

# U-HAUL HOLDING CO /NV/

## FORM 10-K (Annual Report)

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Address	5555 KIETZKE LANE STE 100 RENO, NV, 89511
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended March 31, 2020

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-11255

**State or other jurisdiction of  
incorporation or organization**  
Nevada

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

**I.R.S. Employer  
Identification No.**  
88-0106815

AMERCO

AMERCO

(A Nevada Corporation)

5555 Kietzke Lane , Ste. 100

Reno , Nevada 89511

Telephone ( 775 ) 688-6300

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

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

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

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

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

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

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

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

Large Accelerated Filer  Accelerated Filer

Non-accelerated Filer  Smaller Reporting Company

Emerging Growth Company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

The aggregate market value of AMERCO common stock held by non-affiliates on September 30, 2019 was \$ 3,494,102,743 . The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on such date. Shares held by executive officers, directors and persons owning directly or indirectly more than 5% of the outstanding common stock have been excluded from the preceding number because such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at May 22, 2020.

Documents incorporated by reference: portions of AMERCO's definitive proxy statement for the 2020 annual meeting of stockholders, to be filed within 120 days after AMERCO's fiscal year ended March 31, 2020, are incorporated by reference into Part III of this report.

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## PART I

### **Item 1. Business**

#### **Company Overview**

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

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

We rent our distinctive orange and white U-Haul® trucks and trailers as well as offer self-storage units through a network of 2,065 Company-operated retail moving stores and over 20,100 independent U-Haul® dealers. We also sell U-Haul® brand boxes, tape and other moving and self-storage products and services to “do-it-yourself” moving and storage customers at all of our distribution outlets and through our uhaul.com® and eMove® websites.

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

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

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

#### **Available Information**

AMERCO® and U-Haul® are each incorporated in Nevada. The internet address for U-Haul is uhaul.com. On AMERCO’s investor relations website, amerco.com, we post the

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

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## Products and Rental Equipment

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

As of March 31, 2020, our rental fleet consisted of approximately 176,000 trucks, 127,000 trailers and 41,000 towing devices. This equipment and our U-Haul brand of self-moving products and services are available through our network of managed retail moving stores and independent U-Haul dealers. Independent U-Haul dealers receive rental equipment from the Company, act as rental agents and are paid a commission based on gross revenues generated from their U-Haul<sup>®</sup> rentals.

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

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

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

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

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

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

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

U-Haul<sup>®</sup> has one of North America's largest propane refilling networks, with nearly 1,200 locations providing this convenient service. We employ trained, certified personnel to refill propane cylinders and alternative fuel vehicles. Our network of propane dispensing locations is one of the largest automobile alternative refueling networks in North America.

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Our self-storage business was a natural outgrowth of our self-moving operations. Conveniently located U-Haul<sup>®</sup> self-storage rental facilities provide clean, dry and secure space for storage of household and commercial goods. Storage units range in size from 6 square feet to over 1,000 square feet. As of March 31, 2020, we operate 1,745 self-storage locations in the United States and Canada, with over 774,000 rentable storage units comprising 66.7 million square feet of rentable storage space. Our self-storage centers feature a wide array of security measures, ranging from electronic property access control gates to individually alarmed storage units. At many centers, we offer climate-controlled storage units to protect temperature sensitive goods such as video tapes, albums, photographs and precious wood furniture.

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

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

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

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

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

## Description of Operating Segments

AMERCO's three reportable segments are:

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

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

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### ***Moving and Storage Operating Segment***

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

Net revenue from Moving and Storage was approximately 91.8%, 94.0% and 91.3% of consolidated net revenue in fiscal 2020, 2019 and 2018, respectively.

The total number of rental trucks in the fleet increased during fiscal 2020 as the pace of new additions was greater than those trucks removed for retirement and sale. These additions and replacements to the fleet were a combination of U-Haul<sup>®</sup> manufactured vehicles and purchases. As new trucks are added to the fleet, we typically remove older trucks from the fleet.

Within our truck and trailer rental operation, we are focused on expanding our independent dealer network to provide added convenience for our customers. U-Haul<sup>®</sup> maximizes vehicle utilization by managing distribution of the truck and trailer fleets among the 2,065 Company-operated stores and over 20,100 independent dealers. Utilizing its proprietary reservations management system, our centers and dealers electronically report their inventory in real-time, which facilitates matching equipment to customer demand. Over half of all U-Move<sup>®</sup> rental revenue originated from our operated centers.

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

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

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

U-Haul<sup>®</sup> is one of the largest North American operators of self-storage and has been a leader in the self-storage industry since 1974. U-Haul<sup>®</sup> operates nearly 774,000 rentable storage units, comprising 66.7 million square feet of rentable storage space with locations in 50 states and 10 Canadian provinces. Our owned and managed self-storage facility locations range in size up to 309,000 square feet of storage space, with individual storage units in sizes ranging from 6 square feet to over 1,000 square feet.

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

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

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

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

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

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

Net revenue from Property and Casualty Insurance was approximately 2.2%, 1.9% and 2.0% of consolidated net revenue in fiscal 2020, 2019 and 2018, respectively.

### ***Life Insurance Operating Segment***

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

Net revenue from Life Insurance was approximately 6.0%, 4.1% and 6.7% of consolidated net revenue in fiscal 2020, 2019 and 2018, respectively.

## **Employees**

As of March 31, 2020, we employed approximately 30,000 people throughout the United States and Canada with approximately 99% of these employees working within

Moving and Storage and approximately 52% of these employees working on a part-time basis.

## **Sales and Marketing**

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

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

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

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## **Competition**

### ***Moving and Storage Operating Segment***

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

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

### ***Insurance Operating Segments***

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

## **Financial Data of Segment and Geographic Areas**

For financial data of our segments and geographic areas please see Note 22, Financial Information by Geographic Area, and Note 22A, Consolidating Financial Information by Consolidating Industry Segment, of our Notes to Consolidated Financial Statements.

## **Cautionary Statement Regarding Forward-Looking Statements**

This Annual Report on Form 10-K (“Annual Report”), contains “forward-looking statements” regarding future events and our future results of operations. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Such statements may include, but are not limited to, the risk associated with COVID-19 or similar events on employees or customers, impact on the economic environment or demand of our products and the cost and availability of debt and capital estimates of capital expenditures, plans for future operations, products or services, financing needs and plans, our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us, liquidity and the availability of financial resources to meet our needs, goals and strategies, plans for new business, storage occupancy, growth rate assumptions, pricing, costs, and access to capital and leasing markets, the impact of our compliance with environmental laws and cleanup costs, our used vehicle disposition strategy, the sources and availability of funds for our rental equipment and self-storage expansion and replacement strategies and plans, our plan to expand our U-Haul storage affiliate program, that additional leverage can be supported by our operations and business, the availability of alternative vehicle manufacturers, our estimates of the residual values of our equipment fleet, our plans with respect to off-balance sheet arrangements, our plans to continue to invest in the U-Box<sup>®</sup> program, the impact of interest rate and foreign currency exchange rate changes on our operations, the sufficiency of our capital resources, and the sufficiency of capital of our insurance subsidiaries as well as assumptions relating to the foregoing. The words “believe,” “expect,” “anticipate,” “plan,” “may,” “will,” “could,” “estimate,” “project” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

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

### ***Item 1A. Risk Factors***

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

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

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

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

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

While it is premature to accurately predict the ultimate impact of these developments, we suspect that our results for the quarter ending June 30, 2020 and potentially the

remainder of fiscal 2021 may be significantly adversely affected.

To the extent COVID-19 adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, our ability to comply with the covenants contained in the agreements that govern our indebtedness, our fleet rotation program, the manufacturers and suppliers of our rental equipment, our independent dealers and the operation of our rental fleet, sales of our products and operation of our locations.

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#### **We operate in a highly competitive industry.**

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

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

#### **We are highly leveraged.**

As of March 31, 2020, we had total debt outstanding of \$4,651.1 million and operating lease liabilities of \$106.4 million. Although we believe, based on existing information, that additional leverage can be supported by our operations and revenues, our existing debt could impact us in the following ways among other considerations:

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

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

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

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

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

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

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

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

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

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

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

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

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

Willow Grove Holdings LP, directly and through controlled entities ("WGHLP"), owns 8,337,804 shares of AMERCO common stock, and together with Edward J. Shoen and Mark V. Shoen, owns 8,390,066 shares (approximately 42.8%) of AMERCO common stock. The general partner of WGHLP controls the voting and disposition decisions with respect to the common stock of AMERCO owned by WGHLP, and is managed by Edward J. Shoen (the Chairman of the Board of Directors and Chief Executive Officer of AMERCO) and his brother, Mark V. Shoen. Accordingly, Edward J. Shoen and Mark V. Shoen are in a position to significantly influence our business and policies, including the approval of certain significant transactions, the election of the members of our Board of Directors (the "Board") and other matters submitted to our stockholders. There can be no assurance that their interests will not conflict with the interests of our other stockholders.

In addition, 1,003,040 shares (approximately 5.1%) of AMERCO common stock are owned under our Employee Stock Ownership Plan ("ESOP"). Each ESOP participant is entitled to vote the shares allocated to himself or herself in their discretion. In the event an ESOP participant does not vote his or her shares, such shares shall be voted by the ESOP trustee, in the ESOP trustee's discretion.

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

Compliance with environmental requirements of federal, state and local governments significantly affects our business. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Under environmental laws or common law principles, we can be held liable for hazardous substances that are found on real property we have owned or operated. We are aware of issues regarding hazardous substances on some of our real estate and we have put in place a remediation plan at each site where we believe such a plan is necessary. See Note 19, Contingencies, of the Notes to Consolidated Financial Statements. We regularly make capital and operating expenditures to stay in compliance with environmental laws. In particular, we have managed a testing and removal program since 1988 for our underground storage tanks. Despite these compliance efforts, the risk of environmental liability is part of the nature of our business.

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

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

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

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

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

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

Our business plan relies upon a network of independent dealers strategically located throughout the United States and Canada. As of March 31, 2020 we had over 20,100 independent equipment rental dealers. In fiscal 2020, less than half of all U-Move® rental revenue originated through this network.

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

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

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

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

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

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

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



condition and inflict reputational damage.

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

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

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

In June 2019, A.M. Best affirmed the financial strength rating for Oxford and Christian Fidelity Life Insurance Company ("CFLIC") of A- and revised the outlook from stable to positive and affirmed the financial strength rating for North American Insurance Company ("NAI") of B++ with a stable outlook. Financial strength ratings are important external factors that can affect the success of Oxford's business plans. Accordingly, if Oxford's ratings, relative to its competitors, are not maintained or do not continue to improve, Oxford may not be able to retain and attract business as currently planned, which could adversely affect our results of operations and financial condition.

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

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

At December 31, 2019, Repwest reported \$0.6 million of reinsurance recoverables, net of allowances and \$87.1 million of reserves and liabilities ceded to reinsurers. Of this, Repwest's largest exposure to a single reinsurer was \$54.5 million.

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

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

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

The Company, through its legal subsidiaries, owns property, plant and equipment that are utilized in the manufacturing, repair and rental of U-Haul<sup>®</sup> equipment and storage space, as well as providing office space for us. Such facilities exist throughout the United States and Canada. We also manage storage facilities owned by others. We operate 2,065 U-Haul<sup>®</sup> retail centers of which 488 U-Haul branded locations are managed for subsidiaries of WGHP and Mercury Partners, L.P. ("Mercury"), and 11 manufacturing and assembly facilities. We also operate over 145 fixed-site repair facilities located throughout the United States and Canada. These facilities are used primarily for the benefit of Moving and Storage.

**Item 3. Legal Proceedings**

**Environmental**

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

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

**Other**

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

**Item 4. Mine Safety Disclosures**

Not applicable.

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**PART II**

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

As of May 15, 2020, there were approximately 3,000 holders of record of our common stock. We derived the number of our stockholders using internal stock ledgers and utilizing Mellon Investor Services Stockholder listings. AMERCO's common stock is listed on the NASDAQ Global Select Market under the trading symbol "UHAL".

## Dividends

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

The following table lists the dividends that have been declared and issued for fiscal 2020 and 2019.

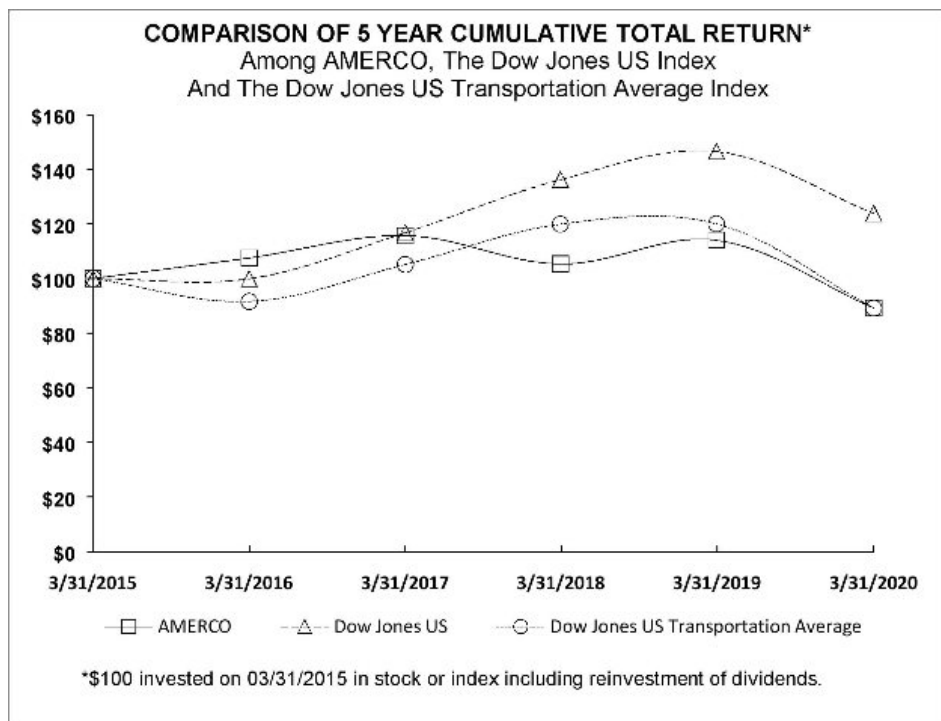
Common Stock Dividends				
Declared Date	Per Share Amount	Record Date	Dividend Date	
December 4, 2019	\$ 0.50	December 19, 2019	January 6, 2020	
August 22, 2019	0.50	September 9, 2019	September 23, 2019	
March 6, 2019	0.50	March 21, 2019	April 4, 2019	
December 5, 2018	0.50	December 20, 2018	January 7, 2019	
August 23, 2018	0.50	September 10, 2018	September 24, 2018	
June 6, 2018	0.50	June 21, 2018	July 5, 2018	

See Note 21, Statutory Financial Information of Insurance Subsidiaries, of the Notes to Consolidated Financial Statements for a discussion of certain statutory restrictions on the ability of the insurance subsidiaries to pay dividends to AMERCO.

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## Performance Graph

The following graph compares the cumulative total stockholder return on the Company's common stock for the period March 31, 2015 through March 31, 2020 with the cumulative total return on the Dow Jones US Total Market and the Dow Jones US Transportation Average. The comparison assumes that \$100 was invested on March 31, 2015 in the Company's common stock and in each of the comparison indices. The graph reflects the value of the investment based on the closing price of the common stock trading on NASDAQ on March 31, 2016, 2017, 2018, 2019 and 2020.



