payable			$	1,667,008	$	1,486,211

(a) Interest rate as of December 31, 2012, 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 current availability of $ 177.7 million. As of December 31, 2012 , the outstanding balance on the Real Estate Loan was $ 237.5 million and we had the full $ 177.7 million available to be drawn. U-Haul International, Inc. is a guarantor of this loan.

The amortizing term port ion 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 l oan a gre ement, is the applicable London Inter-Bank Offer Rate (“LIBOR”) plus the applicable margin. At December 31, 2012 , the applicable LIBOR was 0.22% and the applicable margin was 1.50% , the sum of which was 1.72% . The rate on the term facility portion of the Real Estate 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 l oan a greement, is the applicable LIBOR plus the applicable margin. The margin ranges from 1.50% to 2.00% .

The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. T here 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 2 7 , 2011 . Th is loan is now comprised of a term loan facility with an initial availability of $ 26.1 million and a final maturity of

June 2016. As of December 31, 2012 , the outstanding balance was $ 24.8 million.

This Real Estate Loan requires monthly principal and interest payments , with the unpaid loan balance and any accrued and unpaid interest due at maturity. The interes t rate, per the provision of this loan a greement, is the applicable LIBOR plus a margin of 1.90% . At December 31, 2012 , the applicable LIBOR was 0.21% and the margin was 1.90% , the sum of which was 2.11% . 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.

On April 29, 2011, Amerco Real Estate Company and U-Haul Company of Florida entered into a revolvin g credit agreement for $ 100.0 million. This agreement was amended in March 2012 and the maturity extended to April 201 3 with an option for a one year extension. As of December 31, 2012 , we had the full $ 100.0 milli on available to be drawn. The interest rate is the applicable LIBOR plus a m argin of 1.25% . AMERCO and U-Haul International, Inc. are guarantors of this facility. The default provisions of the loan include non-payment of principal or interest and other sta ndard 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 December 31, 2012 were in the aggregate amount of $ 560.8 million and mature between 2015 and 2038 . The s enior m ortgages require average monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The senior mortgages are secured by certain properties owned by the borrowers. The interest rates, per the provisions of the senior mortgages, range between 4.90% and 5.75% . Amerco Real Estate Company and U-Haul International, Inc . have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding o ur 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 December 31, 2012 , we had the full $ 25.0 million available to be drawn. This loan is secured by certain properties owned by the b orrower. Th is loan agreement provides for revolving loans, subject to the terms of the loan agreement . This agreement was amended in Marc h 2012 and the maturity extended to November 201 3 with an option for a one year extension . Th is 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 th is loan a greement, is the applicable LIBOR plus a margin of 1.25% .

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 December 31, 2012 was $ 245.7 million with the final maturities between July 201 3 and January 20 20 .

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 December 31, 2012 , the applicable LIBOR was between 0.21% and 0 .22% and applic able margins were between 0.90% and 2.63% . The interest rates are hedged with interest rate swaps fixing the rates between 1.75% and 6.92% based on current margins. Additionally, $ 31.1 million of these loans are carried at fixed rate s betwee n 2.59% to 3.94% .

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 was used to fund cargo van and pickup acquisitions for the pas t t wo years. This term note was amended on August 26, 2011. The amount of the term note was increased to $ 95.0 million. On December 22, 2011, we entered into another term loan for $ 20.0 million. The final maturity date of these notes is August 2016 . The agreement s contain options to extend the maturity through May 2017 . The se note s are secured by the purchas ed equipment and the corresponding operating cash flows associated with their operation. These notes have fixed interest rates between 3.52% and 3.53% . At December 31, 2012 , the outstanding balance was $ 115.0 mill ion.

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.

Rental Truck Securitizations

U-Haul S Fleet and its subsidiaries (collectively, “USF”) issued a $ 217.0 million asset-backed note (“2007 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 secu ritized transaction were used to finance new box truck purchases throughout fiscal 2008. U.S. Bank, NA acts as the trustee for this securitization.

The 2007 Box Truck Note has a fixed interest rate of 5.56% with an expected final maturity of February 2014. At December 31, 2012 , the outstanding balance was $ 84.6 million. The note is secured by the box trucks that were purchased and the corresponding operating cash flows associated with their operation.

The 2007 Box Truck Note has the benefit of a financial guaranty insurance policy which guarantees the timely payment of interest on and the ultimate payment of the principal of this note.

2010 U-Haul S Fleet and its subsidiaries (collectively, “2010 USF”) issued a $ 155.0 million asset-backed note (“2010 Box Truck Note”) on October 28, 2010. 2010 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. U.S. Bank, NA acts as the trustee for this securitization.

The 2010 Box Truck Note has a fixed interest rate of 4.90% with an expected final maturity of October 2017. At December 31, 2012 , the outstanding balance was $ 111.6 million. The note is secur ed by the box trucks being purchased and the corresponding operating cash flows associated with their operation.

The 2007 Box Truck Note and 2010 Box Truck Note are 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 these notes include non-payment of principal o r interest and other standard reporting and change-in-control covenants.

Capital Leases

We entered into capital leases for new equipment between April 2008 and December 2012, with terms of the leases between 5 and 7 years . At December 31, 2012 , the outstanding balance of these leases was $ 274.4 million.

Other Obligations

In February 2011 , the Company and US Bank, N ational A ssociation (the “Trustee”) entered into the U-Haul Investors Club Indenture. The Company and the Trustee entered into this indenture to provide for the issuance of notes (“U-Notes”) by us directly to investors over our proprietary website, uhaulinvestorsclub.com . T he U-Notes are secured by various types of collateral including rental equipment and real estate. U-Notes are issued in smaller series that vary as to principal amount, interest rate and maturity. U-Notes are obligations of the Company and secured by the associated collateral; they are not guaranteed by any of the Company’s affiliates or subsidiaries.

At December 31, 2012 , the aggregate outstanding principal balance of the U-N otes issued was $ 19.0 million of whic h $ 6.3 million is with our insurance subsidiaries with interest rates between 3.00% and 8.00% and maturity dates between 2013 and 2042.

Annual Maturities of Notes, Loans and Leases Payable

The annual maturities of long-term debt as of December 31, 2012 for the next five years and thereafter are as follows:

	Year Ending December 31, 2013	2014	2015	2016	2017	Thereafter
	(Unaudited) (In thousands)					
Notes, loans and leases payable, secured	$ 128,987	$ 203,900	$ 530,297	$ 282,227	$ 172,932	$ 348,665

Interest on Borrowings

Interest Expense

Components of interest expense include the following:

	Quarter Ended December 31, 2012	2011
	(Unaudited) (In thousands)	
Interest expense	$ 16,540	$ 16,009
Capitalized interest	(119)	(76)
Amortization of transaction costs	1,014	1,198
Interest expense resulting from derivatives	4,641	5,613
Total interest expense	$ 22,076	$ 22,744

	Nine Months Ended December 31, 2012	2011
	(Unaudited) (In thousands)	
Interest expense	$ 48,715	$ 47,888
Capitalized interest	(290)	(154)
Amortization of transaction costs	3,149	3,292
Interest expense resulting from derivatives	16,106	17,314
Total interest expense	$ 67,680	$ 68,340

Interest paid in cash including payments related to derivative contracts, amounted to $ 20.8 million and $ 21.7 million for the third quarter of fiscal 2013 and 2012 , respectively and $ 63.3 million and $ 66.0 million for the first nine months of fiscal 2013 and 2012 , respectively.

Interest Rates

Interest rates and Company borrowings were as follows:

	Revolving Credit Activity Quarter Ended December 31, 2012	2011
	(Unaudited) (In thousands, except interest rates)	
Weighted average interest rate during the quarter	1.57%	1.80%
Interest rate at the end of the quarter	1.61%	1.77%
Maximum amount outstanding during the quarter	$ 25,000	$ 38,920
Average amount outstanding during the quarter	$ 24,185	$ 37,779
Facility fees	$ 115	$ 109

	Revolving Credit Activity Nine Months Ended December 31, 2012	2011
	(Unaudited) (In thousands, except interest rates)	
Weighted average interest rate during the first nine months	1.67%	1.72%
Interest rate at the end of the first nine months	1.61%	1.77%
Maximum amount outstanding during the first nine months	$ 48,920	$ 38,920
Average amount outstanding during the first nine months	$ 24,830	$ 24,685
Facility fees	$ 399	$ 416

5 . Derivatives

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

Original variable rate debt amount		Agreement Date	Effective Date	Expiration Date	Designated cash flow hedge date
			(Unaudited)		
			(In millions)		
$ 50.0		6/21/2006	7/10/2006	7/10/2013	6/9/2006
300.0		8/16/2006	8/18/2006	8/10/2018	8/4/2006
30.0		2/9/2007	2/12/2007	2/10/2014	2/9/2007
20.0		3/8/2007	3/12/2007	3/10/2014	3/8/2007
20.0		3/8/2007	3/12/2007	3/10/2014	3/8/2007
19.3	(a)	4/8/2008	8/15/2008	6/15/2015	3/31/2008
19.0		8/27/2008	8/29/2008	7/10/2015	4/10/2008
30.0		9/24/2008	9/30/2008	9/10/2015	9/24/2008
15.0	(a)	3/24/2009	3/30/2009	3/30/2016	3/25/2009
14.7	(a)	7/6/2010	8/15/2010	7/15/2017	7/6/2010
25.0	(a)	4/26/2011	6/1/2011	6/1/2018	7/1/2011
50.0	(a)	7/29/2011	8/15/2011	8/15/2018	7/29/2011
20.0	(a)	8/3/2011	9/12/2011	9/10/2018	8/3/2011
15.1	(b)	3/27/2012	3/28/2012	3/28/2019	3/26/2012
25.0		4/13/2012	4/16/2012	4/1/2019	4/12/2012

(a) forward swap

(b) operating lease

As of December 31, 2012 , the total notional amount of our variable interest rate swaps on debt and an operating lease was $ 417.3 million and $ 14.1 million , respectively .

The derivative fair values located in a ccounts payable and accrued expenses in the balance sheets were as fol lows:

	Liability Derivatives Fair Values as of	
	December 31, 2012	March 31, 2012
	(Unaudited)	
	(In thousands)	
Interest rate contracts designated as hedging instruments	$ 56,089	$ 59,313

	The Effect of Interest Rate Contracts on the Statements of Operations	
	December 31, 2012	December 31, 2011
	(Unaudited)	
	(In thousands)	
Loss recognized in income on interest rate contracts	$ 16,106	$ 17,314
(Gain) loss recognized in AOCI on interest rate contracts (effective portion)	$ (4,501)	$ 13,133
Loss reclassified from AOCI into income (effective portion)	$ 14,828	$ 17,984
(Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing)	$ 1,277	$ (670)

Gains or losses recognized in income on derivatives are recorded as interest expense in the statements of operations. At December 31, 2012 , we expect to reclassify $ 16.6 million of net losses on interest rate contracts from accumulated other comprehensive income to earnings as interest expense over the next twelve months.

6. Stockholders ' Equity

On June 1, 2011 , we redeemed all 6,100,000 shares of our issued and outstanding Series A Preferred at a redemption price of $ 25 per share plus accrued dividends through that date. Pursuant to ASC 260 , for earnings per share purposes, we recognized the deficit of the carrying amount of the Series A Preferred over the consideration paid to redeem the shares.

The Series A Preferred was recorded in our Additional Paid-In Capital account, net of original issue costs at $ 146.3 mi llion prior to the redemption. We paid $ 152.5 million to redeem the shares on June 1, 2011 of which $ 7.7 million was paid to our insurance subsidiaries i n exch ange for their holdings. The difference between what was paid to redeem the shares less their carrying amount on our balance sheet, reduced by our insurance subsidiaries holdings was $ 5.9 million. This amount was recognized as a reduction to our earnings a vailable to our common shareholders for the purposes of computing earnings per share for the first nine months of fiscal 2012 .

On November 7, 2012, we declared a special cash dividend on o ur Common Stock of $ 5.00 per share to holders of record on November 19, 2012. The dividend was paid on November 30, 2012.

7. Comprehensive Income (Loss)

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

	Foreign Currency Translation	Unrealized Net Gain on Investments	Fair Market Value of Cash Flow Hedges	Postretirement Benefit Obligation Gain	Accumulated Other Comprehensive Income (Loss)
			(Unaudited) (In thousands)		
Balance at March 31, 2012	$ (28,882)	$ 20,866	$ (38,129)	$ 709	$ (45,436)
Foreign currency translation	462	–	–	–	462
Unrealized net gain on investments	–	19,991	–	–	19,991
Change in fair value of cash flow hedges	–	–	2,791	–	2,791
Balance at December 31, 2012	$ (28,420)	$ 40,857	$ (35,338)	$ 709	$ (22,192)

8. Contingent Liabilities and Commitments

We lease a portion of our rental equipment and certain of our facilities under operating leases with terms that expire at various dates substantially through 201 9 . As of December 31, 2012 , AMERCO has guaranteed $ 124.3 million of residual values for these rental equipment ass ets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, we ha ve 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 va lue 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 December 31:						
2013	$	13,930	$	88,539	$	102,469
2014		6,061		65,177		71,238
2015		894		41,182		42,076
2016		748		16,638		17,386
2017		629		11,308		11,937
Thereafter		5,170		13,115		18,285
Total	$	27,432	$	235,959	$	263,391

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 complai nt 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 deri vative 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 Dis trict 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 Boar d. 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 complain t 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 l itigation 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 tha t 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 disco very 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 (the "Court"). On May 20, 2008, AMERCO filed a cross appeal relating to the denial of its Motion to Dismiss in regard to demand futility.

On May 12, 2011, the Nevada Supreme Court affirmed in part, reversed in part, and remanded the case for further proceedings. First, the Court ruled that the Goldwasser settlement did not release claims that arose after the agreement and, therefore, reversed the trial court's dismissal of the Complaint on that ground. Second, the Court affirmed the district court's determination that the in pari delicto defense is available in a derivative suit and reversed and remanded to the district court to determine if the defense applies to this matter. Third, the Court remanded to the district court to conduct an evidentiary hearing to determine whether demand upon the AMERCO Board was, in fact, futile. Fourth, the Court invited AMERCO to seek a ruling from the district court as to the legal effect of the AMERCO Shareholders' 2008 ratification of the underlying AMERCO/SAC transactions.

Last, as to individual claims for relief, the Court affirmed the district court's dismissal of the breach of fiduciary duty of loyalty claims as to all defendants except Mark Shoen. The Court affirmed the district court's dismissal of the breach of fiduciary duty: ultra vires Acts claim as to all defendants. The Court reversed the district court's dismissal of aiding and abetting a breach of fiduciary duty and unjust enrichment claims against the SAC entities. The Court reversed the trial court's dismissal of the claim for wrongful interference with prospective economic advantage as to all defendants.