Fiscal years ended March 31:	2015	2016	2017	2018	2019	2020
AMERCO	\$ 100	\$ 108	\$ 116	\$ 105	\$ 114	\$ 89
Dow Jones US Total Market	100	100	117	136	147	124
Dow Jones US Transportation Average	100	92	105	120	120	89

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## Item 6. Selected Financial Data

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

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

	Years Ended March 31,				
	2020	2019	2018	2017	2016
(In thousands, except share and per share data)					
<i>Summary of Operations:</i>					
Self-moving equipment rentals	\$ 2,692,413	\$ 2,653,497	\$ 2,479,742	\$ 2,362,833	\$ 2,297,980
Self-storage revenues	418,741	367,276	323,903	286,886	247,944

Self-moving and self-storage products and service sales	265,091	264,146	261,557	253,073	251,541
Property management fees	30,406	29,148	29,602	29,075	26,533
Life insurance premiums	127,976	63,488	154,703	163,579	162,662
Property and casualty insurance premiums	66,053	60,853	57,100	52,334	50,020
Net investment and interest income	137,829	110,934	110,473	102,276	86,617
Other revenue	<u>240,359</u>	<u>219,365</u>	<u>184,034</u>	<u>171,711</u>	<u>152,171</u>
Total revenues	<u>3,978,868</u>	<u>3,768,707</u>	<u>3,601,114</u>	<u>3,421,767</u>	<u>3,275,468</u>
Operating expenses	2,117,148	1,981,180	1,807,056	1,567,181	1,469,260
Commission expenses	288,332	288,408	276,705	267,230	262,627
Cost of sales	164,018	162,142	160,489	152,485	144,990
Benefits and losses	174,836	100,277	185,311	182,710	167,436
Amortization of deferred policy acquisition costs	31,219	28,556	24,514	26,218	23,272
Lease expense	26,882	33,158	33,960	37,343	49,780
Depreciation, net gains on disposals (a)	637,063	554,043	543,247	449,025	291,235
Net gains on disposal of real estate	<u>(758)</u>	<u>(44)</u>	<u>(195,414)</u>	<u>(3,590)</u>	<u>(545)</u>
Total costs and expenses	<u>3,438,740</u>	<u>3,147,720</u>	<u>2,835,868</u>	<u>2,678,602</u>	<u>2,408,055</u>
Earnings from operations	540,128	620,987	765,246	743,165	867,413
Other components of net periodic benefit costs	(1,054)	(1,013)	(927)	(902)	(787)
Interest expense	(160,950)	(142,445)	(126,706)	(113,406)	(97,715)
Fees and amortization on early extinguishment of debt	<u>—</u>	<u>—</u>	<u>—</u>	<u>(499)</u>	<u>—</u>
Pretax earnings	378,124	477,529	637,613	628,358	768,911
Income tax benefit (expense)	<u>63,924</u>	<u>(106,672)</u>	<u>152,970</u>	<u>(229,934)</u>	<u>(279,910)</u>
Earnings available to common shareholders	<u>\$ 442,048</u>	<u>\$ 370,857</u>	<u>\$ 790,583</u>	<u>\$ 398,424</u>	<u>\$ 489,001</u>
Basic and diluted earnings per common share	<u>\$ 22.55</u>	<u>\$ 18.93</u>	<u>\$ 40.36</u>	<u>\$ 20.34</u>	<u>\$ 24.95</u>
Weighted average common shares outstanding: Basic and diluted	19,603,708	19,592,048	19,588,889	19,586,606	19,596,110
Cash dividends declared and accrued Common stock	19,608	39,180	39,175	39,171	97,960
<b>Balance Sheet Data:</b>					
Property, plant and equipment, net	\$ 7,843,060	\$ 7,933,971	\$ 6,816,741	\$ 5,957,735	\$ 5,017,511
Total assets	13,438,024	11,891,713	10,747,422	9,405,840	8,109,288
Notes, loans and finance/capital leases payable, net	4,621,291	4,163,323	3,513,076	3,262,880	2,647,396
Stockholders' equity	4,220,720	3,692,389	3,408,708	2,619,744	2,251,406

(a) Net gains were (\$27.1) million, (\$27.0) million, (\$11.8) million, (\$32.5) million and (\$98.2) million for fiscal 2020, 2019, 2018, 2017 and 2016, respectively.

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

We begin this MD&A with the overall strategy of AMERCO, followed by a description of, and strategy related to, our operating segments to give the reader an overview of the goals of our businesses and the direction in which our businesses and products are moving. We then discuss our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. Next, we discuss our results of operations for fiscal 2020 compared with fiscal 2019, and for fiscal 2019 compared with fiscal 2018, which are followed by an analysis of liquidity changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our outlook for fiscal 2021.

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

AMERCO has a fiscal year that ends on the 31<sup>st</sup> of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31<sup>st</sup> of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of financial position or results of operations. We disclose all material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2019, 2018 and 2017 correspond to fiscal 2020, 2019 and 2018 for AMERCO.

### Overall Strategy

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

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

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

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

### Description of Operating Segments

AMERCO's three reportable segments are:

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

See Note 1, Basis of Presentation, Note 22, Financial Information by Geographic Area, and Note 22A, Consolidating Financial Information by Industry Segment, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

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### ***Moving and Storage Operating Segment***

Moving and Storage consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul<sup>®</sup> 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<sup>®</sup> brand self-moving related products and services, such as boxes, pads and tape allow our customers to, among other things, protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the “do-it-yourself” moving and storage customer in mind.

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

U-Haul's Truck Share 24/7, Skip-the-Counter Self-Storage rentals and Scan & Go self-checkout for moving supplies provide our customers methods for conducting business with us directly via their mobile devices and also limiting physical exposure.

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

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

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

### ***Life Insurance Operating Segment***

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

### ***Critical Accounting Policies and Estimates***

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

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

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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:

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

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

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

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

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

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## Insurance Reserves

Liabilities for future policy benefits related to life insurance, Medical supplement insurance, and deferred annuities are determined by Management utilizing the net premium valuation methodology and are accrued when premium revenue is recognized. The liability, which represents the present value of future benefits to be paid to policyholders and related expenses less the present value of future net premiums, is estimated using assumptions applicable at the time the insurance contracts are written, with provisions for the risk of adverse deviation, as appropriate. Assumptions include expected mortality and morbidity experience, policy lapses and surrenders, current asset yields and expenses, and expected interest rate yields. The Company periodically performs a gross premium valuation and reviews original assumptions, including capitalized expenses which reduce the gross premium valuation, to evaluate whether the assets and liabilities are adequate and whether a loss reserve should be recognized.

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

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

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

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

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

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

## Impairment of Investments

Investments are evaluated pursuant to guidance contained in ASC 320 - *Investments - Debt and Equity Securities* to determine if and when a decline in market value of debt securities below amortized cost is other-than-temporary. Management makes certain assumptions or judgments in its assessment including but not limited to: our ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. There were no write downs in fiscal 2020, 2019 and 2018.

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## Income Taxes

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

Our tax returns are periodically reviewed by various taxing authorities. The final outcome of these audits may cause changes that could materially impact our financial results. Please see Note 14, Provision for Taxes, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information.

## Fair Values

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

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

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

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

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

## Recent Accounting Pronouncements

Please see Note 3, Accounting Policies, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information.

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## AMERCO and Consolidated Subsidiaries

### *Fiscal 2020 Compared with Fiscal 2019*

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2020 and fiscal 2019:

**Year Ended March 31,**

	2020	2019
	(In thousands)	
Self-moving equipment rentals	\$ 2,692,413	\$ 2,653,497
Self-storage revenues	418,741	367,276
Self-moving and self-storage products and service sales	265,091	264,146
Property management fees	30,406	29,148
Life insurance premiums	127,976	63,488
Property and casualty insurance premiums	66,053	60,853
Net investment and interest income	137,829	110,934
Other revenue	240,359	219,365
Consolidated revenue	<u>\$ 3,978,868</u>	<u>\$ 3,768,707</u>

Self-moving equipment rental revenues increased \$38.9 million during fiscal 2020, compared with fiscal 2019. Revenue for both our In-town and one-way markets improved for trucks and trailers. Partially offsetting the improvement was a reduction in the volume of Corporate Account rentals in the third and fourth quarters of fiscal 2020, along with the decline in overall rental activity in the second half of March 2020 due to the COVID-19 related stay-at-home orders. We increased the number of retail locations, trucks and trailers in the rental fleet compared to the same period last year.

Self-storage revenues increased \$51.5 million during fiscal 2020, compared with fiscal 2019. The average monthly number of occupied units increased by 16%, or 45,000 units during fiscal 2020 compared with the same period last year. The growth in revenues and units rented comes from a combination of occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2020, we added approximately 5.8 million net rentable square feet, a 16% increase, with approximately 1.2 million of that occurring during the fourth quarter of fiscal 2020.

Life insurance premiums increased \$64.5 million during fiscal 2020, compared with fiscal 2019 primarily due to a reinsurance agreement termination in the fourth quarter of fiscal 2019, reducing prior year premiums by \$76.0 million.

Property and casualty insurance premiums increased \$5.2 million during fiscal 2020, compared with fiscal 2019. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium increase corresponded with the increased moving and storage transactions at U-Haul during the same period.

Net investment and interest income increased \$26.9 million during fiscal 2020, compared with fiscal 2019 due to a larger invested asset base and realized gains on derivatives at our life insurance subsidiary. Additionally, recognizing the changes in market value of unaffiliated common stocks at our insurance subsidiary accounted for \$9.5 million of the increase.

Other revenue increased \$21.0 million during fiscal 2020, compared with fiscal 2019, caused primarily by growth in our U-Box<sup>®</sup> program.

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Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2020 and 2019. The insurance companies' years ended December 31, 2019 and 2018.

	Year Ended March 31,	
	2020	2019
	(In thousands)	
Moving and storage		
Revenues	\$ 3,657,766	\$ 3,545,809
Earnings from operations before equity in earnings of subsidiaries	471,962	569,241
Property and casualty insurance		
Revenues	89,064	75,837
Earnings from operations	42,884	27,406
Life insurance		
Revenues	241,464	154,714
Earnings from operations	26,394	25,481
Eliminations		
Revenues	(9,426)	(7,653)
Earnings from operations before equity in earnings of subsidiaries	(1,112)	(1,141)
Consolidated Results		
Revenues	3,978,868	3,768,707
Earnings from operations	540,128	620,987

Total costs and expenses increased \$291.0 million during fiscal 2020, compared with fiscal 2019. Our insurance segments' total costs and expenses increased \$83.6 million; this was largely due to a one-time decrease of \$76.4 million in life benefits in fiscal 2019 because Oxford agreed to terminate a reinsurance contract with one of our reinsurers ("Reinsurance contract termination"). Operating expenses for Moving and Storage increased \$131.3 million. The largest contributors to this were personnel, liability costs, utilities, property maintenance projects, property taxes and freight expense. Repair costs associated with the rental fleet increased \$19.5 million primarily due to an increase in the number of rental trucks and trailers. Depreciation expense associated with our rental fleet increased \$55.1 million to \$510.5 million due to the larger fleet. Depreciation expense on all other assets, mostly buildings and improvements, increased \$28.0 million to \$153.6 million. Gains on the disposal of real estate increased \$0.7 million due to the condemnation of a property in the first quarter of fiscal 2020.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to \$540.1 million for fiscal 2020, compared with \$621.0 million for fiscal 2019.

Interest expense for fiscal 2020 was \$161.0 million, compared with \$142.4 million for fiscal 2019 due to an increase in borrowings in fiscal 2020.

Income tax benefit (expense) was \$63.9 million for fiscal 2020, compared with (\$106.7) million for fiscal 2019 due to the effect of the Coronavirus Aid, Relief and Economic Security (the "CARES Act") as enacted on March 27, 2020. Our effective tax rate was (16.9%) of net income before taxes for fiscal 2020, compared with 22.3% in the prior year period. Federal net operating losses from fiscal years 2018, 2019 and 2020 have been carried back to prior tax years as provided by the CARES Act. The statutory tax rate for the carryback years was 35% as compared with 21% at present. Consequently, we recognized a benefit amount of \$146.0 million in fiscal 2020. Excluding the CARES Act benefit mentioned above, our effective tax rate for all of fiscal 2020, post CARES Act, was 21.7% compared with 22.3% for fiscal 2019. See Note 14, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information on income taxes.

As a result of the above-mentioned items, earnings available to common shareholders were \$442.0 million for fiscal 2020, compared with \$370.9 million for fiscal 2019.

Basic and diluted earnings per common share for fiscal 2020 were \$22.55, compared with \$18.93 for fiscal 2019.

The weighted average common shares outstanding basic and diluted were 19,603,708 for fiscal 2020, compared with 19,592,048 for fiscal 2019.

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**AMERCO and Consolidated Subsidiaries**

**Fiscal 2019 Compared with Fiscal 2018**

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

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

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

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

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

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

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

Net investment and interest income increased \$0.5 million during fiscal 2019, compared with fiscal 2018 due to a larger invested asset base at our life insurance subsidiary. This accounted for a \$5.7 million decrease in fiscal 2019.

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

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

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

Total costs and expenses increased \$116.5 million during fiscal 2019, compared with fiscal 2018, excluding changes to net (gains) losses on disposal of real estate. The Moving and Storage segment accounted for a \$203.2 million increase and our insurance segments total costs and expenses decreased \$86.9 million largely due to a one-time decrease of \$76.4 million in life benefits due to the Reinsurance contract termination. Operating expenses for Moving and Storage increased \$179.6 million, largely from increased personnel, maintenance repairs, shipping costs associated with U-Box<sup>®</sup>, building maintenance and property taxes. Repair costs accounted for \$45.6 million of the increase. Net gains from the disposal of rental equipment increased \$15.1 million. Compared with fiscal 2018, we sold more used trucks and the average sales proceeds per truck improved. Depreciation expense associated with our rental fleet increased \$11.6 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements, increased \$14.4 million. Net gains on disposal of real estate decreased \$195.4 million. The decrease was caused by the sale of a portion of our Chelsea, New York property in October 2017, which resulted in a pre-tax gain of \$190.7 million in fiscal 2018.

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

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

Income tax benefit (expense) was (\$106.7) million for fiscal 2019, compared with \$153.0 million for fiscal 2018 due to the effects of the Tax Reform Act as enacted on December 22, 2017. Our effective tax rate was 22.3% of net income before taxes for fiscal 2019, compared to (24.0%) in the prior-year period. The decrease in our deferred tax liability in fiscal 2018 resulting from the application of the new federal income tax rate accounted for a \$371.5 million decrease, partially offset by a \$10.7 million one-time increase resulting from the deemed repatriation of foreign earnings and a \$4.2 million one-time increase resulting from Phase Three tax on our Life Insurance subsidiary. Excluding the one-time benefits and charges mentioned above, our effective tax rate for all of fiscal 2018, post Tax Reform Act, was 31.8%. See Note 14, Provisions for Taxes, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information on income taxes.

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

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

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

### **Moving and Storage**

#### **Fiscal 2020 Compared with Fiscal 2019**

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2020 and fiscal 2019:

	<b>Year Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
	(In thousands)	
Self-moving equipment rentals	\$ 2,696,516	\$ 2,656,327
Self-storage revenues	418,741	367,276
Self-moving and self-storage products and service sales	265,091	264,146
Property management fees	30,406	29,148
Net investment and interest income	10,593	13,857
Other revenue	236,419	215,055
Moving and Storage revenue	<u>\$ 3,657,766</u>	<u>\$ 3,545,809</u>

Self-moving equipment rental revenues increased \$40.2 million during fiscal 2020, compared with fiscal 2019. Revenue for both our In-town and one-way markets improved for trucks and trailers. Partially offsetting the improvement was a reduction in the volume of Corporate Account rentals in the third and fourth quarters of fiscal 2020 along with the decline in overall rental activity in the second half of March 2020 due to the COVID-19 related stay-at-home orders. We increased the number of retail locations, trucks and trailers in the rental fleet compared to the same period last year.