On remand, on July 22, 2011, AMERCO filed a Motion for Summary Judgment based upon the Shareholder's Ratification of the SAC transactions. In addition, on August 29, 2011, certain defendants filed a Motion to Dismiss Plaintiffs' Claim for Wrongful Interference with Prospective Economic Advantage. On August 31, 2011, the trial court held a status conference and entered an order setting forth the briefing schedule for the two motions. On December 23, 2011, the trial court denied AMERCO's motion for summary judgment and certain defendants' motion to dismiss. The court set a discovery schedule on the limited issue of demand futility. A four day evidentiary hearing on demand futility was scheduled to begin on August 20, 2012.

On August 6, 2012, Max Belec and Glenbrook Capital Limited Partnership, voluntarily dismissed their complaint with prejudice. On August 20, 2012, the remaining plaintiffs, Paul Shoen and Alan Kahn, dismissed their complaint with prejudice. AMERCO paid none of plaintiffs' attorneys' fees or costs. In return, AMERCO released plaintiffs from further related litigation based on plaintiffs' conduct in this litigation. Moreover, Paul Shoen, Alan Kahn, Grover Wickersham and numerous individuals and entities related to Paul Shoen and Grover Wickersham agreed to sell all of their AMERCO securities in the open market and not sue AMERCO or any of the other defendants for 20 years. If the plaintiffs or the related parties breach this agreement, Paul Shoen will be responsible for $5,000,000 in liquidated damages. The parties filed a final Mutual Release Agreement with the Court on October 16, 2012, thereby terminating the case in its entirety, with prejudice.

Environmental

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

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

Other

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, our Audit Committee (the "Audit Committee") reviews and maintains oversight over related party transactions which are req uired to be disclosed under the Securities and Exchange Commission ("SEC") rules and regulations. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. We believe that our internal processes ensure that our 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 completed on terms substantially equivalent to those that would p revail 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 us pursuant to management agreements. In the past, we have sold various self-storage properties to SAC Holdings, and such sales provided significant cash flows to us .

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 manage s .

Related Party Revenue

	Quarter Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands)	
U-Haul interest income revenue from SAC Holdings	$ 1,981	$ 4,863
U-Haul interest income revenue from Private Mini	1,356	1,364
U-Haul management fee revenue from SAC Holdings	3,585	3,440
U-Haul management fee revenue from Private Mini	580	558
U-Haul management fee revenue from Mercury	1,920	1,370
	$ 9,422	$ 11,595

	Nine Months Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands)	
U-Haul interest income revenue from SAC Holdings	$ 6,438	$ 14,537
U-Haul interest income revenue from Private Mini	4,059	4,083
U-Haul management fee revenue from SAC Holdings	11,271	10,990
U-Haul management fee revenue from Private Mini	1,720	1,664
U-Haul management fee revenue from Mercury	2,856	2,275
	$ 26,344	$ 33,549

During the first nine months of fiscal 2013 , 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 of AMERCO. W e do not have an equity ownership interest in SAC Holdings. We received cash interest payments of $ 10.7 million and $ 13.4 million, from SAC Holdings during the first nine months of fiscal 201 3 and 2012 , respectively. The largest aggregate amount of notes receivable outstanding during the first nine months of fiscal 2012 was $ 195.4 million and the aggregate notes receivable balance at December 31, 2012 was $ 72.6 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. We received repayments of $ 127.3 million during the first quarter of fiscal 2013 on these notes and interest receivables.

During the first nine months of fiscal 2013 , AMERCO and U-Haul held various junior notes issued by Private Mini Storage Realty, L.P. ("Private Mini"). The equity interests of Private Mini are ultimately controll ed by Blackwater. We received cash interest payments of $ 4.1 million and $ 4.0 million from Private Mini during the first nine months of fiscal 2013 and 2012 , respec tively. The largest aggregate amount outstanding during the first nine months of fiscal 2013 was $ 66.3 million and t he aggregate notes receivable balance at December 31, 2012 was $ 66.0 million.

We currently manage 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 we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of $ 19.1 million and $ 18.0 million from the above mentioned entities during the first nine months of fiscal 2013 and 2012 . This management fee is consistent with the fee received for other properties we 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 Mar k V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

Related Party Costs and Expenses

	Quarter Ended December 31,	
	2012	**2011**
	(Unaudited) (In thousands)	
U-Haul lease expenses to SAC Holdings	$ 655	$ 636
U-Haul commission expenses to SAC Holdings	9,142	9,764
U-Haul commission expenses to Private Mini	575	592
	$ 10,372	$ 10,992

	Nine Months Ended December 31,	
	2012	**2011**
	(Unaudited) (In thousands)	
U-Haul lease expenses to SAC Holdings	$ 1,971	$ 1,762
U-Haul commission expenses to SAC Holdings	32,531	31,146
U-Haul commission expenses to Private Mini	2,082	1,998
	$ 36,584	$ 34,906

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us .

At December 31, 2012 , 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 our other independent dealers whereby commissions are paid by us based upon equipment rental revenues

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of $ 23.5 million, expenses of $ 2.0 million and cash flows of $ 152.7 million during the first nine months of fiscal 2013 . Revenues and commission expenses related to the Dealer Agreements were $ 158.4 million and $ 34.6 million , respectively during the first ni ne months of fiscal 2013 .

Pursuant to the variable interest entity model under ASC 810 - *Consolidation* (“ASC 810”), Management determined that the junior notes of SAC Holdings and Private Mini as well as the management agreement s with SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini represent potential variable interests for us . Management evaluated whether it should be identified as the primary beneficiary of one or more of these variable interest entit ie s (“VIE’s”) using a two - step approach in which management (i) identified all other parties that hold interests in the VIE’s, and (ii) 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 based upon management agreements which are with the individual operating entities or through the issuance of junior debt ; therefore , we are precluded from consolidating these entities. Additionally, after a redetermination caused by the SAC Holding II repayment of t he outstanding principal on its junior notes with AMERCO during the first quarter of fiscal 2013 , Management has determined that the Company does not have a variable interest in the SAC Holding II holding entity.

We have junior de bt with the holding en tities SAC Holding Corporation and Private Mini which represents a variable interest in each individual entity. Though we have certain protective rights within these debt agreements, we have 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, we have no basis under ASC 810 to consolidate these entities.

We do not have the power to direct the activ ities that most significantly impact the economic performance of the individual operating entities which have management agreements with U-Haul. There are no fees or penalties disclosed in the management agreement for termination of the agreement. Through control of the holding entities assets, and its ability and history of making key decisions relating to the entity and its assets, Blackwater, and its owner, are the variable interest holder with the power to direct the activities that most significantly i mpact each of the individual holding entities and the individual operating entities’ performance. As a result, we ha ve no basis under ASC 810 to consolidate these entities.

We have not provided financial or other support explicitly or implicitly during the first nine months ended December 31, 2012 to any of these entities that we were not previously contractually required to provide. In addition, we currently have no plan t o provide any financial support to any of these entities in the future. The carrying amount and classification of the assets and liabilities in our balance sheet s that relate s to our variable interests in the aforementioned entities are as follows, which a pproximate the maximum exposure to loss as a result of our involvement with these related party entities:

Related Party Assets

	December 31, 2012	March 31, 2012
	(Unaudited)	
	(In thousands)	
U-Haul notes, receivables and interest from Private Mini	$ 70,706	$ 68,798
U-Haul notes receivable from SAC Holdings	72,634	195,426
U-Haul interest receivable from SAC Holdings	14,407	18,667
U-Haul receivable from SAC Holdings	14,753	30,297
U-Haul receivable from Mercury	3,601	3,195
Other (a)	(926)	(226)
	$ 175,175	$ 316,157

(a) Timing difference for intercompany balances with insurance subsidiaries

11. Consolidating Financial Information by Industry Segment

AMERCO's three reportable segments are:

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

Management trac ks 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 pres ent these as separate reportable segments. Deferred income taxes are shown as liabilities on the condensed consolidating statements.

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

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

11. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of December 31, 2012 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	$ 351,755	$ 185,624	$ 1,504	$ –		$ 538,883	$ 14,490	$ 32,751	$ –		$ 586,124
Reinsurance recoverables and trade receivables, net	–	24,882	–	–		24,882	172,370	29,088	–		226,340
Inventories, net	–	55,989	–	–		55,989	–	–	–		55,989
Prepaid expenses	12,578	42,030	540	–		55,148	–	–	–		55,148
Investments, fixed maturities and marketable equities	20,472	–	–	–		20,472	123,777	875,719	–		1,019,968
Investments, other	–	–	43,125	–		43,125	101,495	125,571	–		270,191
Deferred policy acquisition costs, net	–	–	–	–		–	–	93,533	–		93,533
Other assets	480	71,517	29,191	–		101,188	487	214	–		101,889
Related party assets	1,008,820	121,303	7	(951,978)	(c)	178,152	8,738	516	(12,231)	(c)	175,175
	1,394,105	501,345	74,367	(951,978)		1,017,839	421,357	1,157,392	(12,231)		2,584,357
Investment in subsidiaries	217,615	–	–	152,561	(b)	370,176	–	–	(370,176)	(b)	–
Property, plant and equipment, at cost:											
Land	–	106,859	231,739	–		338,598	–	–	–		338,598
Buildings and improvements	–	182,051	973,703	–		1,155,754	–	–	–		1,155,754
Furniture and equipment	140	298,282	18,350	–		316,772	–	–	–		316,772
Rental trailers and other rental equipment	–	303,379	–	–		303,379	–	–	–		303,379
Rental trucks	–	2,044,639	–	–		2,044,639	–	–	–		2,044,639
	140	2,935,210	1,223,792	–		4,159,142	–	–	–		4,159,142
Less: Accumulated depreciation	(119)	(1,154,751)	(369,324)	–		(1,524,194)	–	–	–		(1,524,194)
Total property, plant and equipment	21	1,780,459	854,468	–		2,634,948	–	–	–		2,634,948
Total assets	$ 1,611,741	$ 2,281,804	$ 928,835	$ (799,417)		$ 4,022,963	$ 421,357	$ 1,157,392	$ (382,407)		$ 5,219,305

(a) Balances as of September 30, 2012
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of December 31, 2012 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	$ 511	$ 315,935	$ 4,157	$ –		$ 320,603	$ –	$ 5,579	$ –		$ 326,182
Notes, loans and leases payable	–	880,542	786,466	–		1,667,008	–	–	–		1,667,008
Policy benefits and losses, claims and loss expenses payable	–	388,726	–	–		388,726	322,548	404,549	–		1,115,823
Liabilities from investment contracts	–	–	–	–		–	–	486,502	–		486,502
Other policyholders' funds and liabilities	–	–	–	–		–	2,853	3,495	–		6,348
Deferred income	–	27,840	–	–		27,840	–	–	–		27,840
Deferred income taxes	418,892	–	–	–		418,892	(39,054)	19,265	–		399,103
Related party liabilities	–	679,544	281,829	(951,978)	(c)	9,395	2,181	655	(12,231)	(c)	–
Total liabilities	419,403	2,292,587	1,072,452	(951,978)		2,832,464	288,528	920,045	(12,231)		4,028,806
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	437,136	121,230	147,941	(269,171)	(b)	437,136	91,120	26,271	(117,601)	(b)	436,926
Accumulated other comprehensive income (loss)	(22,192)	(63,049)	–	63,049	(b)	(22,192)	5,198	38,801	(43,999)	(b)	(22,192)
Retained earnings (deficit)	1,444,547	(67,665)	(291,559)	359,224	(b)	1,444,547	33,210	169,775	(202,775)	(b)	1,444,757
Cost of common shares in treasury, net	(525,653)	–	–	–		(525,653)	–	–	–		(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–		(151,997)	–	–	–		(151,997)
Unearned employee stock ownership plan shares	–	(1,839)	–	–		(1,839)	–	–	–		(1,839)
Total stockholders' equity (deficit)	1,192,338	(10,783)	(143,617)	152,561		1,190,499	132,829	237,347	(370,176)		1,190,499
Total liabilities and stockholders' equity	$ 1,611,741	$ 2,281,804	$ 928,835	$ (799,417)		$ 4,022,963	$ 421,357	$ 1,157,392	$ (382,407)		$ 5,219,305

(a) Balances as of September 30, 2012
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of March 31, 2012 are as f ollows:

	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	$ 201,502	$ 106,951	$ 775	$ –	$ 309,228	$ 22,542	$ 25,410	$ –	$ 357,180
Reinsurance recoverables and trade receivables, net	–	37,103	–	–	37,103	231,211	29,660	–	297,974
Inventories, net	–	58,735	–	–	58,735	–	–	–	58,735
Prepaid expenses	9,496	32,051	311	–	41,858	–	–	–	41,858
Investments, fixed maturities and marketable equities	17,028	–	–	–	17,028	132,270	617,494	–	766,792
Investments, other	–	9,880	42,453	–	52,333	74,757	131,461	–	258,551
Deferred policy acquisition costs, net	–	–	–	–	–	–	63,914	–	63,914
Other assets	483	91,761	26,571	–	118,815	1,507	203	–	120,525
Related party assets	1,201,385	261,341	9	(1,144,545) (c)	318,190	7,542	482	(10,057) (c)	316,157
	1,429,894	597,822	70,119	(1,144,545)	953,290	469,829	868,624	(10,057)	2,281,686
Investment in subsidiaries	8,168	–	–	331,461 (b)	339,629	–	–	(339,629) (b)	–
Property, plant and equipment, at cost:									
Land	–	67,558	213,582	–	281,140	–	–	–	281,140
Buildings and improvements	–	162,351	924,768	–	1,087,119	–	–	–	1,087,119
Furniture and equipment	138	289,601	18,381	–	308,120	–	–	–	308,120
Rental trailers and other rental equipment	–	255,010	–	–	255,010	–	–	–	255,010
Rental trucks	–	1,856,433	–	–	1,856,433	–	–	–	1,856,433
	138	2,630,953	1,156,731	–	3,787,822	–	–	–	3,787,822
Less: Accumulated depreciation	(115)	(1,056,854)	(358,488)	–	(1,415,457)	–	–	–	(1,415,457)
Total property, plant and equipment	23	1,574,099	798,243	–	2,372,365	–	–	–	2,372,365
Total assets	$ 1,438,085	$ 2,171,921	$ 868,362	$ (813,084)	$ 3,665,284	$ 469,829	$ 868,624	$ (349,686)	$ 4,654,051

(a) Balances as of December 31, 2011
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of March 31, 2012 are as f ollows:

	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	$ 1,875	$ 319,780	$ 3,611	$ –		$ 325,266	$ –	$ 10,060	$ –		$ 335,326
Notes, loans and leases payable	–	769,497	716,714	–		1,486,211	–	–	–		1,486,211
Policy benefits and losses, claims and loss expenses payable	–	380,140	–	–		380,140	382,939	382,864	–		1,145,943
Liabilities from investment contracts	–	–	–	–		–	–	240,961	–		240,961
Other policyholders' funds and liabilities	–	–	–	–		–	3,438	3,835	–		7,273
Deferred income	–	31,525	–	–		31,525	–	–	–		31,525
Deferred income taxes	397,992	–	–	–		397,992	(41,945)	14,945	–		370,992
Related party liabilities	–	855,016	297,859	(1,144,545)	(c)	8,330	1,555	172	(10,057)	(c)	–
Total liabilities	399,867	2,355,958	1,018,184	(1,144,545)		2,629,464	345,987	652,837	(10,057)		3,618,231
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	433,953	121,230	147,941	(269,171)	(b)	433,953	89,620	26,271	(116,101)	(b)	433,743
Accumulated other comprehensive income (loss)	(45,436)	(66,302)	–	66,302	(b)	(45,436)	2,255	23,888	(26,143)	(b)	(45,436)
Retained earnings (deficit)	1,316,854	(237,107)	(297,764)	534,871	(b)	1,316,854	28,666	163,128	(191,584)	(b)	1,317,064
Cost of common shares in treasury, net	(525,653)	–	–	–		(525,653)	–	–	–		(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–		(151,997)	–	–	–		(151,997)
Unearned employee stock ownership plan shares	–	(2,398)	–	–		(2,398)	–	–	–		(2,398)
Total stockholders' equity (deficit)	1,038,218	(184,037)	(149,822)	331,461		1,035,820	123,842	215,787	(339,629)		1,035,820
Total liabilities and stockholders' equity	$ 1,438,085	$ 2,171,921	$ 868,362	$ (813,084)		$ 3,665,284	$ 469,829	$ 868,624	$ (349,686)		$ 4,654,051

(a) Balances as of December 31, 2011
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

Consolidating statement of operations by industry segment for the quarter ended December 31, 2012 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	$ –	$ 395,401	$ –	$ –		$ 395,401	$ –	$ –	$ (456)	(c)	$ 394,945
Self-storage revenues	–	38,813	298	–		39,111	–	–	–		39,111
Self-moving and self-storage products and service sales	–	44,491	–	–		44,491	–	–	–		44,491
Property management fees	–	6,085	–	–		6,085	–	–	–		6,085
Life insurance premiums	–	–	–	–		–	–	43,248	–		43,248
Property and casualty insurance premiums	–	–	–	–		–	9,816	–	–		9,816
Net investment and interest income	1,338	2,260	4,405	–		8,003	2,049	8,990	(115)	(b)	18,927
Other revenue	–	23,255	22,605	(24,145)	(b)	21,715	–	852	(379)	(b)	22,188
Total revenues	1,338	510,305	27,308	(24,145)		514,806	11,865	53,090	(950)		578,811
Costs and expenses:											
Operating expenses	2,684	295,759	3,424	(24,145)	(b)	277,722	6,937	6,452	(826)	(b,c)	290,285
Commission expenses	–	51,130	–	–		51,130	–	–	–		51,130
Cost of sales	–	23,153	–	–		23,153	–	–	–		23,153
Benefits and losses	–	–	–	–		–	2,866	36,066	–		38,932
Amortization of deferred policy acquisition costs	–	–	–	–		–	–	3,391	–		3,391
Lease expense	24	27,594	3	–		27,621	–	–	(46)	(b)	27,575
Depreciation, net of (gains) losses on disposals	1	60,129	2,269	–		62,399	–	–	–		62,399
Total costs and expenses	2,709	457,765	5,696	(24,145)		442,025	9,803	45,909	(872)		496,865
Earnings (loss) from operations before equity in earnings of subsidiaries	(1,371)	52,540	21,612	–		72,781	2,062	7,181	(78)		81,946
Equity in earnings of subsidiaries	24,435	–	–	(18,790)	(d)	5,645	–	–	(5,645)	(d)	–
Earnings from operations	23,064	52,540	21,612	(18,790)		78,426	2,062	7,181	(5,723)		81,946
Interest income (expense)	21,387	(28,837)	(14,704)	–		(22,154)	–	–	78	(b)	(22,076)
Pretax earnings	44,451	23,703	6,908	(18,790)		56,272	2,062	7,181	(5,645)		59,870
Income tax expense	(7,605)	(9,174)	(2,647)	–		(19,426)	(722)	(2,876)	–		(23,024)
Earnings available to common shareholders	$ 36,846	$ 14,529	$ 4,261	$ (18,790)		$ 36,846	$ 1,340	$ 4,305	$ (5,645)		$ 36,846

(a) Balances for the quarter ended September 30, 2012
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

Consolidating statements of operations by industry for the quarter ended December 31, 2011 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	$ –	$ 376,271	$ –	$ –		$ 376,271	$ –	$ –	$ (527)	(c)	$ 375,744
Self-storage revenues	–	33,523	323	–		33,846	–	–	–		33,846
Self-moving and self-storage products and service sales	–	43,206	–	–		43,206	–	–	–		43,206
Property management fees	–	5,368	–	–		5,368	–	–	–		5,368
Life insurance premiums	–	–	–	–		–	–	132,643	–		132,643
Property and casualty insurance premiums	–	–	–	–		–	9,429	–	–		9,429
Net investment and interest income	1,317	5,166	296	–		6,779	2,237	6,593	(375)	(b)	15,234
Other revenue	–	19,063	20,144	(21,611)	(b)	17,596	–	407	(384)	(b)	17,619
Total revenues	1,317	482,597	20,763	(21,611)		483,066	11,666	139,643	(1,286)		633,089
Costs and expenses:											
Operating expenses	2,176	277,229	2,231	(21,611)	(b)	260,025	3,477	7,263	(931)	(b,c)	269,834
Commission expenses	–	47,864	–	–		47,864	–	–	–		47,864
Cost of sales	–	24,505	–	–		24,505	–	–	–		24,505
Benefits and losses	–	–	–	–		–	51,633	122,115	–		173,748
Amortization of deferred policy acquisition costs	–	–	–	–		–	–	3,666	–		3,666
Lease expense	26	32,601	5	–		32,632	–	–	(307)	(b)	32,325
Depreciation, net of (gains) losses on disposals	1	52,846	3,427	–		56,274	–	–	–		56,274
Total costs and expenses	2,203	435,045	5,663	(21,611)		421,300	55,110	133,044	(1,238)		608,216
Earnings (loss) from operations before equity in earnings of subsidiaries	(886)	47,552	15,100	–		61,766	(43,444)	6,599	(48)		24,873
Equity in earnings of subsidiaries	(12,577)	–	–	(11,376)	(d)	(23,953)	–	–	23,953	(d)	–
Earnings (loss) from operations	(13,463)	47,552	15,100	(11,376)		37,813	(43,444)	6,599	23,905		24,873
Interest income (expense)	22,345	(32,214)	(12,923)	–		(22,792)	–	–	48	(b)	(22,744)
Pretax earnings (loss)	8,882	15,338	2,177	(11,376)		15,021	(43,444)	6,599	23,953		2,129
Income tax benefit (expense)	(8,154)	(5,156)	(983)	–		(14,293)	15,206	(2,314)	–		(1,401)
Earnings (loss) available to common shareholders	$ 728	$ 10,182	$ 1,194	$ (11,376)		$ 728	$ (28,238)	$ 4,285	$ 23,953		$ 728

(a) Balances for the quarter ended September 30, 2011
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

Consolidating statements of operations by industry for the nine months ended December 31, 2012 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	$ –	$ 1,401,483	$ –	$ –		$ 1,401,483	$ –	$ –	$ (1,183)	(c)	$ 1,400,300
Self-storage revenues	–	110,963	862	–		111,825	–	–	–		111,825
Self-moving and self-storage products and service sales	–	173,399	–	–		173,399	–	–	–		173,399
Property management fees	–	15,847	–	–		15,847	–	–	–		15,847
Life insurance premiums	–	–	–	–		–	–	137,341	–		137,341
Property and casualty insurance premiums	–	–	–	–		–	26,006	–	–		26,006
Net investment and interest income	3,930	6,265	4,843	–		15,038	6,515	22,999	(315)	(b)	44,237
Other revenue	81	80,311	65,306	(70,066)	(b)	75,632	–	2,056	(1,099)	(b)	76,589
Total revenues	4,011	1,788,268	71,011	(70,066)		1,793,224	32,521	162,396	(2,597)		1,985,544
Costs and expenses:											
Operating expenses	11,431	901,337	8,300	(70,066)	(b)	851,002	14,709	20,438	(2,257)	(b,c)	883,892
Commission expenses	–	180,801	–	–		180,801	–	–	–		180,801
Cost of sales	–	86,292	–	–		86,292	–	–	–		86,292
Benefits and losses	–	–	–	–		–	10,821	119,861	–		130,682
Amortization of deferred policy acquisition costs	–	–	–	–		–	–	9,290	–		9,290
Lease expense	70	90,000	14	–		90,084	–	–	(122)	(b)	89,962
Depreciation, net of (gains) losses on disposals	4	168,009	9,465	–		177,478	–	–	–		177,478
Total costs and expenses	11,505	1,426,439	17,779	(70,066)		1,385,657	25,530	149,589	(2,379)		1,558,397
Earnings (loss) from operations before equity in earnings of subsidiaries	(7,494)	361,829	53,232	–		407,567	6,991	12,807	(218)		427,147
Equity in earnings of subsidiaries	188,559	–	–	(175,647)	(d)	12,912	–	–	(12,912)	(d)	–
Earnings from operations	181,065	361,829	53,232	(175,647)		420,479	6,991	12,807	(13,130)		427,147
Interest income (expense)	69,228	(93,956)	(43,170)	–		(67,898)	–	–	218	(b)	(67,680)
Pretax earnings	250,293	267,873	10,062	(175,647)		352,581	6,991	12,807	(12,912)		359,467
Income tax expense	(23,458)	(98,431)	(3,857)	–		(125,746)	(2,447)	(4,439)	–		(132,632)
Earnings available to common shareholders	$ 226,835	$ 169,442	$ 6,205	$ (175,647)		$ 226,835	$ 4,544	$ 8,368	$ (12,912)		$ 226,835

(a) Balances for the nine months ended September 30, 2012
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

Consolidating statements of operations by industry for the nine months ended December 31, 2011 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	$ –	$ 1,335,229	$ –	$ –		$ 1,335,229	$ –	$ –	$ (1,311)	(c)	$ 1,333,918
Self-storage revenues	–	98,745	937	–		99,682	–	–	–		99,682
Self-moving and self-storage products and service sales	–	167,352	–	–		167,352	–	–	–		167,352
Property management fees	–	14,929	–	–		14,929	–	–	–		14,929
Life insurance premiums	–	–	–	–		–	–	229,839	–		229,839
Property and casualty insurance premiums	–	–	–	–		–	25,076	–	–		25,076
Net investment and interest income	4,585	15,476	556	–		20,617	7,395	21,793	(1,407)	(b,e)	48,398
Other revenue	–	64,111	59,785	(64,022)	(b)	59,874	–	1,202	(1,035)	(b)	60,041
Total revenues	4,585	1,695,842	61,278	(64,022)		1,697,683	32,471	252,834	(3,753)		1,979,235
Costs and expenses:											
Operating expenses	6,766	857,438	6,949	(64,022)	(b)	807,131	9,871	21,496	(2,349)	(b,c)	836,149
Commission expenses	–	168,865	–	–		168,865	–	–	–		168,865
Cost of sales	–	89,729	–	–		89,729	–	–	–		89,729
Benefits and losses	–	–	–	–		–	61,948	206,192	–		268,140
Amortization of deferred policy acquisition costs	–	–	–	–		–	–	10,716	–		10,716
Lease expense	69	100,102	19	–		100,190	–	–	(919)	(b)	99,271
Depreciation, net of (gains) losses on disposals	4	138,867	9,825	–		148,696	–	–	–		148,696
Total costs and expenses	6,839	1,355,001	16,793	(64,022)		1,314,611	71,819	238,404	(3,268)		1,621,566
Earnings (loss) from operations before equity in earnings of subsidiaries	(2,254)	340,841	44,485	–		383,072	(39,348)	14,430	(485)		357,669
Equity in earnings of subsidiaries	137,959	–	–	(154,121)	(d)	(16,162)	–	–	16,162	(d)	–
Earnings (loss) from operations	135,705	340,841	44,485	(154,121)		366,910	(39,348)	14,430	15,677		357,669
Interest income (expense)	70,528	(100,627)	(38,398)	–		(68,497)	–	–	157	(b)	(68,340)
Pretax earnings (loss)	206,233	240,214	6,087	(154,121)		298,413	(39,348)	14,430	15,834		289,329
Income tax benefit (expense)	(25,943)	(89,402)	(2,778)	–		(118,123)	13,772	(5,016)	–		(109,367)
Net earnings (loss)	180,290	150,812	3,309	(154,121)		180,290	(25,576)	9,414	15,834		179,962
Less: Excess of redemption value over carrying value of preferred shares redeemed	(5,908)	–	–	–		(5,908)	–	–	–		(5,908)
Less: Preferred stock dividends	(3,241)	–	–	–		(3,241)	–	–	328	(e)	(2,913)
Earnings (loss) available to common shareholders	$ 171,141	$ 150,812	$ 3,309	$ (154,121)		$ 171,141	$ (25,576)	$ 9,414	$ 16,162		$ 171,141

(a) Balances for the nine months ended September 30, 2011
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries
(e) Eliminate preferred stock dividends paid to affiliate