Self-storage revenues increased \$51.5 million during fiscal 2020, compared with fiscal 2019. The average monthly number of occupied units increased by 16%, or 45,000 units during fiscal 2020 compared with the same period last year. The growth in revenues and units rented comes from a combination of occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2020, we added approximately 5.8 million net rentable square feet, a 16% increase, with approximately 1.2 million of that occurring during the fourth quarter of fiscal 2020.

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

	<b>Year Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
	(In thousands, except occupancy rate)	
Unit count as of March 31	503	428
Square footage as of March 31	42,082	36,237
Average monthly number of units occupied	319	275
Average monthly occupancy rate based on unit count	67.7%	68.7%
Average monthly square footage occupied	28,946	24,862

During fiscal 2020, we added approximately 5.8 million net rentable square feet of new storage to the system. This was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was 2%.

Net investment and interest income decreased \$3.3 million during fiscal 2020, compared with fiscal 2019 due to decreased invested cash balances and lower yields.

Other revenue increased \$21.4 million during fiscal 2020, compared with fiscal 2019, caused primarily by growth in our U-Box<sup>®</sup> program.

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Total costs and expenses increased \$209.2 million during fiscal 2020, compared with fiscal 2019. Operating expenses for Moving and Storage increased \$131.3 million. The largest contributors to this were personnel, liability costs, utilities, property maintenance projects, property taxes and freight expense. Repair costs associated with the rental fleet increased \$19.5 million primarily due to an increase in the number of rental trucks and trailers. Depreciation expense associated with our rental fleet increased \$55.1 million to \$510.5 million due to the larger fleet. Depreciation expense on all other assets, mostly buildings and improvements, increased \$28.0 million to \$153.6 million. Gains on the disposal of real estate increased \$0.7 million due to the condemnation of a property in the first quarter of fiscal 2020.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries decreased to \$472.0 million for fiscal 2020 as compared with \$569.2 million for fiscal 2019.

Equity in the earnings of AMERCO's insurance subsidiaries increased \$14.0 million for fiscal 2020, compared with fiscal 2019.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to \$527.8 million for fiscal 2020, compared with \$611.1 million for fiscal 2019.

### **Moving and Storage**

#### **Fiscal 2019 Compared with Fiscal 2018**

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

	<b>Year Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
	(In thousands)	
Self-moving equipment rentals	\$ 2,656,327	\$ 2,483,956



Self-storage revenues	367,276	323,903
Self-moving and self-storage products and service sales	264,146	261,557
Property management fees	29,148	29,602
Net investment and interest income	13,857	12,232
Other revenue	215,055	179,417
Moving and Storage revenue	<u>\$ 3,545,809</u>	<u>\$ 3,290,667</u>

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

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

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

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

During fiscal 2019, we added approximately 5.3 million net rentable square feet of new storage to the system. This was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was 9.5%.

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

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

Total costs and expenses increased \$203.2 million during fiscal 2019, compared with fiscal 2018, excluding changes to net (gains) losses on disposal of real estate. Operating expenses for Moving and Storage increased \$179.6 million, largely from increased personnel, maintenance repairs, shipping costs associated with U-Box<sup>®</sup>, building maintenance and property taxes. Repair costs accounted for \$45.6 million of the increase. Net gains from the disposal of rental equipment increased \$15.1 million. Compared with fiscal 2018, we sold more used trucks and the average sales proceeds per truck improved. Depreciation expense associated with our rental fleet increased \$11.6 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased \$14.4 million. Net gains on disposal of real estate decreased \$195.4 million. The decrease was caused by the sale of a portion of our Chelsea, New York property in October 2017 which resulted in a pre-tax gain of \$190.7 million in fiscal 2018.

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

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

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

## Property and Casualty Insurance

### 2019 Compared with 2018

Net premiums were \$69.1 million and \$63.5 million for the years ended December 31, 2019 and 2018, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment and interest income were \$19.9 million and \$12.3 million for the years ended December 31, 2019 and 2018, respectively. The increase in equity valuations of \$9.5 million were offset by a decrease in realized investment gains of \$2.6 million.

Net operating expenses were \$33.8 million and \$34.2 million for the years ended December 31, 2019 and 2018, respectively. The change was due to an increase in commissions, decreased loss adjusting fees and subrogation income.

Benefits and losses expenses were \$12.4 million and \$14.2 million for the years ended December 31, 2019 and 2018, respectively. The decrease resulted from favorable loss experience.

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As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$42.9 million and \$27.4 million for the years ended December 31, 2019 and 2018, respectively.

## Property and Casualty Insurance

### 2018 Compared with 2017

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

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

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

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

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

### **Life Insurance**

#### **2019 Compared with 2018**

Net premiums were \$128.0 million and \$63.5 million for the years ended December 31, 2019 and 2018, respectively. Life insurance premiums increased by \$76.8 million primarily due to a reinsurance agreement termination in the fourth quarter of fiscal 2019, reducing prior year premiums by \$76.0 million. Medicare Supplement premiums decreased by \$11.2 million due to minimal new sales and declined premiums on the existing business offset by rate increases on renewal premiums. In addition, the remaining lines of business premiums decreased by \$1.2 million. Deferred annuity deposits were \$221.5 million or \$148.6 million below prior year and are accounted for on balance sheet as deposits rather than premiums.

Net investment and interest income was \$109.0 million and \$86.4 million for the years ended December 31, 2019 and 2018, respectively. Net investment income from fixed maturities increased \$10.5 million from a larger invested assets base. The increase in realized capital gains and mortgage prepayment gain was \$8.0 million, coupled with an \$8.0 million increase in realized gains on derivatives used as economic hedges for our fixed indexed annuities. This was partially offset by a \$3.9 million decrease in the investment income from other invested assets, primarily from a reduced investment in mortgage loans.

Net operating expenses were \$21.4 million and \$14.6 million for the years ended December 31, 2019 and 2018, respectively. The variance was primarily due to a \$6.5 million increase in life insurance commission expense offset by a \$0.3 million reduction in Medicare supplement commission expense. The increase in life insurance commission expense was primarily due to a prior year commission expense reduction in the fourth quarter of 2018 from a commission allowance on a reinsurance agreement termination. In addition, there was an increase of \$0.6 million in general expenses.

Benefits and losses expenses were \$162.4 million and \$86.1 million for the years ended December 31, 2019 and 2018, respectively. Life insurance benefits increased by a \$73.5 million due to the reinsurance agreement termination in the fourth quarter of fiscal 2019, reducing prior year life benefits by \$71.6 million. An additional increase of \$1.9 million in life benefits was a result of adverse mortality. The interest credited to policyholders increased by \$15.1 million on a larger annuity deposit base. This was offset by a \$11.0 million decrease in Medicare supplement benefits from the declined policies in force and a \$1.3 million in supplementary annuity contract disbursements and the remaining lines.

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Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was \$31.2 million and \$28.6 million for the years ended December 31, 2019 and 2018, respectively. The increase of \$6.2 million was primarily due to a higher DAC amortization on annuities from the increased asset base supported by continued sales. This was offset by a \$ 3.5 million decrease in VOBA amortization, a result of a VOBA write off in the prior year due to a reinsurance agreement termination.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were \$26.4 million and \$25.5 million for the years ended December 31, 2019 and 2018, respectively.

### **Life Insurance**

#### **2018 Compared with 2017**

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

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

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

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

Amortization of DAC, SIA and VOBA was \$28.6 million and \$24.5 million for the years ended December 31, 2018 and 2017, respectively. The increase was primarily due to a one-time \$3.3 million VOBA write-off as a result of the Reinsurance contract termination. In addition, there was an increase in annuity DAC amortization due to the increased amount of annuity business sold during fiscal 2019. Conversely, DAC amortization associated with Medicare Supplement has decreased as a result of the declining business in force.

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

### **Liquidity and Capital Resources**

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

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At March 31, 2020, cash and cash equivalents totaled \$494.4 million, compared with \$673.7 million at March 31, 2019. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). As of March 31, 2020 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and debt obligations of each operating segment were:

	Moving & Storage	Property and Casualty Insurance (a)	Life Insurance (a)
	(In thousands)		
Cash and cash equivalents	\$ 459,078	\$ 4,794	\$ 30,480
Other financial assets	122,088	480,275	2,504,213
Debt obligations	4,609,844	-	11,447

(a) As of December 31, 2019

At March 31, 2020, Moving and Storage had available borrowing capacity under existing credit facilities of \$39.0 million.

Towards the end of March and into April and May 2020, COVID-19 has negatively affected our operating cash flows through lower self-moving equipment rental revenues along with a near total reduction in equipment sales proceeds stemming from the closures of commercial auto auctions. In March 2020, we drew down \$50.0 million from our corporate revolver and in April 2020, we expanded this revolver by an additional \$50.0 million and fully borrowed that as well. We entered into \$225 million of additional term loans in April and May to further strengthen our liquidity position. These loans have not had a material negative effect on our cost of borrowing. We believe that the Company has adequate liquidity to meet our obligations. However, there can be no assurance that market conditions resulting from COVID-19 will not worsen and have a material negative effect on our liquidity.

A summary of our consolidated cash flows for fiscal 2020, 2019 and 2018 is shown in the table below:

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Net cash provided by operating activities	\$ 1,075,513	\$ 975,583	\$ 937,684
Net cash used by investing activities	(1,766,649)	(1,571,136)	(898,304)
Net cash provided by financing activities	512,320	514,582	16,604
Effects of exchange rate on cash	(533)	(4,716)	5,598
Net increase (decrease) in cash flow	(179,349)	(85,687)	61,582
Cash at the beginning of the period	673,701	759,388	697,806
Cash at the end of the period	\$ 494,352	\$ 673,701	\$ 759,388

Net cash provided by operating activities increased \$99.9 million in fiscal 2020, compared with fiscal 2019. The reinsurance transaction at the life insurance segment in fiscal 2019 accounts for \$64.6 million of the improvement. Operating cash from the Moving and Storage segment increased by \$21.6 million.

Net cash used by investing activities increased \$195.5 million in fiscal 2020, compared with fiscal 2019. Purchases of property, plant and equipment, which are reported net of cash from sales and lease-back transactions (for fiscal 2019 and fiscal 2018), increased \$439.4 million. Cash from the sales of property, plant and equipment increased \$81.1 million largely due to increased fleet sales. Net cash deposited in real estate acquisitions escrow accounts increased \$2.3 million. For our insurance subsidiaries, net cash used in investing activities decreased \$159.9 million compared with the same period last year.

Net cash provided by financing activities decreased \$2.3 million in fiscal 2020, compared with fiscal 2019. This was due to a combination of increased debt and capital lease repayments of \$54.6 million, an increase in cash from borrowings of \$224.1 million, a decrease in net annuity deposits from Life Insurance of \$183.7 million and a decrease in common stock dividends paid of \$9.8 million.

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

### Moving and Storage

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily consisted of new rental equipment acquisitions and the buyouts of existing fleet from leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment and externally from debt and lease financing. In the future, we anticipate that our internally generated funds will be used to service the existing debt and fund operations. U-Haul estimates that during fiscal 2021 the Company will reinvest in its truck and trailer rental fleet approximately \$460 million, net of equipment sales and excluding any lease buyouts. For fiscal 2020, the Company invested, net of sales, approximately \$700 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2021 and beyond will be dependent upon several factors including the availability of capital, the truck rental environment and the used-truck sales market. We anticipate that the fiscal 2021 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options. Based upon interactions with our existing lenders, the Company does not believe that COVID-19 will materially inhibit our ability to obtain financing for the purchases of rental equipment in fiscal 2021. Should the situation severely worsen this belief could change.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations. The Company's plan for the expansion of owned storage properties includes the acquisition of existing self-storage locations from third parties, the acquisition and development of bare land, and the acquisition and redevelopment of existing buildings not currently used for self-storage. The Company expects to fund these development projects through a combination of internally generated funds along with borrowings against existing properties as they operationally mature. For fiscal 2020, the Company invested \$751 million in real estate acquisitions, new construction and renovation and repair compared to \$1.0 billion in fiscal 2019. For fiscal 2021, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, the identification and successful acquisition of target properties and any lingering effects of COVID-19. In April and May of 2020, the Company has opted to slow the development of new self-storage projects to preserve liquidity. We will calibrate our capital spending based in part upon the evolving effects of COVID-19. U-Haul's growth plan in self-storage also includes the expansion of the U-Haul Storage Affiliate program, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment and lease proceeds) were \$1,622.0 million, \$1,263.7 million and \$663.9 million for fiscal 2020, 2019 and 2018, respectively. The components of our net capital expenditures are provided in the following table:

	<b>Years Ended March 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	(In thousands)		
Purchases of rental equipment	\$ 1,374,141	\$ 1,162,909	\$ 1,006,503
Equipment lease buyouts	63,973	30,566	6,594
Purchases of real estate, construction and renovations	751,395	1,003,030	606,990
Other capital expenditures	119,897	21,831	140,627
Gross capital expenditures	<u>2,309,406</u>	<u>2,218,336</u>	<u>1,760,714</u>
Less: Lease proceeds	-	(348,368)	(396,969)
Less: Sales of property, plant and equipment	<u>(687,375)</u>	<u>(606,271)</u>	<u>(699,803)</u>
Net capital expenditures	<u>1,622,031</u>	<u>1,263,697</u>	<u>663,942</u>

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

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### **Property and Casualty Insurance**

State insurance regulations may 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. For calendar year 2020, the ordinary dividend available to be paid to AMERCO is \$22.7 million. For more information, please see Note 21, Statutory Financial Information of Insurance Subsidiaries, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

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

Our Property and Casualty operating segment stockholders' equity was \$251.1 million, \$222.4 million, and \$211.2 million as of December 31, 2019, 2018, and 2017, respectively. The increase in 2019 compared with 2018 resulted from net earnings of \$33.9 million, an increase in accumulated other comprehensive income of \$16.4 million and offset by the \$21.6 million dividend paid to AMERCO. Property and Casualty Insurance does not use debt or equity issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio.

### **Life Insurance**

Life Insurance manages its financial assets to meet policyholder and other obligations including investment contract withdrawals and deposits. Life Insurance's net deposits for the year ended December 31, 2019 was \$83.6 million. State insurance regulations may restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's assets are generally not available to satisfy the claims of AMERCO<sup>®</sup> or its legal subsidiaries. For calendar year 2020, the ordinary dividend available to be paid to AMERCO is \$18.6 million. For more information, please see Note 21, Statutory Financial Information of Insurance Subsidiaries, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Our Life Insurance operating segment stockholders' equity was \$417.4 million, \$311.7 million, and \$332.9 million as of December 31, 2019, 2018 and 2017, respectively. The increase in 2019 compared with 2018 resulted from earnings of \$21.9 million and an increase in accumulated other comprehensive income of \$83.8 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio. Life Insurance has not historically used debt or equity issues to increase capital and therefore has not had any significant direct exposure to capital market conditions other than through its investment portfolio. However, as of December 31, 2019, Oxford had outstanding advances of \$60.0 million through its membership in the Federal Home Loan Bank ("FHLB"). For a more detailed discussion of these advances, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

### **Cash Provided from Operating Activities by Operating Segments**

#### **Moving and Storage**

Net cash provided by operating activities was \$980.5 million, \$958.9 million and \$858.6 million in fiscal 2020, 2019 and 2018 from operations.

#### **Property and Casualty Insurance**

Net cash provided by operating activities was \$22.5 million, \$19.8 million, and \$21.9 million for the years ended December 31, 2019, 2018, and 2017, respectively. The increase was the result of an increase in net earnings.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolios amounted to \$11.8 million, \$11.2 million, and \$17.0 million as of December 31, 2019, 2018, and 2017, respectively. These balances reflect funds in transition from maturity proceeds to long-term investments. Management believes this level of liquid assets, combined with budgeted cash flow, is adequate to meet foreseeable cash needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

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### **Life Insurance**

Net cash provided (used) by operating activities was \$72.5 million, (\$3.2) million and \$57.2 million for the years ended December 31, 2019, 2018 and 2017, respectively. An increase of \$ 64.6 million resulted from a prior year reduction due to a cash transfer to State Mutual Insurance Company under reinsurance agreement termination. The remaining increase of \$11.1 million was primarily due to an increase in investment income on a larger invested asset base and along with timing of settlement of payables, offset by an increase in federal tax expense.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are available through Life Insurance's short-term portfolio and its membership in the FHLB. As of December 31, 2019, 2018 and 2017, cash and cash equivalents and short-term investments amounted to \$30.5 million, \$24.1 million and \$50.7 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

### **Liquidity and Capital Resources - Summary**

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

As a result of the federal income tax provisions of the CARES Act, we have filed applicable forms with the IRS to carryback net operating losses and requested refunds of previous deposits totaling approximately \$235 million. We believe that upon the filing of our March 31, 2020 federal income tax return additional refunds in excess of \$250 million will be due to the Company. These amounts are expected to provide us additional liquidity in fiscal 2021. It is possible future legislation could negatively impact our ability to receive these tax refunds.

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment leases. As part of this strategy, we seek to ladder maturities and fix interest rates. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management believes it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit facilities to meet the current and expected needs of the Company over the next several years. As of March 31, 2020, we had available borrowing capacity under existing credit facilities of \$39.0 million. While it is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit, in April the Company did draw down these remaining amounts successfully. We believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

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## Disclosures about Contractual Obligations and Commercial Commitments

The following table provides contractual commitments and contingencies as of March 31, 2020:

Contractual Obligations	Total	Payment due by Period (as of March 31, 2020)			
		04/01/20 - 03/31/21	04/01/21 - 03/31/23	04/01/23 - 03/31/25	Thereafter
		(In thousands)			
Notes and loans payable - Principal	\$ 2,431,364	\$ 159,186	\$ 384,015	\$ 521,767	\$ 1,366,396
Notes and loans payable - Interest	692,069	100,651	180,572	139,460	271,386
Revolving credit agreements - Principal	1,086,000	–	735,111	350,889	–
Revolving credit agreements - Interest	88,113	31,008	48,003	9,102	–
Finance/capital leases - Principal	734,870	218,424	288,350	181,658	46,438
Finance/capital leases - Interest	62,376	22,445	27,688	10,991	1,252
Finance liability - Principal	398,834	81,574	115,145	94,209	107,906
Finance liability - Interest	46,184	12,760	18,269	11,069	4,086
Operating lease liabilities	162,144	23,782	43,239	30,317	64,806
Property and casualty obligations (a)	122,044	22,984	22,574	15,633	60,853
Life, health and annuity obligations (b)	3,352,451	431,226	684,228	534,165	1,702,832
Self insurance accruals (c)	410,107	123,375	162,637	70,399	53,696
Post retirement benefit liability	19,347	1,151	2,897	3,718	11,581
Total contractual obligations	\$ 9,605,903	\$ 1,228,566	\$ 2,712,728	\$ 1,973,377	\$ 3,691,232

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

(b) These estimated obligations are based on mortality, morbidity, withdrawal and lapse assumptions drawn from our historical experience and adjusted for any known trends. These obligations include expected interest crediting but no amounts for future annuity deposits or premiums for life and Medicare supplement policies. The cash flows shown above are undiscounted for interest and as a result total outflows for all years shown significantly exceed the corresponding liabilities of \$2,179.4 million included in our consolidated balance sheet as of March 31, 2020. Life Insurance expects to fully fund these obligations from their invested asset portfolio. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

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

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

ASC 740 - *Income Taxes* liabilities and interest of \$42.4 million is not included above due to uncertainty surrounding ultimate settlements, if any.

## Off Balance Sheet Arrangements

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

Historically, we used certain off-balance sheet arrangements in connection with the expansion of our self-storage business. For more information please see Note 20, Related Party Transactions, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report. These arrangements were primarily used when our overall borrowing structure was more limited. We do not face similar limitations currently and off-balance sheet arrangements have not been utilized in our self-storage expansion in recent years. In the future, we will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to us and our stockholders.

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## Fiscal 2021 Outlook

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

With respect to our storage business, in fiscal 2020 we have added new locations and expanded existing locations. In fiscal 2021, we are actively looking to complete current projects, increase occupancy in our existing portfolio of locations and acquire new locations. New projects and acquisitions will be considered and pursued if they fit our long-term plans and meet our financial objectives. We will continue to invest capital and resources in the U-Box<sup>®</sup> program throughout fiscal 2021.

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

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

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

## Quarterly Results (unaudited)

The quarterly results shown below are derived from unaudited financial statements for the eight quarters beginning April 1, 2018 and ending March 31, 2020. We believe that all necessary adjustments have been included in the amounts stated below to present fairly, and in accordance with GAAP, such results. Moving and Storage operations are seasonal and proportionally more of the Company's revenues and net earnings from its Moving and Storage operations are generated in the first and second quarters of each fiscal year (April through September). The operating results for the periods presented are not necessarily indicative of results for any future period.

	Quarter Ended			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	(In thousands, except for share and per share data)			
Total revenues	\$ 821,525	\$ 927,880	\$ 1,150,214	\$ 1,079,249
Earnings from operations	958	80,565	244,740	213,865
Earnings available to common shareholders	122,368	30,932	156,326	132,422
Basic and diluted earnings per common share	\$ 6.24	\$ 1.58	\$ 7.97	\$ 6.76
Weighted average common shares outstanding: basic and diluted	19,607,788	19,607,788	19,602,566	19,597,697

	Quarter Ended			
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(In thousands, except for share and per share data)			
Total revenues	\$ 725,532	\$ 919,091	\$ 1,104,507	\$ 1,019,577
Earnings from operations	27,237	138,102	250,944	204,704
Earnings available to common shareholders	831	78,635	163,542	127,849
Basic and diluted earnings per common share	\$ 0.04	\$ 4.01	\$ 8.35	\$ 6.53
Weighted average common shares outstanding: basic and diluted	19,594,008	19,591,963	19,591,312 36	19,590,585

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

### Interest Rate Risk

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations and one variable rate operating lease. We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations. Following is a summary of our interest rate swaps agreements at March 31, 2020:

Notional Amount	Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
(In thousands)					
\$ 85,000	\$ (2,775)	6/28/2019	6/15/2022	1.76%	1 Month LIBOR
75,000	(2,564)	6/28/2019	6/30/2022	1.78%	1 Month LIBOR
75,000	(2,875)	6/28/2019	10/31/2022	1.77%	1 Month LIBOR

As of March 31, 2020, we had \$1,178.9 million of variable rate debt obligations. If the LIBOR were to increase 100 basis points, the increase in interest expense on the variable rate debt would decrease future earnings and cash flows by \$9.4 million annually (after consideration of the effect of the above derivative contracts). Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule.

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

We use derivatives to hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair market value on our balance sheet. At March 31, 2020 and 2019, these derivative hedges had a net market value of \$5.9 million and \$1.5 million, with notional amounts of \$246.8 million and \$284.0 million, respectively. These derivative instruments are included in Investments, other; on the consolidated balance sheets.

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

### Foreign Currency Exchange Rate Risk

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 4.6% of our revenue was generated in Canada in fiscal 2020, 2019 and 2018. The result of a 10% change in the value of the U.S. dollar relative to the Canadian dollar would not be material to net income. We typically do not hedge any foreign currency risk since the exposure is not considered material.

**Item 8. Financial Statements and Supplementary Data**

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

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

Not applicable.

**Item 9A. Controls and Procedures**

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

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

**Evaluation of Disclosure Controls and Procedures**

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

**Inherent Limitations on Effectiveness of Controls**

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

**Changes in Internal Control over Financial Reporting**

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

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**Management's Report on Internal Control Over Financial Reporting**

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

Management assessed our internal control over financial reporting as of March 31, 2020, the end of our fiscal year. Management based its assessment on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. This assessment is supported by testing and monitoring performed both by our Internal Audit function and our Finance function.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year 2020. We reviewed the results of management's assessment with the Audit Committee of our Board.

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

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**Report of Independent Registered Public Accounting Firm**

Stockholders and Board of Directors  
AMERCO  
Reno, Nevada

**Opinion on Internal Control over Financial Reporting**

We have audited AMERCO and consolidated subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2020, based on the COSO criteria .

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of March 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2020, and the related notes and schedules and our report dated May 27, 2020, expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial

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

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

**Definition and Limitations of Internal Control over Financial Reporting**

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

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

/s/ BDO USA, LLP

Phoenix, Arizona  
May 27, 2020

**Item 9B. Other Information**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

The information required to be disclosed under this Item 10 is incorporated herein by reference to AMERCO's definitive proxy statement, in connection with its 2020 annual meeting of stockholders (the "Proxy Statement"), which will be filed with the SEC within 120 days after the close of the Company's 2020 fiscal year.

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

**Item 11. Executive Compensation**

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

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

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

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

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

**Item 14. Principal Accountant Fees and Services**

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

**PART IV**

**Item 15. Exhibits; Financial Statement Schedules**

The following documents are filed as part of this Report:

	<b>Page</b>
<b>1 Financial Statements:</b>	
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets - March 31, 2020 and 2019	F-4
Consolidated Statements of Operations - Years Ended March 31, 2020, 2019, and 2018	F-5
Consolidated Statements of Comprehensive Income (Loss) - Years Ended March 31, 2020, 2019, and 2018	F-6
Consolidated Statements of Changes in Stockholders' Equity - Years Ended March 31, 2020, 2019, and 2018	F-7
Consolidated Statements of Cash Flows - Years Ended March 31, 2020, 2019, and 2018	F-8
Notes to Consolidated Financial Statements	F-10
<b>2 Financial Statement Schedules required to be filed by Item 8:</b>	
Schedule I - Condensed Financial Information of AMERCO	F-64
Schedule II - AMERCO and Consolidated Subsidiaries Valuation and Qualifying Accounts	F-68
Schedule V - AMERCO and Consolidated Subsidiaries Supplemental Information (For Property-Casualty Insurance Operations)	F-69

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

Exhibits:

<b>Exhibit Number</b>	<b>Description</b>	<b>Page or Method of Filing</b>
3.1	<a href="#">Amended and Restated Articles of Incorporation of</a>	Incorporated by reference to AMERCO's



	<a href="#">AMERCO</a>	Current Report on Form 8-K filed on June 9, 2016, file no. 1-11255
3.2	<a href="#">Restated Bylaws of AMERCO</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on September 5, 2013, file no. 1-11255
4.1	<a href="#">U-Haul Investors Club Base Indenture, dated February 14, 2011 by and between AMERCO and U. S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.2	<a href="#">Second Supplemental Indenture, dated February 17, 2011, by and among AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.3	<a href="#">Fourth Supplemental Indenture, dated March 15, 2011, by and among AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 22, 2011, file no. 1-11255
4.4	<a href="#">Seventh Supplemental Indenture, dated March 29, 2011, by and among AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 1, 2011, file no. 1-11255
4.5	<a href="#">Tenth Supplemental Indenture, dated June 7, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.6	<a href="#">Eleventh Supplemental Indenture dated June 7, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 31, 2011, file no. 1-11255
4.7	<a href="#">Twelfth Supplemental Indenture dated June 14, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.8	<a href="#">Fourteenth Supplemental Indenture dated July 20, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 17, 2011, file no. 1-11255
4.9	<a href="#">Sixteenth Supplemental Indenture dated August 31, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 28, 2011, file no. 1-11255
4.10	<a href="#">Seventeenth Supplemental Indenture dated November 8, 2011 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 18, 2012, file no. 1-11255
4.11	<a href="#">Eighteenth Supplemental Indenture dated January 7, 2012 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 26, 2012, file no. 1-11255
4.12	<a href="#">Nineteenth Supplemental Indenture dated May 14, 2012 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 15, 2012, file no. 1-11255
4.13	<a href="#">Eighth Supplemental Indenture, dated April 12, 2011, by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year end March 31, 2012, file no. 1-11255
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4.14	<a href="#">Twentieth Supplemental Indenture dated September 4, 2012 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 4, 2012, file no. 1-11255
4.15	<a href="#">Twenty-first Supplemental Indenture dated January 15, 2013 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 15, 2013, file no. 1-11255
4.16	<a href="#">Twenty-second Supplemental Indenture, dated May 28, 2013 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 30, 2013, file no. 1-11255
4.17	<a href="#">Twenty-third Supplemental Indenture, dated November 26, 2013 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on November 26, 2013, file no. 1-11255
4.18	<a href="#">Twenty-fourth Supplemental Indenture, dated April 22, 2014 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 22, 2014, file no. 1-11255
4.19	<a href="#">Twenty-fifth Supplemental Indenture, dated July 7, 2015 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on July 7, 2015, file no. 1-11255
4.20	<a href="#">Twenty-sixth Supplemental Indenture, dated September 29, 2015 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 29, 2015, file no. 1-11255
4.21	<a href="#">Twenty-seventh Supplemental Indenture, dated December 15, 2015 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on December 15, 2015, file no. 1-11255

4.22	<a href="#">Twenty-eighth Supplemental Indenture, dated September 13, 2016 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 13, 2016, file no. 1-11255
4.23	<a href="#">Twenty-ninth Supplemental Indenture, dated January 24, 2017 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 24, 2017, file no. 1-11255
4.24	<a href="#">Thirtieth Supplemental Indenture, dated June 27, 2017 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 27, 2017, file no. 1-11255
4.25	<a href="#">Thirty-first Supplemental Indenture, dated October 24, 2017 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 25, 2017, file no. 1-11255
4.26	<a href="#">Thirty-second Supplemental Indenture, dated March 6, 2018 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 6, 2018, file no. 1-11255
4.27	<a href="#">Amended and Restated Twenty-fifth Supplemental Indenture, dated August 28, 2018 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 28, 2018, file no. 1-11255
4.28	<a href="#">Thirty-third Supplemental Indenture, dated August 28, 2018 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 28, 2018, file no. 1-11255
4.29	<a href="#">Thirty-fourth Supplemental Indenture, dated October 23, 2018 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 23, 2018, file no. 1-11255
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4.30	<a href="#">Thirty-fifth Supplemental Indenture, dated March 7, 2019 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 7, 2019, file no. 1-11255
4.31	<a href="#">Amended and Restated Thirty-third Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
4.32	<a href="#">Amended and Restated Thirty-fourth Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
4.33	<a href="#">Thirty-sixth Supplemental Indenture, dated May 3, 2019 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 3, 2019, file no. 1-11255
4.34	<a href="#">Thirty-seventh Supplemental Indenture, dated December 10, 2019 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on December 10, 2019, file no. 1-11255
4.35	<a href="#">Thirty-eighth Supplemental Indenture, dated February 18, 2020 by and between AMERCO and U.S. Bank National Association</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 18, 2020, file no. 1-11255
4.36	Description of Registered Securities	Filed herewith
10.1	<a href="#">Management Agreement between Four SAC Self-Storage Corporation and subsidiaries of AMERCO</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1997, file no. 1-11255
10.2	<a href="#">Management Agreement between Five SAC Self-Storage Corporation and subsidiaries of AMERCO</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1999, file no. 1-11255
10.3	<a href="#">Property Management Agreement</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2004, file no. 1-11255
10.4	<a href="#">U-Haul Dealership Contract between U-Haul Leasing &amp; Sales Co., and U-Haul Moving Partners, Inc.</a>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.5	<a href="#">Property Management Agreement between Mercury Partners, LP, Mercury 99, LLC and U-Haul Self-Storage Management (WPC), Inc.</a>	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.6	<a href="#">Amended and Restated Credit Agreement, dated June 8, 2005, among Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and Merrill Lynch Commercial Finance Corp.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K/A, filed June 14, 2005, file no. 1-11255