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2012 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	$ 226,835	$ 169,442	$ 6,205	$ (175,647)	$ 226,835	$ 4,544	$ 8,368	$ (12,912)	$ 226,835
Earnings from consolidated entities	(188,559)	–	–	175,647	(12,912)	–	–	12,912	–
Adjustments to reconcile net earnings to the cash provided by operations:									
Depreciation	4	181,084	11,269	–	192,357	–	–	–	192,357
Amortization of deferred policy acquisition costs	–	–	–	–	–	–	9,290	–	9,290
Change in allowance for losses on trade receivables	–	(73)	–	–	(73)	–	–	–	(73)
Change in allowance for inventory reserve	–	2,050	–	–	2,050	–	–	–	2,050
Net gain on sale of real and personal property	–	(13,075)	(1,804)	–	(14,879)	–	–	–	(14,879)
Net (gain) loss on sale of investments	–	–	–	–	–	28	(1,078)	–	(1,050)
Deferred income taxes	17,882	–	–	–	17,882	1,306	(1,431)	–	17,757
Net change in other operating assets and liabilities:									
Reinsurance recoverables and trade receivables	–	12,293	–	–	12,293	58,841	575	–	71,709
Inventories	–	696	–	–	696	–	–	–	696
Prepaid expenses	(3,082)	(9,972)	(229)	–	(13,283)	–	–	–	(13,283)
Capitalization of deferred policy acquisition costs	–	–	–	–	–	–	(43,085)	–	(43,085)
Other assets	3	22,271	(569)	–	21,705	1,018	(11)	–	22,712
Related party assets	(2)	140,035	2	–	140,035	(1,202)	–	(791) (b)	138,042
Accounts payable and accrued expenses	1,818	(32)	538	–	2,324	–	(3,196)	–	(872)
Policy benefits and losses, claims and loss expenses payable	–	8,481	–	–	8,481	(60,391)	21,684	–	(30,226)
Other policyholders' funds and liabilities	–	–	–	–	–	(585)	(340)	–	(925)
Deferred income	–	(3,704)	–	–	(3,704)	–	–	–	(3,704)
Related party liabilities	–	1,064	–	–	1,064	632	483	791 (b)	2,970
Net cash provided (used) by operating activities	54,899	510,560	15,412	–	580,871	4,191	(8,741)	–	576,321
Cash flows from investing activities:									
Purchases of:									
Property, plant and equipment	(2)	(351,914)	(70,924)	–	(422,840)	–	–	–	(422,840)
Short term investments	–	–	–	–	–	(58,775)	(230,998)	–	(289,773)
Fixed maturities investments	–	–	–	–	–	(17,141)	(291,149)	–	(308,290)
Equity securities	–	–	–	–	–	(3,130)	–	–	(3,130)
Preferred stock	–	–	–	–	–	(2,761)	–	–	(2,761)
Real estate	–	–	(243)	–	(243)	–	(810)	–	(1,053)
Mortgage loans	–	(4,968)	(30,590)	–	(35,558)	(1,821)	(13,204)	–	(50,583)
Proceeds from sales of:									
Property, plant and equipment	–	161,668	5,236	–	166,904	–	–	–	166,904
Short term investments	–	–	–	–	–	32,548	248,308	–	280,856
Fixed maturities investments	–	–	–	–	–	30,298	54,834	–	85,132
Equity securities	–	–	–	–	–	–	–	–	–
Preferred stock	–	–	–	–	–	5,728	–	–	5,728
Real estate	–	–	667	–	667	–	4	–	671
Mortgage loans	–	14,848	29,500	–	44,348	1,311	3,556	–	49,215
Net cash provided (used) by investing activities	(2)	(180,366)	(66,354)	–	(246,722)	(13,743)	(229,459)	–	(489,924)

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(a) Balance for the nine months ended September 30, 2012
(b) Elimination of intercompany investments

Continuation of consolidating cash flow statements by industry segment for the nine months ended December 31, 2012 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 financing activities:									
Borrowings from credit facilities	–	89,619	161,700	–	251,319	–	–	–	251,319
Principal repayments on credit facilities	–	(142,750)	(91,948)	–	(234,698)	–	–	–	(234,698)
Debt issuance costs	–	(301)	(2,051)	–	(2,352)	–	–	–	(2,352)
Capital lease payments	–	(18,310)	–	–	(18,310)	–	–	–	(18,310)
Leveraged Employee Stock Ownership Plan - repayments from loan	–	559	–	–	559	–	–	–	559
Proceeds from (repayment of) intercompany loans	194,277	(178,247)	(16,030)	–	–	–	–	–	–
Securitization deposits	–	(1,729)	–	–	(1,729)	–	–	–	(1,729)
Common stock dividends paid	(97,421)	–	–	–	(97,421)	–	–	–	(97,421)
Net contribution from (to) related party	(1,500)	–	–	–	(1,500)	1,500	–	–	–
Investment contract deposits	–	–	–	–	–	–	268,478	–	268,478
Investment contract withdrawals	–	–	–	–	–	–	(22,937)	–	(22,937)
Net cash provided (used) by financing activities	95,356	(251,159)	51,671	–	(104,132)	1,500	245,541	–	142,909
Effects of exchange rate on cash	–	(362)	–	–	(362)	–	–	–	(362)
Increase (decrease) in cash and cash equivalents	150,253	78,673	729	–	229,655	(8,052)	7,341	–	228,944
Cash and cash equivalents at beginning of period	201,502	106,951	775	–	309,228	22,542	25,410	–	357,180
Cash and cash equivalents at end of period	$ 351,755	$ 185,624	$ 1,504	$ –	$ 538,883	$ 14,490	$ 32,751	$ –	$ 586,124

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(a) Balance for the nine months ended September 30, 2012

Consolidating cash flow statements by industry segment for the nine months ended December 31, 2011 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 (loss)	$ 180,290	$ 150,812	$ 3,309	$ (154,121)	$ 180,290	$ (25,576)	$ 9,414	$ 15,834		$ 179,962
Earnings from consolidated entities	(137,959)	–	–	154,121	16,162	–	–	(16,162)		–
Adjustments to reconcile net earnings to cash provided by operations:										
Depreciation	4	156,952	10,066	–	167,022	–	–	–		167,022
Amortization of deferred policy acquisition costs	–	–	–	–	–	–	10,716	–		10,716
Change in allowance for losses on trade receivables	–	(91)	–	–	(91)	–	2	–		(89)
Change in allowance for inventory reserve	–	3,005	–	–	3,005	–	–	–		3,005
Net gain on sale of real and personal property	–	(18,085)	(241)	–	(18,326)	–	–	–		(18,326)
Net gain on sale of investments	(488)	–	–	–	(488)	(674)	(4,292)	–		(5,454)
Deferred income taxes	103,901	–	–	–	103,901	(14,232)	4,912	–		94,581
Net change in other operating assets and liabilities:										
Reinsurance recoverables and trade receivables	–	(12,391)	–	–	(12,391)	(64,802)	(68,534)	–		(145,727)
Inventories	–	173	–	–	173	–	–	–		173
Prepaid expenses	3,067	(134)	(267)	–	2,666	–	–	–		2,666
Capitalization of deferred policy acquisition costs	–	–	–	–	–	–	(19,072)	–		(19,072)
Other assets	2,543	7,740	(7,291)	–	2,992	521	110	–		3,623
Related party assets	(101)	(4,837)	(24)	–	(4,962)	(1,898)	(502)	2,005	(b)	(5,357)
Accounts payable and accrued expenses	2,032	4,755	382	–	7,169	–	259	–		7,428
Policy benefits and losses, claims and loss expenses payable	–	(11,752)	–	–	(11,752)	118,921	114,628	–		221,797
Other policyholders' funds and liabilities	–	–	–	–	–	(1,716)	(1,617)	–		(3,333)
Deferred income	–	1,070	–	–	1,070	–	–	–		1,070
Related party liabilities	–	5,215	–	–	5,215	(227)	(18)	(2,005)	(b)	2,965
Net cash provided (used) by operating activities	153,289	282,432	5,934	–	441,655	10,317	46,006	(328)		497,650
Cash flows from investing activities:										
Purchases of:										
Property, plant and equipment	–	(380,205)	(41,538)	–	(421,743)	–	–	–		(421,743)
Short term investments	–	–	–	–	–	(46,100)	(123,213)	–		(169,313)
Fixed maturities investments	–	–	–	–	–	(27,047)	(145,523)	–		(172,570)
Equity securities	(8,855)	–	–	–	(8,855)	(193)	–	–		(9,048)
Preferred stock	–	–	–	–	–	(1,617)	–	–		(1,617)
Real estate	–	–	(5,064)	–	(5,064)	(137)	–	–		(5,201)
Mortgage loans	–	(8,476)	(58,284)	–	(66,760)	(34,275)	(17,734)	24,658	(b)	(94,111)
Proceeds from sales of:										
Property, plant and equipment	–	139,344	508	–	139,852	–	–	–		139,852
Short term investments	–	–	–	–	–	64,029	122,912	–		186,941
Fixed maturities investments	–	–	–	–	–	19,271	97,338	–		116,609
Equity securities	8,800	–	–	–	8,800	1,410	–	–		10,210
Preferred stock	–	–	–	–	–	6,252	2,708	(7,708)	(b)	1,252
Real estate	–	–	–	–	–	106	40	–		146
Mortgage loans	–	9,241	40,180	–	49,421	12,617	3,503	(24,658)	(b)	40,883
Net cash provided (used) by investing activities	(55)	(240,096)	(64,198)	–	(304,349)	(5,684)	(59,969)	(7,708)		(377,710)

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(a) Balance for the nine months ended September 30, 2011
(b) Elimination of intercompany investments

Continuation of consolidating cash flow statements by industry segment for the nine months ended December 31, 2011 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 financing activities:										
Borrowings from credit facilities	–	150,642	83,920	–	234,562	–	–	–		234,562
Principal repayments on credit facilities	–	(101,275)	(65,340)	–	(166,615)	–	–	–		(166,615)
Debt issuance costs	–	(1,380)	(408)	–	(1,788)	–	–	–		(1,788)
Capital lease payments	–	(5,962)	–	–	(5,962)	–	–	–		(5,962)
Leveraged Employee Stock Ownership Plan - repayments from loan	–	827	–	–	827	–	–	–		827
Proceeds from (repayment of) intercompany loans	41,915	(82,017)	40,102	–	–	–	–	–		–
Securitization deposits	–	40,500	–	–	40,500	–	–	–		40,500
Preferred stock redemption paid	(151,997)	–	–	–	(151,997)	–	–	7,708	(b)	(144,289)
Preferred stock dividends paid	(3,241)	–	–	–	(3,241)	–	–	328	(c)	(2,913)
Contribution to related party	(518)	–	–	–	(518)	–	–	–		(518)
Investment contract deposits	–	–	–	–	–	–	10,810	–		10,810
Investment contract withdrawals	–	–	–	–	–	–	(21,419)	–		(21,419)
Net cash provided (used) by financing activities	(113,841)	1,335	58,274	–	(54,232)	–	(10,609)	8,036		(56,805)
Effects of exchange rate on cash	–	(306)	–	–	(306)	–	–	–		(306)
Increase (decrease) in cash and cash equivalents	39,393	43,365	10	–	82,768	4,633	(24,572)	–		62,829
Cash and cash equivalents at beginning of period	250,104	72,634	757	–	323,495	21,718	37,301	–		382,514
Cash and cash equivalents at end of period	$ 289,497	$ 115,999	$ 767	$ –	$ 406,263	$ 26,351	$ 12,729	$ –		$ 445,343

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(a) Balance for the nine months ended September 30, 2011
(b) Elimination of intercompany investments
(c) Eliminate preferred stock dividends paid to affiliate

12. Industry Segment and Geographic Area Data

	United States	Canada	Consolidated
		(Unaudited)	
		(All amounts are in thousands of U.S. $'s)	
Quarter ended December 31, 2012			
Total revenues	$ 545,935	$ 32,876	$ 578,811
Depreciation and amortization, net of (gains) losses on disposals	63,801	1,989	65,790
Interest expense	21,926	150	22,076
Pretax earnings	58,669	1,201	59,870
Income tax expense	22,706	318	23,024
Identifiable assets	5,077,479	141,826	5,219,305
Quarter ended December 31, 2011			
Total revenues	$ 600,609	$ 32,480	$ 633,089
Depreciation and amortization, net of (gains) losses on disposals	57,983	1,957	59,940
Interest expense	22,579	165	22,744
Pretax earnings (loss)	(2,567)	4,696	2,129
Income tax expense	17	1,384	1,401
Identifiable assets	4,499,251	134,751	4,634,002

	United States	Canada	Consolidated
		(Unaudited)	
		(All amounts are in thousands of U.S. $'s)	
Nine months ended December 31, 2012			
Total revenues	$ 1,862,680	$ 122,864	$ 1,985,544
Depreciation and amortization, net of (gains) losses on disposals	180,736	6,032	186,768
Interest expense	67,226	454	67,680
Pretax earnings	340,746	18,721	359,467
Income tax expense	127,671	4,961	132,632
Identifiable assets	5,077,479	141,826	5,219,305
Nine months ended December 31, 2011			
Total revenues	$ 1,857,795	$ 121,440	$ 1,979,235
Depreciation and amortization, net of (gains) losses on disposals	153,536	5,876	159,412
Interest expense	67,851	489	68,340
Pretax earnings	267,811	21,518	289,329
Income tax expense	103,027	6,340	109,367
Identifiable assets	4,499,251	134,751	4,634,002

13. Employee Benefit Plans

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

	Quarter Ended December 31,	
	2012	2011
	(Unaudited) (In thousands)	
Service cost for benefits earned during the period	$ 155	$ 129
Interest cost on accumulated postretirement benefit	139	142
Other components	1	(4)
Net periodic postretirement benefit cost	$ 295	$ 267

	Nine Months Ended December 31,	
	2012	2011
	(Unaudited) (In thousands)	
Service cost for benefits earned during the period	$ 466	$ 386
Interest cost on accumulated postretirement benefit	416	426
Other components	3	(12)
Net periodic postretirement benefit cost	$ 885	$ 800

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.

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

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of not es is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair val ues 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 fa ir 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 r ates. As a result, the carrying values of these financial instruments approximate fair value.

A ssets and liabilities are recorded at fair value on the condensed consolidated balance sheets and are measured and classified based upon a three tiered approach to valuation. ASC 820 - *Fair Value Measurements and Disclosure* (“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 observabl e market data through correlation or other means; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. These reflect management's assumptions about the assumptions a market par ticipant 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 a ssets and liabilities on the condensed consolidated balance sheet at December 31, 2012 , that are subject to ASC 820 and the valuation approach applied to each of these items.

	Total	Level 1	Level 2	Level 3
		(Unaudited)		
		(In thousands)		
Assets				
Short-term investments	$ 561,798	$ 561,798	$ –	$ –
Fixed maturities - available for sale	972,887	894,395	77,298	1,194
Preferred stock	22,208	22,208	–	–
Common stock	24,873	24,873	–	–
Derivatives	984	–	984	–
Total	$ 1,582,750	$ 1,503,274	$ 78,282	$ 1,194
Liabilities				
Guaranteed residual values of TRAC leases	$ –	$ –	$ –	$ –
Derivatives	56,089	–	56,089	–
Total	$ 56,089	$ –	$ 56,089	$ –

Our fair value measurement s take place at the end of each quarter. At the end of the first quarter of fiscal 2013 , we transferred $ 2.3 million of fixed maturities – available for sale from Level 1 to Level 2 due to a reduction in the pricing source available.

The following table represents the fair value measurements for our assets at December 31, 2 012 using significant unobservable inputs (Level 3).