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

	<a href="#">Agreement among Eighteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.22	<a href="#">Amended and Restated Property Management Agreement among Twenty SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.23	<a href="#">Amended and Restated Property Management Agreement among Twenty-One SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.24	<a href="#">Amended and Restated Property Management Agreement among Twenty-Two SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.25	<a href="#">Amended and Restated Property Management Agreement among Twenty-Three SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.26	<a href="#">Amended and Restated Property Management Agreement among Twenty-Four SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.27	<a href="#">Amended and Restated Property Management Agreement among Twenty-Five SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.28	<a href="#">Amended and Restated Property Management Agreement among Twenty-Six SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
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10.29	<a href="#">Amended and Restated Property Management Agreement among Twenty-Seven SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.30	<a href="#">Amended and Restated Property Management Agreement among Three-A SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.31	<a href="#">Amended and Restated Property Management Agreement among Three-B SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.32	<a href="#">Amended and Restated Property Management Agreement among Three-C SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.33	<a href="#">Amended and Restated Property Management Agreement among Three-D SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.34	<a href="#">Amended and Restated Property Management Agreement among Galaxy Storage One, L.P. and subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.35	<a href="#">U-Haul Dealership Contract Addendum</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.36	<a href="#">Loan Agreement, dated as of August 12, 2015 among U-Haul Co of Florida 8, LLC, U-Haul Co. of Florida 9, LLC, U-Haul Co. of Florida 10, UHIL 8, LLC, UHIL 9, LLC, UHIL 10, LLC, UHIL 13, LLC, AREC 8, LLC, AREC 9, LLC, AREC 10, LLC and AREC 13, LLC, each a Delaware limited liability company, collectively as Borrower, and Morgan Stanley Bank, N.A. and JP Morgan Chase Bank, National Association, collectively as Lender</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 14, 2015, file no. 1-11255
10.37	<a href="#">Property Management Agreement dated December 11, 2014 between Three SAC Self-Storage Corporation and U-Haul Co. (Canada), Ltd</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.38	<a href="#">Property Management Agreement dated December 16, 2014 among Galaxy Storage Two, L.P. and certain subsidiaries of AMERCO</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255

10.39	<a href="#">Property Management Agreement dated June 25, 2015 among 2015 SAC Self-Storage, LLC and certain subsidiaries of AMERCO</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.40	<a href="#">Property Management Agreement dated March 21, 2016 among Five SAC RW, LLC and certain subsidiaries of AMERCO</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
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10.41	<a href="#">Property Management Agreement among Six-SAC Self-Storage Corporation and certain subsidiaries of U-Haul International, Inc.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 27, 2016, file no. 1-11255
10.42	<a href="#">Stockholder Agreement dated September 12, 2016, between Edward J. Shoen, Mark V. Shoen, Foster Road LLC, Willow Grove Holdings LP, Blackwater Investments, Inc. and SAC Holdings Corporation</a>	Incorporated by reference to Exhibit 99.1, filed with the Schedule 13-D/A, filed on September 12, 2016, file number 5-39669
10.43	<a href="#">2016 Stock Option Plan (Shelf Stock Option Plan)*</a>	Incorporated by reference to Exhibit C to Definitive Proxy for the Special Meeting of Stockholders filed on April 20, 2016
10.44	<a href="#">Credit Agreement, dated as of September 1, 2017 by and among AMERCO, as the Borrower, Bank of America, N.A., as Agent for all Lenders, and the financial institutions party thereto from to time as, Lenders.</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 7, 2017, file no. 1-11255
10.45	<a href="#">Template Dealership Contract</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.46	<a href="#">Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.47	<a href="#">Amendment to the Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.48	<a href="#">Amended and Restated AMERCO Employee Stock Ownership Plan*</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.49	<a href="#">Amendment to the Amended and Restated AMERCO Employee Stock Ownership Plan *</a>	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2018, file no. 1-11255
10.50	<a href="#">Credit Agreement, dated as of May 22, 2020 by and among AMERCO, as the Borrower, PNC Bank, NA as agent for all Lenders, and the financial institutions party thereto, as Lenders</a>	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 27, 2020, file no. 1-11255
14	<a href="#">Code of Ethics</a>	Incorporated by reference to AMERCO's Quarterly Report on Form 8-K, filed on April 15, 2014, file no. 1-11255
21	Subsidiaries of AMERCO	Filed herewith
23.1	Consent of BDO USA, LLP	Filed herewith
24	Power of Attorney	Refer to signature page
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Chief Financial Officer of AMERCO	Filed herewith

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32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certificate of Jason A. Berg, Chief Financial Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101.INS	XBRL Instance Document	Furnished herewith
101.SCH	XBRL Taxonomy Extension Schema	Furnished herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Furnished herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Furnished herewith

101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Furnished herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Furnished herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	

\* Indicates management plan or compensatory arrangement.

**Item 16. Form 10-K Summary**

None.

**Report of Independent Registered Public Accounting Firm**

Stockholders and Board of Directors

AMERCO

Reno, Nevada

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of AMERCO and consolidated subsidiaries' (the "Company") as of March 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2020, and the related notes and schedules (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of March 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated May 27, 2020, expressed an unqualified opinion thereon.

**Change in Accounting Principle**

As discussed in Note 3 to the consolidated financial statements, effective April 1, 2019, the Company adopted Accounting Standards Codification Topic 842, *Leases* (Topic 842).

**Basis for Opinion**

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

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

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

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Self-Insurance Reserves (U-Haul)**

As described in Notes 3 and 22A to the consolidated financial statements, U-Haul retains the risk for certain public liability and property damage programs related to its rental equipment, which is referred to as self-insurance. The estimated U-Haul self-insurance reserve as of March 31, 2020 was \$410 million and was recorded in the consolidated balance sheets within policy benefits and losses, claims and loss expenses payable. The self-insurance reserve estimate requires significant management judgment and is based upon historical claims experience, current claim trends, and actuarial estimates.

We identified the valuation of self-insurance reserves as a critical audit matter. Significant and complex management judgments and assumptions, including the use of management specialists in actuarial methods, is required to evaluate historical claims experience, current claims trends and actuarial estimates, including (i) estimates of future incurred and paid losses, and (ii) initial expected claim costs. Auditing these complex judgments and assumptions involved especially challenging auditor judgment due to the nature and extent of audit evidence and effort required to address these matters, including the extent of specialized skills or knowledge needed.



The primary procedures we performed to address this critical audit matter included the following:

- Testing the design and operating effectiveness of internal controls surrounding the U-Haul self-insurance reserve process, including controls over: (i) existence and accuracy of historical claims data used by the actuary, and (ii) management’s review of the external actuary’s estimate of the self-insurance reserves.
- Testing the completeness and accuracy of claims data utilized by the actuary by selecting a sample of claims and corroborating key attributes of claims detail.
- Utilizing personnel with specialized knowledge and skill in actuarial methods to assist in evaluating the appropriateness of the methodology and key assumptions utilized by the external actuary including the future development of incurred and paid losses, initial expected claim cost per exposure and retrospective review of prior year estimates.

**Valuation of Future Policy Benefits (Oxford)**

As discussed in Notes 3, 17 and 22A of the consolidated financial statements, the Company’s life insurance subsidiary (“Oxford”), sells life insurance, Medicare supplement insurance, and deferred annuities. Liabilities for future policy benefits are recorded in the consolidated balance sheets within policy benefits and losses, claims and loss expenses payable. Management’s estimate of liabilities for future policy benefits as of December 31, 2019 was \$377 million. The liability is determined by Management utilizing the net premium valuation methodology and is accrued when premium revenue is recognized. The liability, which represents the present value of future benefits to be paid to policyholders and related expenses less the present value of future net premiums, is estimated using assumptions applicable at the time the insurance contracts are written, with provisions for the risk of adverse deviation, as appropriate. The Company periodically performs a gross premium valuation and reviews original assumptions, including capitalized expenses which reduce the gross premium valuation, to evaluate whether assets and the liabilities are adequate and whether a loss should be recognized.

We identified the valuation of future policy benefits for life and annuity policies as a critical audit matter. Significant and complex management judgments and assumptions included expected mortality experience, policy lapses and surrenders, asset yields and expenses, and expected interest rate yields. Management specialists in actuarial methods are utilized to evaluate the valuation of future policy benefits to determine whether loss recognition is required. Auditing these complex judgments and assumptions involved especially challenging auditor judgment due to the nature and extent of audit evidence and effort required to address these matters, including the extent of specialized skills or knowledge needed.

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The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of internal controls used to estimate future policy benefits including controls over: (i) the appropriateness and completeness of underlying data and the reasonableness of assumptions used, (ii) the reasonableness of internal actuary’s forecasted cash flows and evaluation of results of the gross premium valuation, and (iii) review of management’s estimation process around capitalized expenses.
- Testing the completeness and accuracy of a sample of the data utilized to calculate management’s assumptions as the basis for the gross premium valuation.
- Utilizing a specialist with knowledge and skill in actuarial methods to assist in reviewing the methodology and assumptions used in the gross premium valuation, including (i) assessing the reasonableness of assumptions used through independent calculations, (ii) evaluating the reasonableness of the amortization of capitalized expenses, (iii) evaluating the applicability of the assumptions and sources of management’s calculation at the time the insurance contracts were written and, (iv) reviewing the reasonableness of the gross premium valuation, including evaluating whether loss recognition is warranted.

**Reserve for Property & Casualty Losses and Loss Adjustment Expenses (Repwest)**

As described in Notes 3, 17 and 22A to the consolidated financial statements, the Company’s property and casualty insurance subsidiary (“Repwest”) recorded \$209 million of reserves for property and casualty (“P&C”) losses and loss adjustment expenses at December 31, 2019. Reserves for P&C losses and loss adjustment expenses are recorded in the consolidated balance sheets within policy benefits and losses, claims and loss expenses payable. Insurance reserves for P&C take into account losses incurred based upon actuarial estimates and are management’s best approximation of future payments. These estimates are based upon past claims experience and current claim trends as well as actuarial estimates. Changes in judgments and assumptions could materially impact the valuation of these liabilities, particularly for exposure with a long period of time between the insured period and settlement of all claims, such as, excess workers’ compensation claims.

We identified the reserve for P&C losses and loss adjustment expense as a critical audit matter. Significant and complex management judgments and assumptions, including the use of management specialists in actuarial methods, is required to evaluate past claims experience, current claim trends and actuarial estimates, including expected length of claims and cost trends associated with claimant treatments. Auditing these complex judgments and assumptions involved especially challenging auditor judgment due to the nature and extent of audit effort required to address these matters, including the extent of specialized skill or knowledge needed.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of internal controls surrounding the reserve for P&C losses and loss adjustment expense reserves process, including controls over (i) existence and accuracy of historical claims data used by the actuary, and (ii) management’s review of the external actuary’s estimate of the P&C losses and loss adjustment expense.
- Testing the completeness and accuracy of claims data utilized by the actuary by selecting a sample of claims and corroborating key attributes of claims detail.
- Utilizing personnel with specialized knowledge and skill in actuarial methods to assist in evaluating the appropriateness of the methodology and the assumptions used by management’s actuary including (i) performing a retrospective review of the prior year reserve estimate against actual performance, and (ii) performing independent estimates around certain actuarial assumptions related to expected and incurred loss development between the financial reporting date and the projected date when all claims ultimately settle.

/s/ BDO USA, LLP

We have served as the Company’s auditor since 2003.  
Phoenix, Arizona  
May 27, 2020

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**AMERCO AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

	March 31,	
	2020	2019
	(In thousands, except share data)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 494,352	\$ 673,701

Reinsurance recoverables and trade receivables, net	186,672	224,785
Inventories and parts, net	101,083	103,504
Prepaid expenses	562,904	174,100
Investments, fixed maturities and marketable equities	2,492,738	2,235,397
Investments, other	360,373	300,736
Deferred policy acquisition costs, net	103,118	136,276
Other assets	71,956	78,354
Right of use assets - financing, net	1,080,353	-
Right of use assets - operating	106,631	-
Related party assets	34,784	30,889
	<u>5,594,964</u>	<u>3,957,742</u>
Property, plant and equipment, at cost:		
Land	1,032,945	976,454
Buildings and improvements	4,663,461	4,003,726
Furniture and equipment	752,363	689,780
Rental trailers and other rental equipment	511,520	590,039
Rental trucks	3,595,933	4,762,028
	<u>10,556,222</u>	<u>11,022,027</u>
Less: Accumulated depreciation	<u>(2,713,162)</u>	<u>(3,088,056)</u>
Total property, plant and equipment	7,843,060	7,933,971
Total assets	<u>\$ 13,438,024</u>	<u>\$ 11,891,713</u>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Accounts payable and accrued expenses	\$ 554,353	\$ 556,873
Notes, loans and finance/capital leases payable, net	4,621,291	4,163,323
Operating lease liabilities	106,443	-
Policy benefits and losses, claims and loss expenses payable	997,647	1,011,183
Liabilities from investment contracts	1,802,217	1,666,742
Other policyholders' funds and liabilities	10,190	15,047
Deferred income	31,620	35,186
Deferred income taxes, net	1,093,543	750,970
Total liabilities	<u>9,217,304</u>	<u>8,199,324</u>

Commitments and contingencies (notes 9, 17, 18, and 19)

Stockholders' equity:

Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,100,000 shares issued and none outstanding as of March 31, 2020 and 2019	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none		
issued and outstanding as of March 31, 2020 and 2019	-	-
Serial common stock, with or without par value, 250,000,000 shares authorized:		
Serial common stock of \$ 0.25 par value, 10,000,000 shares authorized;		
none issued and outstanding as of March 31, 2020 and 2019	-	-
Common stock, with \$ 0.25 par value, 250,000,000 shares authorized:		
Common stock of \$ 0.25 par value, 250,000,000 shares authorized; 41,985,700		
issued and 19,607,788 outstanding as of March 31, 2020 and 2019	10,497	10,497
Additional paid-in capital	453,819	453,326
Accumulated other comprehensive loss	34,652	(66,698)
Retained earnings	4,399,402	3,976,962
Cost of common shares in treasury, net ( 22,377,912 shares as of March 31, 2020 and		
2019)	(525,653)	(525,653)
Cost of preferred shares in treasury, net ( 6,100,000 shares as of March 31, 2020 and		
2019)	(151,997)	(151,997)
Unearned employee stock ownership plan shares	-	(4,048)
Total stockholders' equity	<u>4,220,720</u>	<u>3,692,389</u>
Total liabilities and stockholders' equity	<u>\$ 13,438,024</u>	<u>\$ 11,891,713</u>

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2020	2019	2018
	(In thousands, except share and per share data)		
Revenues:			
Self-moving equipment rentals	\$ 2,692,413	\$ 2,653,497	\$ 2,479,742
Self-storage revenues	418,741	367,276	323,903
Self-moving and self-storage products and service sales	265,091	264,146	261,557
Property management fees	30,406	29,148	29,602
Life insurance premiums	127,976	63,488	154,703
Property and casualty insurance premiums	66,053	60,853	57,100
Net investment and interest income	137,829	110,934	110,473
Other revenue	240,359	219,365	184,034
Total revenues	<u>3,978,868</u>	<u>3,768,707</u>	<u>3,601,114</u>
Costs and expenses:			
Operating expenses	2,117,148	1,981,180	1,807,056
Commission expenses	288,332	288,408	276,705
Cost of sales	164,018	162,142	160,489
Benefits and losses	174,836	100,277	185,311
Amortization of deferred policy acquisition costs	31,219	28,556	24,514
Lease expense	26,882	33,158	33,960
Depreciation, net gains on disposals of (\$ 27,057 , \$ 26,982 and \$ 11,822 respectively)	637,063	554,043	543,247
Net gains on disposal of real estate	(758)	(44)	(195,414)
Total costs and expenses	<u>3,438,740</u>	<u>3,147,720</u>	<u>2,835,868</u>
Earnings from operations	540,128	620,987	765,246
Other components of net periodic benefit costs	(1,054)	(1,013)	(927)
Interest expense	(160,950)	(142,445)	(126,706)
Pretax earnings	378,124	477,529	637,613



Income tax benefit (expense)	63,924	(106,672)	152,970
Earnings available to common stockholders	\$ 442,048	\$ 370,857	\$ 790,583
Basic and diluted earnings per common share	\$ 22.55	\$ 18.93	\$ 40.36
Weighted average common shares outstanding: Basic and diluted	<u>19,603,708</u>	<u>19,592,048</u>	<u>19,588,889</u>

Related party revenues for fiscal 2020, 2019 and 2018, net of eliminations, were \$ 30.4 million, \$ 29.1 million and \$ 32.9 million, respectively.