	Fixed Maturities - Asset Backed Securities
	(Unaudited)
	(In thousands)
Balance at March 31, 2012	$ 1,205
Fixed Maturities - Asset Backed Securities - redemption	(19)
Fixed Maturities - Asset Backed Securities - gain (realized)	8
Balance at December 31, 2012	$ 1,194

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 repor ted financial results. Next, w e discuss our results of operations for the third quarter and first nine months of fiscal 2013 , compared with the third quarter and first nine months of fiscal 2012 , 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 and a d iscussion of off-balance sheet arrangements . We conclude this MD&A by discussing our outlook for the remainder of fiscal 2013 .

This MD&A should be read in conjunction with the other sections of this Quarterly Report, including the Notes to Condensed Consolidated Financial Statements. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption , Cautionary Statements Regarding Forward-Looking Statements , all of which are based on ou r current expectations and could be affected by the uncertainties and risk s described throughout this filing or in our most recent Annual Report on Form 10-K for the year ended March 31, 2012 . Many of these risks a nd uncertainties are beyond our control and our actual results may differ materially from these forward-looking statements.

The third fiscal quarter for AMERCO ends on the 3 1 st of December for each year that is re ferenced. Our insurance company subsidiaries have a third quarter that ends on the 30 th of September for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial r eporting 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 resu lts of operations. We disclose a ll material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2012 and 2011 correspond to fiscal 2013 and 2012 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 continue to accomplish this by providing a se amless 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 conven ience 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 expa nd our distribution and improve customer service by increasing the amount of moving equipment , storage rooms and portable storage boxes available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our growing eMove ® capabilities.

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

Our Life Insurance operatin g segment 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 Rep w est 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, portable storage boxes, 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 thousands of independent Self-Storage Affiliates. Our network of customer rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services, 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.

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

Property and Casualty Insurance Operating Segment

Our Property and Casualty Insurance operating segment provides loss adjusting and claims handling for U-Haul through regional offices across North America. Our Property and Casualty Insurance operating segment 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 our Property and Casualty Insurance operating segment 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 and reinsuring of life insurance, Medicare supplement and annuity policies.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with the generally accepted accounting principles (“GAAP”) in the United States. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. 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.

In the following pages 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

We apply ASC 810 in our principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a VIE. A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also a ddresses 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 am ount 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 an d 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 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.

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

During the first quarter of fiscal 2013 SAC Holding II fully repaid the $ 75.0 million outstanding princi pal balance on its junior note with AMERCO. Pursuant to ASC 810-10-35-4, we considered this a redetermination event which resulted in AMERCO no longer having a variable interest in SAC Holding II. Further, we determined that the repayment of the junior not e had no impact on the existing individual operating entity management agreements thereby affirming our finding that these agreements do not constitute variable interests due to the presence of contractual 'kick-out' rights. As a result, the reconsideratio n event had no effect on the consolidation analysis, and thus we have no basis under ASC 810 to consolidate SAC Holding II.

The condensed consolidated balance sheets as of December 31, 2012 and March 31, 2012 include the accounts of AMERCO and its wholly-owned subsidiaries. The December 31, 2012 and 2011 condensed consolidated statements of operations , compre hensive income 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 equ ipment 2-20 years and buildings and non-rental equipment 3-55 years. We follow the deferral method of accounting based on ASC 908 - *Airlines* for major overhauls in which engine and transmission overhauls are currently capitalized and amortized over three y ears. 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 reg ularly 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 original ly 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 bas ed 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 amo unt 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 us eful lives.

M anagement determined that additions to the fleet resulting from purchase should be depreciated on an accelerated method based upon a declining formula . The useful life assumptions of this rental truck fleet remain unchanged. Beginning in Octo ber 2012 rental equipment subject to this depreciation schedule will be depreciated to a salvage value of 15%. This change had an immaterial effect on our current financial statements . Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively and then reduced on a straight line basis to a salvage value of 1 5 % by the end of year fifteen. Whereas, a standard straight line approach would reduce the book value by approximately 5.7 % per year over the life of the truck. For the affected equipment, the accelerated depreciation was $ 13.8 million and $1 4 . 1 million greater than what it would have been if calculated u nder a straight line approach for the third quarter of fiscal 2013 and 2012 , respectively and $ 43.4 million and $ 40 . 4 million for the first nine months of fiscal 2013 and 2012 , 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 but not limited to, the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle . We typically sell our used vehicles at our sales centers throughout 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.

In surance 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 actuari al 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 reporte d. Liabilities for deferred 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 ba sed upon actuarial estimates and are management’s best approximation of future payments. These estimates are based upon past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflati on. These reserves consist of case reserves for reported losses and a provision for losses incurred but not reported (“IBNR”), both reduced by applicable reinsurance recoverables, resulting in a net liability.

Due to the nature of the underlying risks and high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle these liabilities cannot be precisely determined and may vary significantly from the estim ated liability, especially for long-tailed casualty lines of business such as excess workers’ compensation. As a result of the long-tailed nature of the excess workers ’ compensation policies written by Repwest during 1983 through 2002, and similar policie s assumed by Repwest during 2001 through 2003, it may take a number of years for claims to be fully reported and finally settled.

On a regular basis insurance reserve adequacy is reviewed by management to determine if existing assumptions need to be update d. While management is continually monitoring the status of expected losses through a rolling review of the claim inventory and regularly reviews the adequacy of the established liability for unpaid claims and claims adjustment expense, there can be no ass urance that our loss reserves will not develop adversely and have a material adverse effect on our results of operations

In determining the assumptions for calculating workers ’ compensation reserves, management considers multiple factors including the following:

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

We have reserved each claim based upon the accumulation of current claim costs projected through the claimants' life expectancy, then adjusted for applicable reinsurance arrangements. Management revi ews each claim bi-annually to determine if the estimated life-time claim costs have increased and then adjusts the reserve estimate accordingly at that time. We have factored in an estimate of what the potential cost increases could be in our IBNR liabili ty. We have not assumed settlement of the existing claims in calculating the reserve amount, unless it is in the final stages of completion.

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

Impairment of Investments

Investments are evalu ated 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 i ncluding 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 impairmen t in value is recognized in the current period operating results. Our insurance subsidiaries recognized $0.1 million in other-than-temporary impairments for the first nine months of fiscal 201 2 . There were no write downs for the third quarter of fiscal 2013 and 2012 or for the first nine months of fiscal 2013 .

Income Taxes

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

AMERCO files a consolidated tax ret urn with all of its legal subsidiaries.

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, mortga ge loans and notes on real estate, and interest rate swap contracts are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded value.

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

We have mortgage receivables, which potentially expose us to credit risk. The por tfolio of notes is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estim ated 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 a pproximate 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 reasonab le interest rates. As a result, the carrying values of these financial instruments approximate fair value.

Subsequent Events

Our management has evaluated subsequent events occurring after December 31, 2012 , the date o f our most recent balance sheet through the date our financial statements were issued. W e do not believe any other subsequent events have occurred that would require further disclosure or adjustment to our financial statements.

Recent Accounting Pronouncements

In July 2012, the FASB issued ASU 2012-02, *Intangibles – Goodwill and Others (Topic 350) ("ASU 2012-02")* which allows an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment tes t of an indefinite-lived intangible asset. Per the terms of ASU 2012-02 , an entity would not be required to calculate the fair value of an indefinite-lived intangible asset unless the entity determines, based on qualitative assessment, that it is not more likely than not, the indefinite-lived intangible asset is impaired. The revised standard is effective for fiscal years beginning after September 15, 2012; however, early adoption is permitted. We do not believe the adoption of this will have a material i mpact on our financial statements.

Adoption of New Accounting Pronouncements

In October 2010, the FASB issued ASU 2010-26 , *Financial Services – Insurance (Topic 944)* ("ASU 2010-26") which amend ed FASB ASC 944-30 to provide further guidance regarding the ca pitalization of costs relating to the acquisition or renewal of insurance contracts. Specifically, only qualifying costs associated with successful contract acquisitions are permitted to be deferred. We adopted ASU 2010-26 in the first quarter of fiscal 20 13 and it resulted in a $1.7 million reduction in beginning retained earnings on our financial statements.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS* ") ("ASU 2011-04") . This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IF RS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. We adopted ASU 2011-04 in the first quarter of fiscal 2013 and it did not have a material impact on our financial statements.

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by us as of the specified effective date. Unless otherwise discussed, these ASU's entail technical corre ctions 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 Ent ities

Quarter Ended December 31, 2012 compared with the Quarter Ended December 31, 2011

Listed below on a consolidated basis are revenues for our major product lines for the third quarter of fiscal 2013 and the third quarter of fiscal 2012 :

	Quarter Ended December 31,	
	2012	**2011**
	(Unaudited) (In thousands)	
Self-moving equipment rentals	$ 394,945	$ 375,744
Self-storage revenues	39,111	33,846
Self-moving and self-storage products and service sales	44,491	43,206
Property management fees	6,085	5,368
Life insurance premiums	43,248	132,643
Property and casualty insurance premiums	9,816	9,429
Net investment and interest income	18,927	15,234
Other revenue	22,188	17,619
Consolidated revenue	$ 578,811	$ 633,089

Self-moving equipment rental revenues increased $ 19.2 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . Both our In-Town and one-way moving transactions experienced growth during the third quarter of fiscal 2013 compared to the same period last year . While Hurricane Sandy affected portions of our operations in the Northeast United States, we believe the ove rall effect on our consolidated revenues was immaterial.

Self -storage revenues increased $ 5.3 million during the third quarter of fiscal 2013 , com pared with the third quarter of fiscal 2012 due primarily to an increase in the number of rooms rented. Average monthly occupancy during the third quarter of fiscal 2013 increased by 1.8 million square feet compared to the same period last year. These occupancy gains have come from a combination of improvements at existing locations as well as the acquisition of new facilities. Over the last twelve months we h ave added approximately 2.1 million net rentable square feet with nearly 0.8 million of that during the third quarter of fiscal 2013 .

Sales of self-moving and self-storage products and services increased $ 1.3 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . Increases were recognized in the sale of moving supplies and towing accessories and installation.

Property management fees increased $0.7 million during the third quarter of fiscal 2013, compared with the third quarter of fiscal 2012. Th e calculation of these fees is largely based upon revenues collected at the facilities managed by the Company. As these underlying revenues increase, the fees we collect for management services increase as well.

Life insurance premiums de creased $ 89.4 mil lion during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 primarily from a decrease in life premiums of $84.9 million. During the third quarter of fiscal 2012 we acquired a block of life insurance policies resulting in a $83.4 million one-time increase; the third quarter of fiscal 2013 did not include a similar acquisition .

Pr operty and casualty insurance premiums increased $ 0.4 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 due to increases in sales of our affiliated Safestor and Safetow protection packages.

Net investment and interest income increased $3.7 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 due to a larger invested asset base at the Life Insurance operating segment combined with gains from mortgage loan hol dings at the Moving and Storage operating segment.

Other revenue increased $ 4.6 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 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 $ 578.8 million for the third quarter of fiscal 2013 , compared with $ 633.1 million for the third quarter of fiscal 2012 .

Listed b elow are revenues and earnings from operations at each of our operating segments for the third quarter of fiscal 2013 and the third quarter of fiscal 2012 . The insurance companies third quarters ended September 30, 2012 and 2011 .

	Quarter Ended December 31,	
	2012	**2011**
	(Unaudited) (In thousands)	
Moving and storage		
Revenues	$ 514,806	$ 483,066
Earnings from operations before equity in earnings of subsidiaries	72,781	61,766
Property and casualty insurance		
Revenues	11,865	11,666
Earnings (loss) from operations	2,062	(43,444)
Life insurance		
Revenues	53,090	139,643
Earnings from operations	7,181	6,599
Eliminations		
Revenues	(950)	(1,286)
Earnings from operations before equity in earnings of subsidiaries	(78)	(48)
Consolidated results		
Revenues	578,811	633,089
Earnings from operations	81,946	24,873

Total costs and expenses de creased $ 111.4 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . Our Life Insurance operating segment accounted for $87.1 million of the decrease primarily due to the decline in premiums from acqui sitions. Our Property and Casualty Insurance operating segment accounted for $45.3 million of the decrease. The third quarter of fiscal 2012 included $48.0 million of charges related to excess workers' compensation reserves and reinsurance contracts; the se charges did not recur in fiscal 2013 .

At the Moving and Storage segment, total costs and expenses increased $ 20.7 million. Operating expenses accounted for $1 7 . 7 million of the increase. Personnel, liability costs and expenses associated with U-Box gr owth contributed to this increase. Cost of sales declined due to a reduction in the price of propane combined with a reduction in the volume purchased. Depreciation expense, net, increased $6.1 million while lease expense decreased $5.0 million as a result of the Company's shift in financing new equipment on the balance sheet versus through operating leases .

During the third quarter of fiscal 2013 H urricane Sandy struck the Northeastern port ion of the United States interrupting business at approximately 100 stores. All of these stores were operational within a few days , but for the most part, required some additional time to reach full operational strength . We estimated losses related to dest royed rental equipment of approximately $ 0.8 million and has been recorded as an expense in the third quarter . We maintain property and business interruption insurance coverage with independent third parties to mitigate the financial impact of these types of catastrophic events. Our insurance deductible is $ 0.3 million and has been recorded as an expense in the third quarter .

As a result of the above mentioned changes in revenues and expenses, earnings from operations in creased to $ 81.9 for the third quarter of fiscal 2013 , compared with $ 24.9 million for the third quarter of fiscal 2012 .

Interest expense for the third quarter of fiscal 2013 was $ 22.1 million, compared with $ 22.7 million for the third quarter of fiscal 2012 due to redu ced borrowing costs partially offset by an increase in outstanding debt .

Income tax expense was $ 23.0 million for the third quarter of fiscal 2013 , compared with $ 1.4 million for the third quarter of fiscal 2012 due to higher pretax earnings for the third quarter of fiscal 2013 .

As a result of the above mentioned items, earnings available to common shareholders were $ 36.8 million for the third quarter of fiscal 2013 , compared with $ 0.7 million for the third quarter of fiscal 2012 .

Basic and diluted earnings per share for the third quarter of fiscal 2013 were $ 1.89 , compared with $ 0.04 for the third quarter of fiscal 2012 .

The weighted average common shares outstanding basic and diluted were 19,523,794 for the third quarter of fiscal 2013 , compared with 19,481,614 for the third quarter of fiscal 2012 .

Moving and Storage

Quarter Ended December 31, 2012 compared with the Quarter Ended December 31, 2011

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the third quarter of fi scal 2013 and the third quarter of fiscal 2012 :

	Quarter Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	$ 395,401	$ 376,271
Self-storage revenues	39,111	33,846
Self-moving and self-storage products and service sales	44,491	43,206
Property management fees	6,085	5,368
Net investment and interest income	8,003	6,779
Other revenue	21,715	17,596
Moving and Storage revenue	$ 514,806	$ 483,066

Self-moving equipment rental revenues increased $ 19.1 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . Both our In-Town and one-way moving transactions experienced growth during the quarter compared to the same period last year . While Hurricane Sandy affected portio ns of our operations in the Northeast United States, we believe the overall effect on our consolidated revenues was immaterial.