Related party costs and expenses for fiscal 2020, 2019, and 2018, net of eliminations, were \$ 64.7 million, \$ 64.1 million and \$ 61.3 million, respectively.

Please see Note 20, Related Party Transactions, of the Notes to Consolidated Financial Statements for more information on the related party revenues and costs and expenses.

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

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

Fiscal Year Ended March 31, 2020	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 378,124	\$ 63,924	\$ 442,048
Other comprehensive income:			
Foreign currency translation	9,377	-	9,377
Unrealized net gain on investments	124,566	(26,623)	97,943
Change in fair value of cash flow hedges	(8,352)	2,051	(6,301)
Amounts reclassified into earnings on hedging activities	(3)	1	(2)
Change in postretirement benefit obligations	441	(108)	333
Total other comprehensive income	<u>126,029</u>	<u>(24,679)</u>	<u>101,350</u>
Total comprehensive income	<u>\$ 504,153</u>	<u>\$ 39,245</u>	<u>\$ 543,398</u>
Fiscal Year Ended March 31, 2019	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 477,529	\$ (106,672)	\$ 370,857
Other comprehensive income:			
Foreign currency translation	(1,759)	-	(1,759)
Unrealized net loss on investments	(76,124)	16,356	(59,768)
Change in fair value of cash flow hedges	598	(147)	451
Amounts reclassified into earnings on hedging activities	35	(9)	26
Change in postretirement benefit obligations	(1,359)	334	(1,025)
Total other comprehensive income	<u>(78,609)</u>	<u>16,534</u>	<u>(62,075)</u>
Total comprehensive income	<u>\$ 398,920</u>	<u>\$ (90,138)</u>	<u>\$ 308,782</u>
Fiscal Year Ended March 31, 2018	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 637,613	\$ 152,970	\$ 790,583
Other comprehensive income:			
Foreign currency translation	14,652	-	14,652
Unrealized net gain on investments	30,929	(10,825)	20,104
Change in fair value of cash flow hedges	4,445	(1,363)	3,082
Amounts reclassified into earnings on hedging activities	-	-	-
Change in postretirement benefit obligations	288	(253)	35
Total other comprehensive income	<u>50,314</u>	<u>(12,441)</u>	<u>37,873</u>
Total comprehensive income	<u>\$ 687,927</u>	<u>\$ 140,529</u>	<u>\$ 828,456</u>

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

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

Description	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Less: Treasury Common Stock	Less: Treasury Preferred Stock	Less: Unearned Employee Stock Ownership Plan Shares	Total Stockholders' Equity
<b>Balance as of March 31, 2017</b>	\$ 10,497	\$ 452,172	\$ (51,236)	\$ 2,892,893	\$ (525,653)	\$ (151,997)	\$ (6,932)	\$ 2,619,744
Adjustment for adoption of ASU 2018 - 02	-	-	8,740	(8,740)	-	-	-	-
Increase in market value of released ESOP shares	-	574	-	-	-	-	-	574
Release of unearned ESOP shares	-	-	-	-	-	-	10,749	10,749
Purchase of ESOP shares	-	-	-	-	-	-	(11,640)	(11,640)
Foreign currency translation	-	-	14,652	-	-	-	-	14,652
Unrealized net gain on investments, net of tax	-	-	20,104	-	-	-	-	20,104
Change in fair value of cash flow hedges, net of tax	-	-	3,082	-	-	-	-	3,082
Change in postretirement benefit obligations	-	-	35	-	-	-	-	35
Net earnings	-	-	-	790,583	-	-	-	790,583
Common stock dividends: (\$ 2.00 per share for fiscal 2018)	-	-	-	(39,175)	-	-	-	(39,175)
Net activity	-	574	46,613	742,668	-	-	(891)	788,964
<b>Balance as of March 31, 2018</b>	\$ 10,497	\$ 452,746	\$ (4,623)	\$ 3,635,561	\$ (525,653)	\$ (151,997)	\$ (7,823)	\$ 3,408,708
Adjustment for adoption of ASU 2016 - 01	-	-	(9,724)	9,724	-	-	-	-
Increase in market value of released ESOP shares	-	580	-	-	-	-	-	580
Release of unearned ESOP shares	-	-	-	-	-	-	9,392	9,392
Purchase of ESOP shares	-	-	-	-	-	-	(5,617)	(5,617)
Foreign currency translation	-	-	(1,759)	-	-	-	-	(1,759)
Unrealized net loss on investments, net of tax	-	-	(50,044)	-	-	-	-	(50,044)
Change in fair value of cash flow hedges, net of tax	-	-	477	-	-	-	-	477
Change in postretirement benefit obligations	-	-	(1,025)	-	-	-	-	(1,025)
Net earnings	-	-	-	370,857	-	-	-	370,857
Common stock dividends: (\$ 2.00 per share for fiscal 2019)	-	-	-	(39,180)	-	-	-	(39,180)
Net activity	-	580	(62,075)	341,401	-	-	3,775	283,681
<b>Balance as of March 31, 2019</b>	\$ 10,497	\$ 453,326	\$ (66,698)	\$ 3,976,962	\$ (525,653)	\$ (151,997)	\$ (4,048)	\$ 3,692,389
Increase in market value of released ESOP shares	-	493	-	-	-	-	-	493
Release of unearned ESOP shares	-	-	-	-	-	-	4,253	4,253
Purchase of ESOP shares	-	-	-	-	-	-	(205)	(205)
Foreign currency translation	-	-	9,377	-	-	-	-	9,377
Unrealized net gain on investments, net of tax	-	-	97,943	-	-	-	-	97,943
Change in fair value of cash flow hedges, net of tax	-	-	(6,303)	-	-	-	-	(6,303)
Change in postretirement benefit obligations	-	-	333	-	-	-	-	333
Net earnings	-	-	-	442,048	-	-	-	442,048
Common stock dividends: (\$ 1.00 per share for fiscal 2020)	-	-	-	(19,608)	-	-	-	(19,608)
Net activity	-	493	101,350	422,440	-	-	4,048	528,331
<b>Balance as of March 31, 2020</b>	\$ 10,497	\$ 453,819	\$ 34,652	\$ 4,399,402	\$ (525,653)	\$ (151,997)	\$ -	\$ 4,220,720

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

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**AMERCO AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

Cash flows from operating activities:	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Net earnings	\$ 442,048	\$ 370,857	\$ 790,583
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	664,120	581,025	555,069
Amortization of deferred policy acquisition costs	31,219	28,556	24,514
Amortization of premiums and accretion of discounts related to investments, net	13,317	13,107	12,790
Amortization of debt issuance costs	4,426	3,923	3,868
Interest credited to policyholders	51,857	35,387	32,302
Change in allowance for losses on trade receivables	(14)	52	(120)
Change in allowance for inventories and parts reserves	640	(146)	5,065
Net gains on disposal of personal property	(27,057)	(26,982)	(11,822)
Net gains on disposal of real estate	(758)	(44)	(195,414)
Net gains on sales of investments	(13,596)	(2,663)	(6,269)
Net (gains) losses on equity investments	(3,783)	5,739	-
Deferred income taxes	317,893	106,811	(193,434)
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	38,129	(31,365)	(15,329)
Inventories and parts	1,776	(13,492)	(12,384)
Prepaid expenses	(391,120)	(8,620)	(40,765)
Capitalization of deferred policy acquisition costs	(24,447)	(25,957)	(27,350)
Other assets	(1,295)	157,152	(165,968)
Related party assets	(5,645)	4,194	53,408
Accounts payable and accrued expenses	(4,530)	10,263	(36,980)
Policy benefits and losses, claims and loss expenses payable	(12,618)	(236,120)	161,121
Other policyholders' funds and liabilities	(4,857)	5,007	(109)
Deferred income	(1,818)	966	5,524
Related party liabilities	1,626	(2,067)	(616)
Net cash provided by operating activities	1,075,513	975,583	937,684
Cash flows from investing activities:			
Escrow deposits	6,617	4,299	31,362
Purchase of:			
Property, plant and equipment	(2,309,406)	(1,869,968)	(1,363,745)
Short term investments	(61,226)	(54,048)	(63,556)
Fixed maturity investments	(379,349)	(540,045)	(390,900)
Equity securities	(83)	(957)	(662)
Preferred stock	-	-	(1,000)
Real estate	(4,286)	(635)	(1,939)
Mortgage loans	(62,016)	(63,611)	(83,507)
Proceeds from sales and paydowns of:			
Property, plant and equipment	687,375	606,271	699,803
Short term investments	59,056	66,037	67,790
Fixed maturity investments	268,636	123,551	163,469
Equity securities	185	8,608	-
Preferred stock	2,375	1,625	4,208

Real estate	311	–	2,783
Mortgage loans	25,162	147,737	37,590
Net cash used by investing activities	(1,766,649)	(1,571,136)	(898,304)

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

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

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Cash flows from financing activities:			
Borrowings from credit facilities	\$ 1,121,412	\$ 897,311	\$ 498,464
Principal repayments on credit facilities	(349,986)	(299,748)	(356,451)
Payment of debt issuance costs	(5,332)	(7,243)	(5,111)
Capital lease payments	(307,782)	(303,431)	(296,363)
Employee stock ownership plan shares	(206)	(418)	(11,640)
Securitization deposits	–	–	(2,180)
Common stock dividends paid	(29,404)	(39,179)	(29,380)
Investment contract deposits	234,640	400,123	401,814
Investment contract withdrawals	(151,022)	(132,833)	(182,549)
Net cash provided by financing activities	<u>512,320</u>	<u>514,582</u>	<u>16,604</u>
Effects of exchange rate on cash	(533)	(4,716)	5,598
Increase (decrease) in cash and cash equivalents	(179,349)	(85,687)	61,582
Cash and cash equivalents at the beginning of period	673,701	759,388	697,806
Cash and cash equivalents at the end of period	<u>\$ 494,352</u>	<u>\$ 673,701</u>	<u>\$ 759,388</u>

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

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

### Note 1. Basis of Presentation

AMERCO, a Nevada Corporation (“AMERCO”), has a fiscal year that ends on the 31<sup>st</sup> of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31<sup>st</sup> of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies’ financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. We disclose material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries’ years 2019, 2018 and 2017 correspond to fiscal 2020, 2019 and 2018 for AMERCO.

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

### Note 2. Principles of Consolidation

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

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

We will continue to monitor our relationships with the other entities regarding who is the primary beneficiary, which could change based on facts and circumstances of any reconsideration events. Please see Note 20, Related Party Transactions, of the Notes to Consolidated Financial Statements.

The accompanying Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, which are consolidated under the voting interest model. Intercompany accounts and transactions have been eliminated.

#### Description of Legal Entities

AMERCO is the holding company for:

U-Haul International, Inc. (“U-Haul”);

Amerco Real Estate Company (“Real Estate”);

Repwest Insurance Company (“Repwest”); and

Oxford Life Insurance Company (“Oxford”).

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

#### Description of Operating Segments

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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Moving and Storage includes AMERCO, U-Haul, and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate. Operations consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and portable moving and storage units to the “do-it-yourself” mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

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

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

### Note 3. Accounting Policies

#### Use of Estimates

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

#### Cash and Cash Equivalents

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

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash deposits. Accounts at each United States financial institution are insured by the Federal Deposit Insurance Corporation up to \$ 250,000 . Accounts at each Canadian financial institution are insured by the Canada Deposit Insurance Corporation up to \$ 100,000 CAD per account. As of March 31, 2020 and March 31, 2019, we held cash equivalents in excess of these insured limits. To mitigate this risk, we select financial institutions based on their credit ratings and financial strength.

#### Investments

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

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

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

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

#### Derivative Financial Instruments

Our objective for holding derivative financial instruments is to manage interest rate risk exposure primarily through entering interest rate swap agreements and call options. We do not enter into these instruments for trading purposes. Counterparties to the interest rate swap agreements are major financial institutions. Derivatives are recognized at fair value on the balance sheet and are classified as prepaid expenses (asset) or accrued expenses (liability). Derivatives that are not designated as cash flow hedges for accounting purposes must be adjusted to fair value through income. If the derivative qualifies and is designated as a cash flow hedge, changes in its fair value will be recorded in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. See Note 11, Derivatives, of the Notes to Consolidated Financial Statements.

#### Inventories and parts, net

Inventories and parts, net were as follows:

	March 31,	
	2020	2019
	(In thousands)	
Truck and trailer parts and accessories (a)	\$ 88,138	\$ 94,344
Hitches and towing components (b)	23,070	20,113
Moving supplies and propane (b)	11,824	10,356
Subtotal	123,032	124,813
Less: LIFO reserves	(18,886)	(18,987)
Less: excess and obsolete reserves	(3,063)	(2,322)
Total	\$ 101,083	\$ 103,504

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

(b) Primarily held for retail sales

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

Inventory cost is primarily determined using the last-in first-out method (“LIFO”). Inventories valued using LIFO consisted of approximately 96 % of the total inventories for March 31, 2020 and 2019. Had we utilized the first-in first-out method (“FIFO”), stated inventory balances would have been \$18.9 million and \$19.0 million higher as of March 31, 2020 and 2019, respectively. In fiscal 2020, the negative effect on income due to liquidation of a portion of the LIFO inventory was \$ 0.1 million.

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

***Property, Plant and Equipment***

Our Property, plant and equipment is stated at cost. Interest expense, if any, incurred during the initial construction of buildings is considered part of cost. Depreciation is computed for financial reporting purposes using the straight line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment, other than real estate ("personal property"), are netted against depreciation expense when realized. The net amount of gains, netted against depreciation expense, were \$ 27.1 million, \$ 27.0 million and \$ 11.8 million during fiscal 2020, 2019 and 2018, respectively. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed. As a result of changes in IRS regulations regarding the capitalization of assets, beginning in the first quarter of fiscal 2017, we raised the value threshold before certain assets are capitalized within our depreciation policy. This change in threshold, results in the immediate recognition of reported operating costs with a lagging decrease in depreciation expense over the term that these assets would have been depreciated. Due to this change, we had operating expenses of \$ 27.7 million and \$ 21.0 million in fiscal 2020 and 2019, respectively. This change in threshold benefited us through the immediate recognition of tax deductible costs.

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

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

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

In addition to our property, plant and equipment, we had real estate held for future development or use of \$ 69.6 million and \$ 53.5 million for fiscal 2020 and 2019, respectively and is included in Investments, other.

***Receivables***

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

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

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

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

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

***Policy Benefits and Losses, Claims and Loss Expenses Payable***

Liabilities for future policy benefits related to life insurance, Medical supplement insurance, and deferred annuities are determined by management utilizing the net premium valuation methodology and are accrued when premium revenue is recognized. The liability, which represents the present value of future benefits to be paid to policyholders and related expenses less the present value of future net premiums, is estimated using assumptions applicable at the time the insurance contracts are written, with provisions for the risk of adverse deviation, as appropriate. Assumptions include expected mortality and morbidity experience, policy lapses and surrenders, current asset yields and expenses, and expected interest rate yields. The Company periodically performs a gross premium valuation and reviews original assumptions, including capitalized expenses which reduce the gross premium valuation, to evaluate whether the assets and liabilities are adequate and whether a loss reserve should be recognized. Liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of IBNR losses. Oxford's liabilities for deferred annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

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

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

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

- Claimant longevity

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

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

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

#### **Self-Insurance Reserves**

U-Haul retains the risk for certain public liability and property damage programs related to our rental equipment. The consolidated balance sheets include \$ 410.1 million and \$ 407.9 million of liabilities related to these programs as of March 31, 2020 and 2019, respectively. These liabilities are recorded in Policy benefits and losses, claims and loss expenses payable. Management takes into account losses incurred based upon actuarial estimates, past experience, current claim trends, as well as social and economic conditions. This liability is subject to change in the future based upon changes in the underlying assumptions including claims experience, frequency of incidents, and severity of incidents.

Additionally, as of March 31, 2020 and 2019, the consolidated balance sheets include liabilities of \$ 15.7 million and \$ 15.6 million, respectively, related to medical plan benefits we provide for eligible employees. We estimate this liability based on actual claims outstanding as of the balance sheet date as well as an actuarial estimate of IBNR claims. These amounts are recorded in Accounts payable and accrued expenses on the consolidated balance sheets.

#### **Revenue Recognition**

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

Amounts collected from customers for sales tax are recorded on a net basis. Please see Note 23, Revenue Recognition, of the Notes to Consolidated Financial Statements.

#### **Advertising**

All advertising costs are expensed as incurred. Advertising expense was \$ 13.7 million, \$ 10.6 million and \$ 8.1 million in fiscal 2020, 2019 and 2018, respectively.

#### **Deferred Policy Acquisition Costs**

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Starting in fiscal 2014, new annuity contract holders were provided with a sales inducement in the form of a premium bonus (the "Sales Inducement Asset"). Sales inducements are recognized as an asset with a corresponding increase to the policyholder liability and are amortized in a similar manner to Deferred Policy Acquisition Costs. As of December 31, 2019 and 2018, the Sales Inducement Asset included with Deferred Policy Acquisition Costs amounted to \$ 16.8 million and \$ 19.1 million, respectively on the consolidated balance sheet and amortization expense totaled \$ 5.5 million, \$ 3.7 million and \$ 3.7 million for the periods ended December 31, 2019, 2018 and 2017, respectively.

#### **Environmental Costs**

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

#### **Income Taxes**

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

#### **Comprehensive Income (Loss)**

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

#### **Debt Issuance Costs**

We defer costs directly associated with acquiring third-party financing. Debt issuance costs are deferred and amortized to interest expense using the effective interest method.

Debt issuance costs related to our long-term debt are reflected as a direct deduction from the carrying amount of the debt. Please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

### **Adoption of New Accounting Pronouncements**

On April 1, 2019, we adopted Accounting Standards Codification Topic 842, which require a lessee to recognize all leases with terms greater than 12 months on their balance sheet as a liability for its lease obligation, measured at the present value of lease payments not yet paid, and a corresponding asset representing its right to use the underlying asset over the lease term. The new leasing standard does not significantly change a lessee's recognition, measurement and presentation of expenses and cash flows. Additionally, Topic 842 aligns key aspects of lessor accounting with the new revenue recognition guidance in Topic 606 (see Note 23, Revenue Recognition) and expands disclosure of key information about leasing arrangements in an attempt to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. We have determined portions of the vehicle rental contracts that convey the right to control the use of identified assets are within the scope of the accounting guidance contained in the new leasing standard. As described in Note 23, Revenue Recognition, the Company's rental related revenues are accounted for under the revenue accounting standard Topic 606.

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

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## **AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

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

We adopted the new leasing standard using the Effective Date Approach, which allows entities to only apply the new lease standard in the year of adoption. We elected the available practical expedients for existing or expired contracts of lessees and lessors wherein the Company is not required to reassess whether such contracts contain leases, the lease classification or the initial direct costs. Additionally, we elected as accounting policies to not recognize right of use assets or lease liabilities for short-term leases (i.e. those with a term of 12 months or less) and to combine lease and non-lease components in the contract for both lessee and lessor arrangements. Adoption of this standard resulted in most of our operating lease commitments being recognized as operating lease liabilities and right-of-use ("ROU") assets. Please see Note 18, Leases, of the Notes to Consolidated Financial Statements.

On April 10, 2020, the FASB issued a question-and-answer document that allows entities to elect not evaluate whether a concession provided by a lessor to a lessee in response to COVID-19 is a lease modification. An entity that makes this election may then elect to apply the lease modification guidance to that relief or account for the concession as if it were contemplated in the existing contract.

On April 1, 2019, the Company adopted ASU 2017-08, *Receivables – Nonrefundable Fees and Other Cost (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities*. These amendments shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. The adoption of the standard did not have a material impact on our consolidated financial statements.

### **Recent Accounting Pronouncements**

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). This standard requires the measurement and recognition of expected credit losses held at amortized cost. This new standard requires the use of forward-looking information to estimate credit losses and requires credit losses for available for sale debt securities to be recorded through an allowance for credit losses rather than a reduction in the amortized cost basis. This update is effective for public companies for annual reporting periods beginning after December 15, 2019. In November 2019, the FASB released ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which clarified narrow issues within ASU 2016-13. Specifically, the four main clarifications include: expected recoveries for purchased financial assets with credit deterioration; transition relief for troubled debt restructurings; disclosures for accrued interest receivables; and financial assets backed by collateral maintenance provisions. The Company has completed the development of the implementation plan and is in the process of model development. The Company is evaluating whether ASU 2016-13 will have a material impact on the Company's consolidated financial statements.

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

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## **AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) - Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which modifies the disclosures on fair value measurements by removing the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for the timing of such transfers. ASU 2018-13 expands the disclosure requirements for Level 3 fair value measurements, primarily focused on changes in unrealized gains and losses included in other comprehensive income. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The adoption of the standard is not expected to have a material impact on our consolidated financial statements.

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

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

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

#### Note 4. Earnings Per Share

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

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares, net of shares committed to be released, were 11,949 ; and 17,581 as of March 31, 2019 and 2018, respectively. As of March 31, 2020, all of these shares have been released.

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

#### Note 5. Reinsurance Recoverables and Trade Receivables, Net

Reinsurance recoverables and trade receivables, net were as follows:

	March 31,	
	2020	2019
	(In thousands)	
Reinsurance recoverable	\$ 89,020	\$ 99,615
Trade accounts receivable	59,394	90,786
Paid losses recoverable	624	2,333
Accrued investment income	25,744	25,142
Premiums and agents' balances	1,582	1,545
Independent dealer receivable	1,015	390
Other receivables	9,828	5,523
	<u>187,207</u>	<u>225,334</u>
Less: Allowance for doubtful accounts	(535)	(549)
	<u>\$ 186,672</u>	<u>\$ 224,785</u>

#### Note 6. Investments

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

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was \$ 30.8 million for both December 31, 2019 and 2018.

#### Available-for-Sale Investments

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
	(In thousands)				
U.S. treasury securities and government obligations	\$ 112,421	\$ 7,959	(1)	\$ –	120,379
U.S. government agency mortgage-backed securities	88,449	759	(1)	(373)	88,834
Obligations of states and political subdivisions	287,643	20,664	(155)	–	308,152
Corporate securities	1,656,425	100,302	(919)	(812)	1,754,996
Mortgage-backed securities	187,784	6,011	(1)	(107)	193,687
Redeemable preferred stocks	1,493	72	–	–	1,565
	<u>\$ 2,334,215</u>	<u>\$ 135,767</u>	<u>(1,077)</u>	<u>(1,292)</u>	<u>\$ 2,467,613</u>

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

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

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



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

We sold available-for-sale securities with a fair value of \$ 264.5 million, \$ 114.8 million and \$ 163.7 million in fiscal 2020, 2019 and 2018, respectively. The gross realized gains on these sales totaled \$ 6.4 million, \$ 2.0 million and \$ 5.4 million in fiscal 2020, 2019 and 2018, respectively. We realized gross losses on these sales of \$ 0.2 million, \$ 0.2 million and \$ 0.3 million in fiscal 2020, 2019 and 2018, respectively.

The unrealized losses of more than twelve months in the available-for-sale tables are considered temporary declines. We track each investment with an unrealized loss and evaluate them on an individual basis for other-than-temporary impairments, including obtaining corroborating opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments may have declines determined by management to be other-than-temporary and we recognized these write-downs through earnings. There were no write downs in fiscal 2020, 2019 and 2018.

We reviewed our available-for-sale investments at the end of the first quarter of fiscal 2021 and noted an increase in the unrealized loss position of \$50.2 million (unaudited). We reviewed credit ratings of the issuers of these securities and determined that each issuer was current on its scheduled interest, dividends or principal payments. We further reviewed the fair value of these securities a month later and observed that the unrealized loss had recovered by \$23.4 million (unaudited).

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

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

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

There were no credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive loss for fiscal 2020, 2019 or 2018.

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

	March 31, 2020		March 31, 2019	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
	(In thousands)			
Due in one year or less	\$ 128,747	\$ 129,420	\$ 71,987	\$ 71,954
Due after one year through five years	547,821	566,934	541,195	540,658
Due after five years through ten years	636,036	678,636	621,031	614,485
Due after ten years	832,334	897,371	845,052	834,769
	2,144,938	2,272,361	2,079,265	2,061,866
Mortgage backed securities	187,784	193,687	148,203	147,895
Redeemable preferred stocks	1,493	1,565	1,493	1,468
	\$ 2,334,215	\$ 2,467,613	\$ 2,228,961	\$ 2,211,229

As of March 31, 2018, equity investments were classified as available-for-sale on our balance sheet. However, upon adoption of ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, on April 1, 2018, the updated guidance eliminated the available-for-sale balance sheet classification for equity investments. As of March 31, 2020 and 2019, our common stock and non-redeemable preferred stock that are included in Investments, fixed maturities and marketable equities on our balance sheet are stated in the table below. The changes in the fair value of these equity investments are recognized through Net investment and interest income.

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

	March 31, 2020		March 31, 2019	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
	(In thousands)			
Common stocks	\$ 9,775	\$ 20,015	\$ 10,123	\$ 17,379
Non-redeemable preferred stocks	5,076	5,110	7,451	6,789
	\$ 14,851	\$ 25,125	\$ 17,574	\$ 24,168

Investments, other

The carrying value of other investments was as follows:

	March 31,	
	2020	2019
	(In thousands)	
Mortgage loans, net	\$ 262,688	\$ 225,829
Short-term investments	6,995	5,546
Real estate	69,569	53,519
Policy loans	11,212	10,491
Other equity investments	9,909	5,351

**AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

Mortgage loans are carried at the unpaid balance, less an allowance for probable losses net of any unamortized premium or discount. The portfolio of mortgage loans is principally collateralized by self-storage facilities and commercial properties. The interest rate range on the mortgage loans is 4.1 % to 8.2 % with maturities between 2020 and 2036 . The allowance for probable losses was \$ 0.5 million for both March 31, 2020 and 2019, respectively. The estimated fair value of these loans as of March 31, 2020 and 2019 were not materially different compared to the carrying value. These loans represent first lien mortgages held by us. Mortgage loans are reviewed on an ongoing basis and analysis may include market analysis, estimated valuations of the underlying collateral, loan to value ratios, tenant creditworthiness and other factors. For our mortgage loans, no specifically identified loans were impaired as of March 31, 2020. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area.

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

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

Insurance policy loans are carried at their unpaid balance.

**Note 7. Other Assets**

Other assets were as follows:

	March 31,	
	2020	2019
	(In thousands)	
Deposits (debt-related)	\$ 33,020	\$ 30,408
Cash surrender value of life insurance policies	31,371	30,985
Deposits (real estate related)	7,565	16,961
	\$ 71,956	\$ 78,354

**Note 8. Net Investment and Interest Income**

Net investment and interest income, were as follows:

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Fixed maturities	\$ 107,434	\$ 99,348	\$ 84,476
Real estate	7,304	5,538	5,344
Insurance policy loans	974	1,305	1,212
Mortgage loans	17,164	16,674	17,783
Short-term, amounts held by ceding reinsurers, net and other investments	9,807	(7,429)	3,098
Investment income	142,683	115,436	111,913
Less: investment expenses	(4,854)	(4,502)	(4,766)
Investment income - related party, net eliminations	-	-	3,326
Net investment and interest income	\$ 137,829	\$ 110,934	\$ 110,473

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**AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

**Note 9. Borrowings**

**Long-Term Debt**

Long-term debt was as follows:

	2020 Rates (a)	Maturities	March 31,	
			2020	2019
	(In thousands)			
Real estate loan (amortizing term)	2.36 %	2023	\$ 92,913	\$ 102,913
Senior mortgages	3.11 %	6.62 % 2021 - 2038	2,029,878	1,741,652
Real estate loans (revolving credit)	2.98 %	3.14 % 2022 - 2025	519,000	429,400
Fleet loans (amortizing term)	1.95 %	4.66 % 2020 - 2027	224,089	263,209
Fleet loans (revolving credit)	2.73 %	2.75 % 2022 - 2024	567,000	530,000
Finance/capital leases (rental equipment)	1.92 %	5.04 % 2020 - 2026	734,870	1,042,652
Finance liability (rental equipment)	2.63 %	4.22 % 2024 - 2027	398,834	-
Other obligations	2.50 %	8.00 % 2020 - 2049	84,484	82,417
Notes, loans and finance/capital leases payable			\$ 4,651,068	\$ 4,192,243
Less: Debt issuance costs			(29,777)	(28,920)
Total notes, loans and finance/capital leases payable, net			\$ 4,621,291	\$ 4,163,323

(a) Interest rate as of March 31, 2020, taking into account the effect of applicable hedging instruments

**Real Estate Backed Loans**

**Real Estate Loan**

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

The interest rate, per the provisions of the amended loan agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. As of March 31, 2020, the applicable LIBOR was 0.86 % and the applicable margin was 1.50 %, the sum of which was 2.36 %. The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

#### *Senior Mortgages*

Various subsidiaries of Real Estate and U-Haul are borrowers under certain senior mortgages. The senior mortgages require monthly principal and interest payments. The senior mortgages are secured by certain properties owned by the borrowers. The fixed interest rates, per the provisions of the senior mortgages, range between 3.11 % and 6.62 %. Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date, the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule. Real Estate and U-Haul have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

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## **AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

#### *Real Estate Loans (Revolving Credit)*

Various subsidiaries of Real Estate are borrowers under asset-backed real estate loans with an aggregate borrowing capacity of \$ 385.0 million. These loans are secured by certain properties owned by the borrowers. The loan agreements provide for term loans, subject to the terms of the loan agreements. The final maturity of the loans is between June 2022 and March 2025. The loans require monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The interest rate, per the provision of the loan agreements, is the applicable LIBOR plus the applicable margin. As of March 31, 2020, the applicable LIBOR was between 1.58 % and 1.60 % and the margin was between 1.25 % and 1.40 %, the sum of which was between 2.85 % and 3.10%. AMERCO is the guarantor of these loans. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

AMERCO is a borrower under a real estate loan. The current maximum credit commitment is \$ 150.0 million, which can be increased to \$ 300.0 million by bringing in other lenders. As of March 31, 2020, the outstanding balance was \$ 150.0 million. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. As of March 31, 2020, the applicable LIBOR was 1.60 % and the margin was 1.38 %, the sum of which was 2.98 %. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There is a 0.30 % fee charged for unused capacity. In April 2020, the Company expanded the borrowing capacity to \$ 200.0 million, extended the maturity to April 2023 and the margin increased to 2.25 %.

#### **Fleet Loans**

##### *Rental Truck Amortizing Loans*

The amortizing loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the loan agreements, are carried at fixed rates ranging between 1.95 % and 4.66 %.