Self- storage revenues increased $ 5.3 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 due primarily to an increase in the number of rooms rented. Average monthly occupancy during the third quarter of fiscal 2013 increased by 1.8 million square feet compared to the same period last year. These occupancy gains have come from a combination of improvements at existing locations as well as t he acquisition of new facilities. Over the last twelve months we have added approximately 2.1 million net rentable square feet with nearly 0.8 million of that during the third quarter of fiscal 2013 .

Sales of self-moving and self-storage products and services increased $ 1.3 million during the third quarter of fiscal 2013 , compared the third quarter of fiscal 2012 . Increases were recognized in the sale of moving supplies and towing accessories and installation.

Property management fees increased $0.7 million during the third quarter of fiscal 2013, com pared with the third quarter of fiscal 2012. The calculation of these fees is largely based upon revenues collected at the facilities managed by the Company. As these underlying revenues increase, the fees we collect for management services increase as w ell.

Net investment and interest income increased $1.2 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . During the first quarter of fiscal 2013 , SAC Holdings repaid AMERCO $127.3 million for notes and interest outstanding. These notes carried interest rates of 9%. This loss of yield resulted in a $2.9 million decline in interest income for the third quarter which was more than offset by gains gen erated by mortgage loans held by the Company for investment.

Other revenue increased $ 4.1 million during the third quarter of fiscal 2013 , compared with in the third quarter of fiscal 2012 due primarily from the expansion of new business initiatives including our U-Box program.

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

	Quarter Ended December 31,	
	2012	**2011**
	(Unaudited)	
	(In thousands, except occupancy rate)	
Room count as of December 31	183	163
Square footage as of December 31	15,648	13,589
Average number of rooms occupied	141	123
Average occupancy rate based on room count	78.1%	76.4%
Average square footage occupied	12,249	10,438

Total costs and expenses in creased $ 20.7 million during the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 . Operating expenses accounted for $1 7 . 7 million of the increase. Personnel, liability costs and expenses associated with U-Box growth contributed to this increase. Cost of sales declined due to a reduction in the price of propane combined with a reduction in the volume purch ased. Depreciation expense, net, increased $6.1 million while lease expense decreased $5.0 million as a result of the Company's shift in financing new equipment on the balance sheet versus through operating leases .

During the third quarter of fiscal 2013 H urricane Sandy struck the Northeastern portion of the United States interrupting business at approximately 100 stores. All of these stores were operational within a few days , but for the mo st part, required some additional time to reach full operational strength . We estimated losses related to destroyed rental equipment of approximately $ 0.8 million and has been recorded as an expense in the third quarter . We maintain property and business i nterruption insurance coverage with independent third parties to mitigate the financial impact of these types of catastrophic events. Our insurance deductible is $ 0.3 million and has been recorded as an expense in the third quarter .

As a result of the abov e mentioned changes in revenues and expenses, earnings from operations for the Moving and Storage operating segment before consolidation of the equity in the earnings of the insurance subsidiaries, increased to $72.8 million for the third quarter of fiscal 2013 , compared with $61.8 million for the third quarter of fiscal 2012 .

Equity in the earnings of AMERCO's insurance subs idiaries in creased $ 29.6 million for the third quarter of fiscal 2013 , compared with the third quarter of fiscal 2012 primarily due to the reserve strengthening at our Property and Casualty operating segment in the prior year's third quarter .

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $78.4 million for the third quarter of fiscal 2013 , compared with $ 37.8 million for the third quarter of fiscal 2012 .

Property and Casualty Ins urance

Quarter Ended September 30, 2012 compared with the Quarter Ended September 30, 2011

Net premiums were $ 9.8 million and $ 9.4 million for the third quarters ended September 30, 2012 and 2011 , respectively . A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transac tions. The premium increase corresponded with increase d moving and storage transactions at U-Haul during the same time period.

Net investment income was $ 2.0 million and $ 2.2 million for the third quarters ended September 30, 2012 and 2011 , respectively.

Net operating expenses were $ 6.9 million and $ 3.5 million for third quarters ended September 30, 2012 and 2011 , respectively. The increase was a result of a $3.9 million write off for reinsurance deemed uncollectible during the quarter .

Benefits and losses incurred were $2.9 million and $51. 6 million for the third quarters ended September 30, 2012 and 2011 , respectively. The improvement was due to reserve strengthening recognized in 2011 on terminated workers' compensation programs originally written or reinsured between 1983 and 2003. The third quarter of last year included approximately $20.0 million of reserve strengthening for reinsurance assumed by Repwest, $22.8 million for busi ness written directly by Repwest and $5.2 million related to uncertainty regarding the collection of reinsurance receivables. The Company had determined that claims had been developing much more adversely than previously anticipated. A combination of issu es including medical inflation, additional treatments, longer claim terms and underestimation of claims costs by third party administrators and reinsurers contributed to these adjustments. These updated assumptions led to the revision in the Company's loss assumptions for this business.

As a result of the above mentioned changes in revenues and expenses, pretax earnings (loss) from operations were $ 2.1 million and ($ 43.4) million for the third quarters ended September 30, 2012 and 2011 , respectively.

Life Insurance

Quarter Ended September 30, 2012 compared with the Quarter Ended September 30, 2011

Net premiums were $ 43.2 million and $ 132.6 million for the third quarters ended September 30, 2012 and 2011 , respectively. Life premiums decreased by $84.9 million. During the third quarter of 2011 Oxford entered into a coinsurance arrangement for a block of whole life insurance policies resulting in a one-time increase in premiums of $83.5 million due to the t ransfer of liabilities. Additionally, n ew business activity has shifted more towards annuity policies with sales of these products accounted for as deposits on the balance sheet instead of premium income. Annuity deposits increased by $81.1 million compar ed to the same quarter last year.

Net investment income was $ 9.0 million and $ 6.6 million for the third quarters ended September 30, 2012 and 2011 , respectively. The re was an increase of $2.4 million of investment income due to a larger invested asset base and an increase in realized gains of $0.5 million compared to the same period last year .

Net operating expenses were $ 6.4 million and $ 7.3 million for the third quarters ended September 30, 2012 and 2011 , respectively. The variance was primarily due to a reduction in Life and Medicare supplement commissions.

Benefits and losses incurred were $ 36.1 million and $ 122.1 million for the third quarters ended September 30, 2012 and 2011 , respectively. During the third quarter of 2011 Oxford entered into a coinsurance arrangement for a block of whole life insurance policies resulting in a one-time increase in benefits of $83.5 million due to the transfer of liabilities. Single premium w hole life and Medicare supplement incurred benefits also decreased by $2.3 million and $1.8 million, respectively.

Amortization of deferred acquisition costs ("DAC") and the value of business acquired ("VOBA") was $ 3.4 million and $ 3.7 million for the third quarters ended September 30, 2012 and 2011 , respectively. The primary variance was a result of decreased annuity amortization due to the prior y ear write-off of an aged block of assumed annuity business, partially offset by increased amortization of DAC due to new sales.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $ 7.2 million and $ 6.6 million for the third quarters ended September 30, 2012 and 2011 , respectively.

AMERCO and Consolidated Entities

Nine Months Ended December 31, 2012 compared with the Nine Months Ended December 31, 2011

Listed below on a consolidated basis are revenues for our major product lines for the first nine months of fiscal 2013 and the first nine months of fiscal 2012 :

	Nine Months Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	$ 1,400,300	$ 1,333,918
Self-storage revenues	111,825	99,682
Self-moving and self-storage products and service sales	173,399	167,352
Property management fees	15,847	14,929
Life insurance premiums	137,341	229,839
Property and casualty insurance premiums	26,006	25,076
Net investment and interest income	44,237	48,398
Other revenue	76,589	60,041
Consolidated revenue	$ 1,985,544	$ 1,979,235

Self- moving equipment rental revenues increased $ 66.4 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . The reve nue growth was largely from an increase in In-Town and one-way moving transactions. Our focus continues to be on improving the rental experience for our customers through the availability of equipment, convenient access to rental locations and ease of the rental process. We believe that these efforts along with a larger rental fleet has supported the increase in transactions and associated revenue .

Self- storage revenues increased $ 12.1 million during the first nin e months of fiscal 2013 , compared with the first nine months of fiscal 2012 due primarily to an increase in the number of rooms rented. Average monthly occupancy during the first nine months of fiscal 2013 increased by 1.4 million square feet compared to the same period last year. These occupancy gains have come from a combination of improvements at existing locations as well as the acquisition of new facilities. Over the last twelve months we have added approximately 2.1 million net rentable square feet with ne arly 1.8 million of that during the first nine months of fiscal 2013 .

Sales of self-moving and self-storage products and services increased $ 6.0 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . We earned increases from the sale of moving supplies as we ll as towing accessories and installation.

Property management fees increased $0.9 million during the first nine months of fiscal 2013, compared with the first nine months of fiscal 2012. The calculation of these fees is largely based upon revenues collec ted at the facilities managed by the Company. As these underlying revenues increase, the fees we collect for management services increase as well.

Life insurance premiums de creased $ 92.5 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 primarily from a reinsurance agreement on life insurance policies ente red into during the prior year .

Property and casualty insurance premiums increased $ 0.9 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 primarily from policies sold in conjunction with U-Haul rental transactions. As moving transactions have increased this year so have the related premiums.

Net investment and interest in come decreased $4.2 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 primarily due to declines at the Moving and Storage operating segment. During the first quarter of fiscal 2013 , SAC Holdings repaid AMERCO $127.3 million for notes and interest outstanding. These notes carried interest rates of 9% and the loss of this yield caused a n $ 8.1 million decline in interest income for the first nine months of fiscal 2013 . This decline was partially offset by increased investment income at the Life Insurance operating segment as well as gains from mortgage loans held for investment at the Moving and Storage operating segment .

Other revenue increased $ 16.5 million during the first nine months of fisc al 2013 , compared with the first nine months of fiscal 2012 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 $ 1,985.5 million for the first nine months of fiscal 2013 , as compared with $ 1,979.2 million for the first nine months of fiscal 2012 .

Listed below are revenues and earnings (loss) from operations at each of our operating segments for the first nine mont hs of fiscal 2013 and the first nine months of fiscal 2012 . The insurance companies first nine months ended September 30, 2012 and 2011 .

	Nine Months Ended December 31,	
	2012	**2011**
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	$ 1,793,224	$ 1,697,683
Earnings from operations before equity in earnings of subsidiaries	407,567	383,072
Property and casualty insurance		
Revenues	32,521	32,471
Earnings (loss) from operations	6,991	(39,348)
Life insurance		
Revenues	162,396	252,834
Earnings from operations	12,807	14,430
Eliminations		
Revenues	(2,597)	(3,753)
Earnings from operations before equity in earnings of subsidiaries	(218)	(485)
Consolidated results		
Revenues	1,985,544	1,979,235
Earnings from operations	427,147	357,669

Total costs and expenses de creased $ 63.2 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . Our Life Insurance operating segment accounted for $88.8 million of the decrease primarily due to the decline in business acquisitions. Our Property and Casualty Insurance operating segment accounted for $4 6 .3 million of the decrease. The third quarter of fiscal 2012 included a $48.0 million of charges related to excess workers' compensation reserves and reinsurance contracts; these charges did not recur in fiscal 2013 .

Total costs and expenses at the Moving and Storage operating segment increased $7 1 . 0 million during the first nine months of fiscal 2013 . Operating expenses increased $4 3 . 9 million primarily from spending on personnel, accruals for liability costs, legal expense and operating costs associated with the U-Box program. Commission expenses increased in relation to the associated revenues. Cost of sales declined due to a reduction in the price of propane combined with a reduction in the volume purchased. Depreciation expense, net, increased $28.8 m illion while lease expense decreased $10.1 million as a result of the Company's shift in financing new equipment on the balance sheet versus through operating leases .

During the third quarter of fiscal 2013 H urricane Sandy struck the Northeastern portion of the United States interrupting business at approximately 100 stores. All of these stores were operational within a few days , but for the most part, required some additional time to reach full operational strength . We estimated losses related to destroyed rental equipment of approximately $ 0.8 million and has been recorded as an expense in the third quarter . We maintain property and business interruption insurance coverage with independent third parties to mitigate the financial impact of these types of catastrophic events. Our insurance deductible is $ 0.3 million and has been recorded as an expense in the third quarter .

As a result of the above mentioned changes in revenues and expenses, ea rnings from operations increased to $ 427.1 million for the first nine months of fiscal 2013 , as compared with $ 357.7 million for the first nine months of fiscal 2012 .

Interest expense for the first nine months of fiscal 2013 was $ 67.7 million and $68.3 million for the first nine months of fiscal 2012 due to an increase in average borrowings partially offset by a decrease in average borrowing costs .

Income tax expense was $ 132.6 million for the first nine months of fiscal 2013 , compared with $ 109.4 million for the first nine months of fiscal 2012 due to higher pretax earnings for the first nine months of fiscal 2013 .

Dividends accrued or paid on our Series A Preferred were $ 2.9 million for the first nine months of fiscal 2012 . There were no payments made or accrued in fiscal 2013 . All of the Series A Preferred stock was redeemed on June 1, 2011; therefore, no dividends were accrued for the third quarter of fiscal 2012 . The first nine months of fiscal 2012 included a $5.9 million non-recurring charge related to the redemption of the Series A P referred Stock.

As a result of the above mentioned items, earnings available to common shareholders were $ 226.8 million for the first nine months of fiscal 2013 , compared with $ 171.1 mill ion for the first nine months of fiscal 2012 .

Basic and diluted earnings per common share for the first nine months of fiscal 2013 were $ 11.62 , compared with $ 8.79 for the first nine months of fiscal 2012 .

The weighted average common shares outstanding basic and diluted were 19,512,974 for the first nine months of fiscal 2013 , compared with 19,470,886 for the first nine months of fiscal 2012 .

Moving and Storage

Nine Months Ende d December 31, 2012 compared with the Nine Months Ended December 31, 2011

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the first nine months of fiscal 2013 and the first nine months of fiscal 2012 :

	Nine Months Ended December 31,	
	2012	**2011**
	(Unaudited) (In thousands)	
Self-moving equipment rentals	$ 1,401,483	$ 1,335,229
Self-storage revenues	111,825	99,682
Self-moving and self-storage products and service sales	173,399	167,352
Property management fees	15,847	14,929
Net investment and interest income	15,038	20,617
Other revenue	75,632	59,874
Moving and Storage revenue	$ 1,793,224	$ 1,697,683

Self-moving equipment rental revenues increased $ 66.3 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . The revenue growth was largely from an increase in In-Town and one-wa y moving transactions. Our focus continues to be on improving the rental experience for our customers through the availability of equipment, convenient access to rental locations and ease of the rental process. We believe that these efforts along with a larger rental fleet has supported the increase in transactions and associated revenue .

Self -storage revenues increased $ 12.1 million during the first nine months of fiscal 2013 , compared wi th the first nine months of fiscal 2012 due primarily to an increase in the number of rooms rented. Average monthly occupancy during the first nine months of fiscal 2013 increased by 1.4 million square feet compared to the same period last year. These occupancy gains have come from a combination of improvements at existing locations as well as the acquisit ion of new facilities. Over the last twelve months we have added approximately 2.1 million net rentable square feet with nearly 1.8 million of that during the first nine months of fiscal 201 3 .

Sales of self-moving and self-storage products and services increased $ 6.0 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . We earned increases from the sale of moving supplies as well as towing accessories and installation .

Property management fees increased $0.9 million during the first nine months of fiscal 2 013, compared with the first nine months of fiscal 2012. The calculation of these fees is largely based upon revenues collected at the facilities managed by the Company. As these underlying revenues increase, the fees we collect for management services increase as well.

Net investment and interest income decreased $5.6 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 . During the first quarter of fiscal 2013 , SAC Holdings repaid AMERCO $127.3 million for notes and interest outstanding. These notes carried interest rates of 9% and the loss of thi s yield caused a $ 8.1 million decline in interest income for the first nine months of fiscal 2013 . This decline was partially offset by gains from mortgage loans held for investment at the Moving and Storage operating segment.

Other revenue increased $ 15.8 million during the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 primarily from the expansion of new business initiatives including our U-Box program.

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

	Nine Months Ended December 31,	
	2012	**2011**
	(Unaudited)	
	(In thousands, except occupancy rate)	
Room count as of December 31	183	163
Square footage as of December 31	15,648	13,589
Average number of rooms occupied	138	123
Average occupancy rate based on room count	79.1%	77.5%
Average square footage occupied	11,795	10,353

Total costs and expenses at the Moving and Storage operating segment increased $7 1 . 0 million during the first nine months of fiscal 2013 . Operating expenses increased $4 3 . 9 million primarily from spending on personnel, accruals for liability costs, legal expense and operating costs associated with the U-Box program. Commission expenses increased in relation to the associated revenues. Cost of sales declined due to a reductio n in the price of propane combined with a reduction in the volume purchased. Depreciation expense, net, increased $28.8 million while lease expense decreased $10.1 million as a result of the Company's shift in financing new equipment on the balance sheet v ersus through operating leases .

During the third quarter of fiscal 2013 H urricane Sandy struck the Northeastern portion of the United States interrupting business at approximately 100 store s. All of these stores were operational within a few days , but for the most part, required some additional time to reach full operational strength . We estimated losses related to destroyed rental equipment of approximately $ 0.8 million and has been recorde d as an expense in the third quarter . We maintain property and business interruption insurance coverage with independent third parties to mitigate the financial impact of these types of catastrophic events. Our insurance deductible is $ 0.3 million and has been recorded as an expense in the third quarter .

As a result of the above mentioned changes in revenues and expenses, earnings from operations for the Moving and Storage operating segment before consolidation of the equity in the earnings of the insurance subsidiaries increased to $407.6 million for the first nine months of fiscal 2013 , compared with $383.1 million for the first nine months of fiscal 2012 .

Equity in the earnings of AMERCO's insurance subsidiaries inc reased $ 29.1 million for the first nine months of fiscal 2013 , compared with the first nine months of fiscal 2012 as a result of the reserve strengthening at the Property and Casualty Insurance segment in the prior year .

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $420.5 million for the first nine months of fiscal 2013 , compared with $ 366.9 million for the fir st nine months of fiscal 2012 .

Property and Casualty Insurance

Nine Months Ended September 30, 2012 compared with the Nine Months Ended September 3 0, 2011

Net premiums were $ 26.0 million and $ 25.1 million for the nine months ended September 30, 2012 and 2011 , respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium increase corresponded with increase d moving and storage transactions at U-Haul during the same time period.

Net investment incom e was $ 6.5 million and $ 7.4 million for the nine months ended September 30, 2012 and 2011 , respectively. The decrease was due to a $1.3 million dec rease in bond, preferred stock and real estate income, offset by a $1.0 million increase in mortgage loan income . The prior year also had a $0.7 million gain on asset disposals.

Net operating expenses were $ 14.7 million and $ 9.9 million for the nine months ended September 30, 2012 and 2011 , respectively. The increase was a result of a $3.9 million write off for reinsurance deemed uncollectible combin ed with a $1.0 million increase in payroll expenses .

Benefits and losses incurred were $ 10.8 million and $ 61.9 million for the nine months ended September 30, 2012 and 2011 , respectively. The decrease was primarily due to reserve strengthening recognized in 2011 related to terminated workers' compensation programs originally written or reinsured between 1983 and 2003. For the nine months ended September 30, 2011 , losses in this line of business increased $52.5 million of which $48.0 million was recognized in the third quarter of fiscal year 2012 . The Company determined that claims had been developing much more adversely than previously anticipated. A combination of issues including medical inflation, additional treatments, longer claim terms and unde restimation of claims costs by third party administrators and reinsurers contributed to these adjustments. These updated assumptions led to the revision in the Company's loss assumptions for this business.

As a result of the above mentioned changes in rev enues and expenses, pretax earnings (loss) from operations were $ 7.0 million and ($ 39.3) million for the nine months ended September 30, 2012 and 2011 , respectively.

Life Insurance

Nine Months Ended September 30, 2012 compared with the Nine Months Ended September 30, 2011

Net premiums were $ 137.3 million and $ 229.8 million for the nine months ended September 30, 2012 and 2011 , respectively. During the third quarter of fiscal 2011 Oxford entered into a coinsur ance arrangement for a block of whole life insurance policies resulting in a one-time increase in premiums of $83.5 million due to the transfer of liabilities. Additionally, there was a $7.0 million decrease in Medicare supplement premiums compared to the prior year. Annuity deposits increased by $233.2 million; which are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was $23.0 million and $21.8 million for the nine months e nded September 30, 2012 and 2011 , respectively. There was an increase of $1.2 million of investment income due to a larger invested asset base offset by a decrease in realized gains recognized on investments of $3.4 million.

Net operating expenses were $ 20.4 million and $ 21.5 million for the nine months ended September 30, 2012 and 2011 , respectively . The variance was due to reduced Medicare supplement and single premium whole life commissions resulting from policy decrements in Medicare supplement and lower sales of the life product.

Benefits and losses incurred were $ 119.9 mil lion and $ 206.2 million for the quarter ended September 30, 2012 and 2011 , respectively. During the third quarter of 2011 Oxford entered into the coinsurance arrangement for the block of whole life insurance policies resulting in a one-time increase in benefits of $83.5 million due to the transfer of liabilities. A $7.4 million decrease in Medicare supplement benefits which came from a reduction of policies in-force and lower benefit ratios was offset by an increase in life insurance and other benefits .

DAC and VOBA was $ 9.3 million and $ 10.7 million for the nine months ended September 30, 2012 and 2011 , respectively. A decrease of $1. 6 million was due to additional DAC amortization in the prior yea r resulting from re alized capital gains , offset by an increas e in the current year stemming fro m increased life and annuity sales.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $ 12.8 million and $ 14.4 million for the nine months ended September 30, 2012 and 2011 , 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 2016 or 2019 . 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 December 31, 2012 , cash and cash equiva lents totaled $ 586.1 million, compared with $ 357.2 million on March 31, 2012 . The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Hau l and Real Estate). As of December 31, 2012 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related part y assets) and debt obligations of each operating segment were:

	Moving & Storage	Property and Casualty Insurance (a)	Life Insurance (a)
		(Unaudited)	
		(In thousands)	
Cash and cash equivalents	$ 538,883	$ 14,490	$ 32,751
Other financial assets	266,631	406,380	1,030,894
Debt obligations	1,667,008	–	–

(a) As of September 30, 2012

At December 31, 2012 , o ur Moving and Storage operating segment had additional cash available under existing credit facilities of $ 302.7 million.

Net cash provided by operating activities increased $ 78.7 million in the first nine months of fiscal 2013 compared with fiscal 2012 primarily due to repayments of $127.3 million of the notes and interest receivables with SAC Holdings and from increased revenues. Payments related to federal income taxes increased $ 104.3 million for t he first nine months of fiscal 2013 compared to the same period in fiscal 2012 .

Net cash used in investing activities increased $112.2 million in the first nine months of fiscal 2013 , compared with fi scal 2012 . Cash received from entering into new equipment leases is reported net of the cash used for purchases of property, plant and equipment. New equipment leases funded in fiscal 2013 compared to fiscal 2012 increased $137.3 million, while cash used to purchase new rental equipment for fiscal 2013 increased $86.9 million compared to the same period last year . Cash provided from the sales of property, plant and equipment increased $27.1 million. Cash used for investing activities at the insurance companies increased $177.6 million primarily due to investments in their fixed maturity portfolios resulting from new annuity deposits.

Net cash provided by fina ncing ac tivities increased $199.7 million in the first nine months of fiscal 2013 , as compared with fiscal 2012 . Net annuity deposits at the Life I nsurance operating segment increased $ 256.2 million in the first nine months of fiscal 2013 compared to the same period last year . This was reduced by an increase in debt repayments compared to new borrowings at the Moving and Storage operating segment. Fiscal 2013 included $9 7 . 4 million of cash used to pay the Common Stock dividend, while fiscal 2012 included $152.0 million of cash used to redeem the Series A Preferred .

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 serv ice the existing debt and fund operations. U-Haul estimates that during fiscal 2013 , we will reinvest in our truck and trailer rental fleet approximately $ 3 80 million, net of equipment sales excluding any lease buyouts. Through the first nine months of this year we have reinvested $ 262.5 million of this projected amount . Fleet investments in fiscal 2013 and beyond will be dependent upon several factors including availability of capital, the truck rental envi ronment and the used-truck sales market. We anticipate that the fiscal 2013 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors includin g 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 opti ons.

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. Our plan for the expansion of owned storage properties includes the acquisition o f 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 . We are funding these development projects through construct ion loans and internally generated funds. For the first nine months of fiscal 2013 , the C ompany invested approximately $130.3 million in real estate acquisitions, new construction and renov ation and repair. For fiscal 2013 , 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 p roperties. 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 and lease proceeds) were $ 255.9 million and $ 281.9 million for the first nine months of fiscal 2013 and 2012 , respectively. The components of ou r net capital expenditures are provided in the following table:

	Nine Months Ended December 31,	
	2012	2011
	(Unaudited)	
	(In thousands)	
Purchases of rental equipment	$ 421,912	$ 335,031
Equipment lease buyouts	49,874	52,340
Purchases of real estate, construction and renovations	130,331	75,075
Other capital expenditures	33,058	34,299
Gross capital expenditures	635,175	496,745
Less: Lease proceeds	(212,335)	(75,002)
Less: Sales of property, plant and equipment	(166,904)	(139,852)
Net capital expenditures	255,936	281,891

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 plac e 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 $ 132.8 million and $ 123.8 million at September 30, 2012 and December 31, 2011 , respectively. The increase resulted from earnings of $ 4.5 million , increase in other comprehensive income of $3.0 million and an increase in additional paid-in capital of $1.5 million . The Property and Casualty Insurance operating seg ment 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 m eet policyholder and other obligations including investment contract withdrawals and deposits . Life Insurance’s net deposits for the nine months ended September 30, 2012 we re $ 245.5 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 subsidiari es.

Life Insurance’s stockholder’s equity was $ 237.3 million and $ 215.8 million at September 30, 2012 and December 31, 2011 , respectively. The increase resulted from earnings of $ 8.4 million and an increase in other comprehensive income of $ 14.8 million and a decrease to beginning retained earnings of $1.7 million in relation to the adoption of ASU 2010-26. The Life Insurance operating segment does not use debt or equi ty issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio.

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

Moving and Storage

Net cash provided from operating activities were $ 580.9 million and $ 441.7 million for the first nine months of fiscal 2013 and 2012 , respectively . The increase was primarily due to repa yments of $127.3 million of the notes and interest receivables in the first quarter with SAC Holdings and from increased revenues partially offset by a $ 104 .3 million increase in federal income tax deposits paid.

Property and Casualty Insurance

Net cash provided by operating activities were $4.2 million and $10.3 million for the first nine months ended September 30, 2012 and 2011 , respecti vely. The decrease in cash provided by operations was due to the $4.9 million increase in operating expense previously mentioned and a decrease in investment income.

The P roperty and Casualty Insurance operating segments cash and cash equivalents and short -term investment portfolio amounted to $62.2 million and $ 44.1 million at September 30, 2012 and December 31, 2011 , 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 foreseeable cash needs. Capital and operating budgets allow the Property and Casualty Insurance operatin g segment to schedule cash needs in accordance with investment and underwriting proceeds.

Life Insurance

Net cash provided (used) by operating activities were ($ 8.7) million and $ 46.0 million for the first nine months ended September 30, 2012 and 2011 , respectively. The decrease was attributable to a cash settlement on the assumption reinsurance transaction as of September 30, 2 011. Increased commissions on higher sales of new annuity products in 2012 caused an additional decrease in cash flow from operations.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are a vailable through the Life Insurance operating segment's short-term portfolio. At September 30, 2012 and December 31, 2011 , cash and cash equivalents and short-term investme nts amounted to $ 43.6 million and $ 54.1 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

Liquidity and Capital Resources - Summary

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

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment leases. As part of this strategy, we seek to ladder maturities and hedge floating rate loans th rough the use of interest rate swaps. While each of these loans typically contain s 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. Manageme nt feels it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit facilities to meet the current and expected needs of the Company over the next several years. At De cember 31, 2012 , we had cash availability under existing credit facilities of $ 302.7 million. It is possible that circumstances beyond our control or other factors resulting from changes in our operations could alter the ability of the financial institutions to lend us the unused lines of credit. W e believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrow ing capacity, please see Note 4, Borrowings of the Notes to Condensed Consolidated Financial Statements.

Fair Value of Financial Instruments

A ssets and liabilities recorded at fair value on the condensed consolidated balance sheets and are measured and cla ssified 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 Val ue Measurements of the Notes to Condensed Consolidated Financial Statements.

The available-for-sale securities held by us are recorded at fair value. These values are determined primarily from actively traded markets where prices are based either on dir ect 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 December 31, 2012 , we had $1.2 mi llion of available-for-sale assets classified in Level 3.

The interest rate swaps held by us as hedges against interest rate risk for our variable rate debt are recorded at fair value. These values are determined using pricing valuation models which includ e 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, 2012 .

Off-Balance Sheet Arrangements

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

We utilize operating leases for certain rental equipment and facilities with terms expiring substantially through 201 9 . In the event of a shortfall in proceeds from the sales of the underlying r ental equipment assets, we have guaranteed approximately $124.3 million of resid ual values at December 31, 2012 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 guarant ees were $ 327.7 million at December 31, 2012 .

Historically, we have used off-balance sheet arrangements in connection with the expansion of our self-storage business. For more information please see Note 10, Relate d Party Transactions of the Notes to Condensed Consolidated Financial Statements. These arrangements were primarily used when our overall borrowing structure was more limited. We do not face similar limitations currently and off-balance sheet arrangements have not been utilized in our self-storage expansion in recent years. In the future, we will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to us and our stockholders.

We currently manage 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 we receive a management fee of between 4% and 10% of the gross r eceipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of $19.1 million and $ 18.0 million from the above mentioned entities during the first nine months of fisc al 2013 and 2012 . This management fee is consistent with the fee received for other properties we previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantial ly controlled by Blackwater. Blackwater is wholly-owned by Mark V. Shoen, a significant shareholder of AMERCO. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercur y.

We lease 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 $2.0 million and $1. 8 million in the first nine months of fiscal 2013 and 2012 , respectively . The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us .

At December 31, 2012 , 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 af orementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based on equipment rental revenues. We paid the above mentioned entities $ 34.6 million and $ 33.1 million in commissions pursuant to such dealership contracts during the first nine months of fiscal 2013 and 2012 , respectively.

During the firs t nine months of fiscal 2013 , our subsidiaries held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater. We do not have an equity ownership interest i n SAC Holdings. We recorded interest income of $ 6.4 million and $ 14.5 million, and received cash interest payments of $ 10.7 million and $ 13.4 million, from SAC Holdings during the first nine months of fiscal 2013 and 2012 , respectively. The largest aggregate amount of notes receivable outstanding during the first nine months of fiscal 2013 was $195.4 million and the aggregate notes receivable balance at December 31, 2012 was $ 72.6 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. During the first quarter we received $127.3 million in repayments on the notes and interest receivables.

These agreements along with notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of $ 23.5 million, expenses of $ 2.0 million and cash flows of $ 152.7 million during the first nine months of fiscal 2013 . Revenues and commission expenses related to the Dealer Agreements were $ 158.4 million and $ 34.6 million, respectively during the first nine months of fiscal 2013 .

Fiscal 2013 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 impor tant component of our plan to meet our operational goals. Revenue in the U-Move program could be adversely impacted should we fail to execute in any of these areas. Even if we execute our plans, we could see declines in revenues primarily due to the contin uing adverse economic conditions that are beyond our control.

We have added new storage locations and expanded at existing locations. In fiscal 2013 , we are looking to continue to acquire new locations, complete current projects a nd 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. In the current environment, we have focused fewer resources on new construction than we have traditionally done and we do not currently expect to alter this approach. We will continue to invest capital and resources in the U-Box storage container program throughout fiscal 2013 .

Our 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.

Our Life Insu rance 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 p ursuing business acquisition opportunities.

Cautionary Statements Regarding Forward-Looking Statements

This Quarterly Report contains “forward-looking statements” regarding future events and our future results of operations. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such statements may include, but are not limited to, projections of revenues, earnings or loss, estimates of capital expenditures, plans for future operations, products or servic es, 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 assumptio ns, 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 fa ctors 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, 2012 , as well as the following: our ability to operate pursuant to the t erms of its credit facilities; our ability to maintain contracts that are critical to our operations; the costs and availability of financing; our ability to execute our business plan; our ability to attract, motivate and retain key employees; general ec onomic 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; chan ges in demand for our products; changes in the general domestic economy; the degree and nature of our competition; the resolution of pending litigation against us ; changes in accounting standards and other factors described in this Quarterly R eport or the other documents we file with the SEC. The above factors, the following disclosures, as well as other statements in this Quarterly R eport and in the Notes to Condensed Consolidated Financial Statements, could contribute to or cause such risks or uncertainti es, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized. We assume no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

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 marke t risk for changes in interest rates relates primarily to our variable rate debt obligations and one variable rate operating lease . We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations.

Notion al Amount		Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
$ 16,157		$ (446)	7/10/2006	7/10/2013	5.67%	1 Month LIBOR
236,666		(47,475)	8/18/2006	8/10/2018	5.43%	1 Month LIBOR
10,700		(556)	2/12/2007	2/10/2014	5.24%	1 Month LIBOR
7,045		(371)	3/12/2007	3/10/2014	4.99%	1 Month LIBOR
7,050		(353)	3/12/2007	3/10/2014	4.99%	1 Month LIBOR
8,300	(a)	(588)	8/15/2008	6/15/2015	3.62%	1 Month LIBOR
8,235		(636)	8/29/2008	7/10/2015	4.04%	1 Month LIBOR
12,816		(1,121)	9/30/2008	9/10/2015	4.16%	1 Month LIBOR
6,900	(a)	(339)	3/30/2009	4/15/2016	2.24%	1 Month LIBOR
8,813	(a)	(437)	8/15/2010	7/15/2017	2.15%	1 Month LIBOR
19,375	(a)	(1,082)	6/1/2011	6/1/2018	2.38%	1 Month LIBOR
37,500	(a)	(1,424)	8/15/2011	8/15/2018	1.86%	1 Month LIBOR
15,250	(a)	(530)	9/12/2011	9/10/2018	1.75%	1 Month LIBOR
14,072	(b)	(349)	3/28/2012	3/28/2019	1.42%	1 Month LIBOR
22,500		(382)	4/16/2012	4/1/2019	1.28%	1 Month LIBOR

(a) forward swap

(b) operating lease

As of December 31, 2012 , we had approximately $ 476.9 million of variable rate debt obligations and $14.1 million of a variable rate operating lease . 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 $ 0.6 mi llion annually (after consideration of the effect of the above derivative contracts.)

Additionally, our insurance subsidiaries' fixed income investment portfolios expose us to interest rate risk. This interest rate risk is the price sensitivity of a fixed income security to changes in interest rates. As part of our insurance companies' asset and liability management, actuaries estimate the cash flow patterns of our existing liabilities to determine their duration. These outcomes are compared to the characte ristics 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 Exc hange Rate Risk

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian busi ness. Approximately 6.2% and 6.1 % of our revenue was generated in Canada during the first nine months of fiscal 2013 and 2012 , 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 typicall y do not hedge any foreign currency risk since the exposure is not considered material.

Item 4. Controls and Procedures

Attached as exhibits to this Quarterly Report are certifications of our Chief Executive Officer ("CEO") and Chief Accounting Officer ("C AO"), 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 conjunctio n with the certifications for a more complete understanding of the topics presented in the section, Evaluation of Disclosure Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the C EO 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 Quarterly Report . 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 Quarterly Report , is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to our management, including our CEO and CAO, as appropriate t o 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 Quarterly Report , our Disclosure Controls were effective related to the above stated design purposes.

Inherent Limitations on the Effectiveness of Controls

The Company's management, including our 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 absolut e, 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 inhere nt 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 mo re 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 goa ls 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 complianc e with policies or procedures.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over f inancial 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 o f any material updates to the risk factors described in our previously filed Annual Report on Form 10-K for the fiscal year ended March 31, 2012 .

Item 2. Unregistered Sales of Equity Securities and Use of Proceed s

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 ("ESOP") . To be eligible for consideration, the employees' respective ESOP ac count 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.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following documents are filed as part of this report:

Exhibit Number	Description	Page or Method of Filing
3.1	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 l aws of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K , filed on Sept ember 10 , 20 10 , 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
10.1	Amendment to the Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan *	Filed herewith
101.INS	XBRL Instance Document	Furnished herewith
101.SCH	XBRL Taxonomy Extension Schema	Furnished herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Furnished herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Furnished herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Furnished herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Furnished herewith

* Indicating compensating plan arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERCO

Date: February 6, 2013

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

Date: February 6, 2013

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

A **MENDMENT TO THE**
AMERCO EMPLOYEE STOCK OWNERSHIP PLAN

On March 16, 1973 , AMERCO, a Nevada Corporation (the "Corporation") established the "AMERCO Profit Sharing Retirement Trust' (the "Profit Sharing Plan"'), which was subsequently amended from time to time. Effective April 1, 1984 , the Corporation established the "AMERCO Emp loyee Savings and Protection Plan", which was amended from time to time, and effective January 1, 1988 , was merged with the Profit Sharing Plan to form a single plan called the "AMERCO Retirement Savings and Profit Sharing Plan."

Effective July 24, 1988, the AMERCO Retirement Savings and Profit Sharing Plan was amended and restated as an employee stock ownership plan known as the "AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan." The AMERCO Employee Savings, Profit Sharing and Emp loyee Stock Ownership Plan was subsequently amended and restated in its entirety effective January 1, 1989 to comply with the Tax Reform Act of 1986 (" TRA 86") and to make certain other modifications.

The AMERCO Employee Savings, Profit Sharing and Empl oyee Stock Ownership Plan has been subsequently amended and restated from time to time to, among other things, comply with SBJPA, USERRA, TRA 97, GUST and EGTRRA and to make certain administrative changes.

Effective January 1, 2007, the ESOP (hereinafte r the "Plan") was amended and restated in its entirety in a separate plan document to incorporate certain amendments, and make certain administrative as well as other miscellaneous changes. The AMERCO Employee Savings and Profit Sharing Plan was also rest ated and amended in its entirety as a separate plan document (the "Employee Savings and Profit Sharing Plan").

The Corporation now desires to amend the provisions of the Plan as same relate to dividends on Employer Securities held in the Plan.

Therefore , effective November 1, 2012, by this instrument, the Corporation amends the Plan as follows:

1. A new Section 5.1(e) shall be added to the Plan to provide as follows:

"(e) PARTICIPANT CONTRIBUTIONS . No Participant shall be required or permitted to make contributions to the Trust Fund except insofar as the Board of Directors may provide for the ability of Participants to reinvest dividends in Employer Securities in their ESOP Account. Should such reinv estment be allowed, any offering of stock through this program will comply with all applicable state and F ederal securities laws. "

2. Section 8.1 (a) of the Plan is amended and restated in its entirety to provide as follows:

"(a) ESOP ACCOUNT . An ESOP Account shall be maintained for each Participant in the Plan. The Account will reflect balances derived from ESOP Contributions made on behalf of the Participant and any cash dividends reinvested in Employer Securities pursuant to an election und er Section 9.2 and shall reflect the fair market value, as of the most recent Accounting Date, of the Participant's interest in the ESOP Fund; provided that the ESOP Fund shall not reflect amounts credited to the Loan Suspense Account pursuant to ARTICLE S EVEN. The Accounts shall reflect any withdrawals and distributions to the Participant. The establishment and maintenance of separate Accounts for each Participant shall not be construed as giving any person any interest in any specific assets of the ESOP F und. "

3. Section 8.3 (b) of the Plan is amended and restated in its entirety to provide as follows:

" (b) Second , as of each Accounting Date, the Benefits Department shall credit each Participant's ESOP Account with its pro rata share of any increase, or charge each Participant's ESOP Account with its pro rata share of any decrease, in the fair market value of the ESOP Fund as of the current Accounting Date. Dividends on shares of Employer Securities which have been allocated to the Participants' ESOP Acco unts shall be credited first to a cash fund maintained by the Trustee. Any cash dividends which are currently available for distribution to Participants (or their Beneficiaries) under Section 9.2 shall not be credited to the cash fund. Dividends passed th rough to the Participant and voluntarily reinvested by the Participant in Employer Securities will be credited to the cash fund shall be used to purchase additional Employer Securities, which, pursuant to this Section 8.3(b), shall be credited on a pro rat a basis, to each Participant's ESOP Account. Dividends on shares of Employer Securities which are held in the Loan Suspense Account created pursuant to Section 7.4(a) shall be used along with the Employer's ESOP Contributions to repay the loan as provided in Section 7.1(b)."

4. A new Section 9.2 shall be added to the Plan to provide as follows:

"9.2. CASH DIVIDENDS .

(a) If so determined by the Board, any cash dividends payable on Employer Securities allocated to the ESOP Accounts of Participants may be paid currently (or within 90 days after the end of the Plan Year in which the dividends are paid to the Trust) in cash by the Trustee to such Participants (or their Beneficiaries) on a nondiscriminatory basis, or the Co rporation ma y pay such dividends dire ctly to the Participants (or Benefici aries).

(b) If so determined and to th e extent specified by the Board , Participants may be offered the opportunity to elect to have cash dividends payable on Employer Securities allocated to their ESOP Accounts paid directly to such Participants in accordance with the provisions of the preceding paragraph or to have such cash dividends reinvested in Employer Securities and accumulated in subaccounts of the ESOP Accounts ("Reinvested Dividend Accounts"). A Pa rticipant's interest in Reinvested Dividend Account shall be 100% vested and non-forfeitable at all times. Any election by Participants shall be made at such time and in such manner as determined by the Advisory Committee. If the reinvestment of divi dends shall require registration and/or qualification of the securities under applicable Federal or state securities laws, then the Co rporation , at its own expense, will take, or cause to be taken, any and all such actions as may be necessary or appropriat e to effect such registration and/or qualification.

(c) E lections and/or distributions of cash dividends under this Section 9.2 may b e limited to Participants who are active Employees, may be limited to dividends on shares of Employer Securities which are then vested, or may be applicable to cash dividends on all shares allocated to Participants' ESOP Accounts.

(d) I f a P articipant does not make an affirmative election within the time and in such manner as provided by the Advisory Committee, such Partic ipant shall be deemed to have elected to have such cash dividends reinvested in Employer Securities . "

5. All provisions of the Plan not heretofore amended shall be interpreted in a manner consistent with the foregoing amendments.

IN WITNESS WHEREOF , the Corporation has caused this Amendment to be executed by its duly authorized representative this _____day of __________ , 20 12 .

AMERCO

By: ______

Its: ______

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 res pect 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 o f 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 b e 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 p repared;

(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 p reparation 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 occur red 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 rep orting; 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: February 6 , 201 3

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 res pect 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 o f 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 b e 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 p repared;

(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 p reparation 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 occur red 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 rep orting; 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: February 6 , 201 3

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 December 31 , 201 2 of AMERCO (the “Company”), as filed with the Securities and Exchange Commission on February 6 , 201 3 (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 op erations of the Company.

AMERCO,

a Nevada corporation

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: February 6 , 201 3

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 December 31 , 201 2 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on February 6 , 201 3 (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 th e Company.

AMERCO,

a Nevada corporation

/s/ Jason A. Berg

Jason A. Berg
Principal Financial Officer and
Chief Accounting Officer

Date: February 6 , 201 3