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

##### *Rental Truck Revolvers*

Various subsidiaries of U-Haul entered into three revolving fleet loans with an aggregate borrowing capacity of \$ 590.0 million. The interest rates, per the provision of the loan agreements, are the applicable LIBOR plus the applicable margin. As of March 31, 2020, the applicable LIBOR was between 1.58 % and 1.60 %, and the margin was 1.15 %, the sum of which was between 2.73% and 2.75%. Only interest is paid on the loans until the last nine months of the respective loan terms when principal becomes due monthly.

##### *Finance/Capital Leases*

The Finance/Capital Lease balance represents our sale-leaseback transactions of rental equipment that were entered into and classified as capital leases prior to the adoption of ASC 842 on April 1, 2019. The historical capital lease balance was reclassified to Right-of-use assets-finance, net. The agreements are generally seven (7) year terms with interest rates ranging from 1.92 % to 5.04 %. All of our finance leases are collateralized by our rental fleet. There were no new financing leases, as assessed under the new leasing guidance, entered into during fiscal 2020.

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## **AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

#### *Finance Liabilities*

Finance Liabilities represent our rental equipment financing transactions that have historically been accounted for as capital leases prior to the adoption of ASC 842 on April 1, 2019, which substantially changed the accounting for sale-leasebacks going forward. In accordance with the new leasing guidance, we assess if sale-leaseback transactions qualify as a sale at initiation by determining if a transfer of ownership occurs. We have determined that our equipment sale-leasebacks do not qualify as a sale, as the buyer-lessors do not obtain control of the assets in our ongoing sale-leaseback arrangements. As a result, we expect future sale-leasebacks to be accounted for as a financial liability and the leased assets will be capitalized at cost. Our finance liabilities have an average term of seven (7) years and interest rates ranging from 2.63 % to 4.22 %. These finance liabilities are collateralized by our rental fleet.

#### *Other Obligations*

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

As of March 31, 2020, the aggregate outstanding principal balance of the U-Notes<sup>®</sup> issued was \$ 87.3 million, of which \$ 2.8 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 2.50 % and 8.00 % and maturity dates range between 2020 and 2049.

Oxford is a member of the Federal Home Loan Bank ("FHLB") and, as such, the FHLB has made advances to Oxford. As of December 31, 2019, the advances had an aggregate balance of \$ 60.0 million, for which Oxford pays fixed interest rates between 1.72 % and 2.95 % with maturities between March 30, 2020 and September 30, 2022. As of December 31, 2019, available-for-sale investments held with the FHLB totaled \$ 117.9 million, of which \$ 67.6 million were pledged as collateral to secure the outstanding advances. The balances of these advances are included within Liabilities from investment contracts on the condensed consolidated balance sheets.

**Annual Maturities of Notes, Loans and Finance/Capital Leases Payable**

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

	Years Ended March 31,						
	2021	2022	2023	2024	2025	Thereafter	Total
	(In thousands)						
Notes, loans and finance/capital leases payable, secured	\$ 459,184	\$ 510,933	\$ 1,011,688	\$ 755,025	\$ 393,498	\$ 1,520,740	\$ 4,651,068

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

**Note 10. Interest on Borrowings****Interest Expense**

Components of interest expense include the following:

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Interest expense	\$ 180,444	\$ 150,609	\$ 125,412
Capitalized interest	(23,517)	(12,733)	(6,466)
Amortization of transaction costs	4,427	3,745	3,867
Interest expense resulting from cash flow hedges	(404)	824	3,893
Total interest expense	<u>160,950</u>	<u>142,445</u>	<u>126,706</u>

Interest paid in cash, including payments related to derivative contracts, amounted to \$ 168.1 million, \$ 149.8 million and \$ 129.3 million for fiscal 2020, 2019 and 2018, respectively.

**Interest Rates**

Interest rates and our revolving credit borrowings were as follows:

	Revolving Credit Activity		
	Years Ended March 31,		
	2020	2019	2018
	(In thousands, except interest rates)		
Weighted average interest rate during the year	3.31 %	3.39 %	2.48 %
Interest rate at year end	2.86 %	3.60 %	2.84 %
Maximum amount outstanding during the year	\$ 1,086,000	\$ 959,400	\$ 538,000
Average amount outstanding during the year	\$ 1,002,081	\$ 699,415	\$ 517,997
Facility fees	\$ 193	\$ 374	\$ 410

**Note 11. Derivatives**

We manage exposure to changes in market interest rates. Our use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in LIBOR swap rates, with the designated benchmark interest rate being hedged on certain of our LIBOR indexed variable rate debt and a variable rate operating lease. The interest rate swaps effectively fix our interest payments on certain LIBOR indexed variable rate debt. We monitor our positions and the credit ratings of its counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes. These fair values are determined using pricing valuation models which include broker quotes for which significant inputs are observable. They include adjustments for counterparty credit quality and other deal-specific factors, where appropriate and are classified as Level 2 in the fair value hierarchy.

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

	March 31, 2020	March 31, 2019
	(In thousands)	
Interest rate contracts designated as hedging instruments		
Assets	\$ –	\$ 139
Liabilities	8,214	–
Notional amount (debt)	235,000	22,792

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

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

	2020	2019	2018
	(In thousands)		
(Gain) loss recognized in AOCI on interest rate contracts	\$ 8,356	\$ (633)	\$ (4,445)
(Gain) loss reclassified from AOCI into income	\$ (401)	\$ 789	\$ 3,893

Gains or losses recognized in income on derivatives are recorded as interest expense in the consolidated statements of operations. During fiscal year 2020, we recognized a decrease in the fair value of our cash flow hedges of \$ 6.3 million, net of taxes. During fiscal year 2020, we reclassified \$ 0.4 million from accumulated other comprehensive income (loss) ("AOCI") to interest expense. As of March, 31 2020, we expect to reclassify \$ 0.4 million of net gains on interest contracts from AOCI to earnings as interest expense over the next twelve months.

We use derivatives to hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair market value on our balance sheet. At March 31, 2020 and 2019, these derivative hedges had a net market value of \$ 5.9 million and \$ 1.5 million, with notional amounts of \$ 246.8 million and \$ 284.0 million, respectively. These derivative instruments are included in Investments, other; on the consolidated balance sheets. The fair values of these call options are determined based on quoted market prices from the relevant exchange and are classified as Level 1 in the fair value hierarchy.

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

#### Note 12. Accumulated Other Comprehensive Income (Loss)

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

	Foreign Currency Translation	Unrealized Net Gain on Investments	Fair Market Value of Cash Flow Hedges	Postretirement Benefit Obligation Net Loss	Accumulated Other Comprehensive Income (Loss)
(In thousands)					
Balance as of March 31, 2019	\$ (56,612)	\$ (7,259)	\$ 107	\$ (2,934)	\$ (66,698)
Foreign currency translation	9,377	-	-	-	9,377
Unrealized net gain on investments	-	97,943	-	-	97,943
Change in fair value of cash flow hedges	-	-	(6,301)	-	(6,301)
Amounts reclassified into earnings on hedging activities	-	-	(2)	-	(2)
Change in post retirement benefit obligation	-	-	-	333	333
Other comprehensive income (loss)	9,377	97,943	(6,303)	333	101,350
Balance as of March 31, 2020	\$ (47,235)	\$ 90,684	\$ (6,196)	\$ (2,601)	\$ 34,652

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

#### Note 13. Stockholders' Equity

The following table lists the dividends that have been declared and issued for fiscal years 2020 and 2019.

Common Stock Dividends				
Declared Date	Per Share Amount	Record Date	Dividend Date	
December 4, 2019	\$ 0.50	December 19, 2019	January 6, 2020	
August 22, 2019	0.50	September 9, 2019	September 23, 2019	
March 6, 2019	0.50	March 21, 2019	April 4, 2019	
December 5, 2018	0.50	December 20, 2018	January 7, 2019	
August 23, 2018	0.50	September 10, 2018	September 24, 2018	
June 6, 2018	0.50	June 21, 2018	July 5, 2018	

On June 8, 2016, our stockholders' approved the 2016 AMERCO Stock Option Plan (Shelf Stock Option Plan). As of March 31, 2020, no awards had been issued under this plan.

#### Note 14. Provision for Taxes

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

	Years Ended March 31,		
	2020	2019	2018
(In thousands)			
Pretax earnings:			
U.S.	\$ 372,687	\$ 466,175	\$ 628,901
Non-U.S.	5,437	11,354	8,712
Total pretax earnings	\$ 378,124	\$ 477,529	\$ 637,613
Current provision (benefit)			
Federal	\$ (373,817)	\$ (6,114)	\$ 21,780
State	(9,600)	3,420	6,471
Non-U.S.	949	1,375	1,412
	(382,468)	(1,319)	29,663
Deferred provision (benefit)			
Federal	307,846	94,961	(199,415)
State	9,728	11,311	15,479
Non-U.S.	970	1,719	1,303

	318,544	107,991	(182,633)
Provision for income tax expense (benefit)	\$ (63,924)	\$ 106,672	\$ (152,970)
Income taxes paid (net of income tax refunds received)	\$ 6,859	\$ 4,255	\$ 68,671

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

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

	Years Ended March 31,		
	2020	2019	2018
	(in percentages)		
Statutory federal income tax rate	21.00 %	21.00 %	31.55 %
Increase (reduction) in rate resulting from:			
Deferred tax liability revaluation	– %	– %	(58.25) %
NOL tax rate benefit	(38.62) %	– %	– %
State taxes, net of federal benefit	0.02 %	2.41 %	2.33 %
Foreign rate differential	0.21 %	0.15 %	– %
Federal tax credits	(0.53) %	(0.15) %	(0.32) %
Transition tax	– %	(0.20) %	1.83 %
Tax-exempt income	(0.17) %	– %	– %
Dividend received deduction	(0.01) %	(0.01) %	(0.03) %
Phase III tax	– %	– %	0.63 %
Other	1.19 %	(0.86) %	(1.73) %
Actual tax expense (benefit) of operations	<u>(16.91) %</u>	<u>22.34 %</u>	<u>(23.99) %</u>

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

	March 31,	
	2020	2019
	(In thousands)	
Deferred tax assets:		
Net operating loss and credit carry forwards	\$ 25,973	\$ 90,061
Accrued expenses	105,171	105,727
Policy benefit and losses, claims and loss expenses payable, net	20,189	16,515
Operating leases	22,353	–
Total deferred tax assets	<u>\$ 173,686</u>	<u>\$ 212,303</u>
Deferred tax liabilities:		
Property, plant and equipment	\$ 1,198,198	\$ 940,433
Operating leases	22,353	–
Deferred policy acquisition costs	12,795	14,191
Unrealized gains	29,873	4,223
Other	4,010	4,426
Total deferred tax liabilities	<u>1,267,229</u>	<u>963,273</u>
Net deferred tax liability	<u>\$ 1,093,543</u>	<u>\$ 750,970</u>

On March 27, 2020, President Trump signed into U.S. federal law the Coronavirus Aid, Relief and Economic Security (the “CARES Act”), which is aimed at providing emergency assistance and health care for individuals, families, and businesses affected by COVID-19 and generally supporting the U.S. economy. Among other things, the CARES Act includes provisions relating to net operating loss (“NOL”) carryback periods, alternative minimum tax (“AMT”) credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. In particular, the CARES Act allows for NOLs generated in 2018, 2019, or 2020 to be carried back 5 years.

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

As a result, the NOL and credit carry-forwards in the above table are primarily attributable to state NOLs. Federal NOLs from fiscal years 2018, 2019 and 2020 have been carried back to prior tax years as provided by the CARES Act. The statutory tax rate for the carryback years was 35% as compared to 21% at present. Consequently, we recognized a benefit amount of \$ 146.0 million for fiscal year 2020. It is possible future legislation could reduce or delay our ability to carryback these losses.

As of March 31, 2020 and March 31, 2019, AMERCO had state NOLs of \$ 337.3 million and \$ 172.3 million, respectively, that will begin to expire March 31, 2021, if not utilized.

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

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

As of December 31, 2017, the Company elected to reclassify the income tax effects of the Tax Reform Act in the amount of \$ 8.7 million from AOCI to retained earnings under

ASU 2018-02. In addition, the Company has adopted the "investment by investment" approach as our accounting policy with regard to releasing disproportionate income tax effects from AOCI.

For fiscal year 2018, we calculated and recorded a one-time transition tax on earnings from foreign subsidiaries based on the post-1986 earnings and profits of our Canadian subsidiaries that were previously deferred from U.S. income taxes. The effect of this one-time transition tax liability for our foreign subsidiaries resulted in an increase in income tax expense of \$ 10.7 million for fiscal year 2018.

No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to transition tax, or any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations. Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities (i.e., basis difference in excess of that subject to the one-time transition tax) is not practicable.

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

The Company accounts for uncertainty in income taxes by recognizing the tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The Company measures the tax benefits and expenses recognized in the consolidated financial statements from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution.

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

A reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period are as follows:

	<b>Unrecognized Tax Benefits</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	(In thousands)	
Unrecognized tax benefits beginning balance	\$ 37,201	\$ 35,739
Revaluation based on change in after tax benefit	–	–
Additions based on tax positions related to the current year	42	1,887
Reductions for tax positions of prior years	(7,606)	(46)
Settlements	(5)	(379)
Unrecognized tax benefits ending balance	<u>\$ 29,632</u>	<u>\$ 37,201</u>

We recognize interest related to unrecognized tax benefits as interest expense, and penalties as income tax expenses. At March 31, 2020 and 2019, the amount of interest accrued on unrecognized tax benefits was \$ 12.8 million and \$ 9.5 million, net of tax. During the current year we recorded expense from interest in the amount of \$ 3.3 million, net of tax.

We file income tax returns in the U.S. federal jurisdiction, and various states and Canadian jurisdictions. While the Company has ongoing audits in Canada and various state jurisdictions, there have been no proposed or anticipated adjustments that would materially impact the financial statements. With some exceptions, we are no longer subject to audit for years prior to the fiscal year ended March 31, 2017.

**Note 15. Employee Benefit Plans**

**Profit Sharing Plans**

We provide tax-qualified profit sharing retirement plans for the benefit of eligible employees, former employees and retirees in the United States and Canada. The plans are designed to provide employees with an accumulation of funds for retirement on a tax-deferred basis and provide for annual discretionary employer contributions. Amounts to be contributed are determined by the President and Chairman of the Board of Directors (the "Board") of the Company under the delegation of authority from the Board, pursuant to the terms of the Profit Sharing Plan. No contributions were made to the profit sharing plan during fiscal 2020, 2019 or 2018.

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

**ESOP Plan**

We sponsor an Employee Stock Ownership Plan ("ESOP") that generally covers all employees with one year or more of service. The ESOP began as a leveraged plan where shares were pledged as collateral for its debt which was originally funded by U-Haul. We made annual contributions to the ESOP equal to the ESOP's debt service. As the debt was repaid, shares were released from collateral and allocated to active employees, based on the proportion of debt service paid in the year. ESOP shares were committed to be released monthly and ESOP compensation expense was recorded based on the current market price at the end of the month. These shares then become outstanding for the earnings per share computations. In fiscal 2020 we delivered the plan and now contributions are made at the discretion of management with expense being recognized upon the decision to contribute. ESOP compensation expense was \$ 10.3 million, \$ 11.3 million and \$ 11.4 million for fiscal 2020, 2019 and 2018, respectively, which are included in operating expenses in the consolidated statements of operations.

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

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

<b>Financing Date</b>	<b>Outstanding as of</b>	<b>Interest Payments</b>		
		<b>March 31, 2020</b>	<b>2020</b>	<b>2019</b>
	(In thousands)			
June, 1991	\$ –	\$ –	\$ 1	\$ 1
July, 2009	–	9	17	26
February, 2016	–	229	190	242

Leveraged contributions to the Plan Trust during fiscal 2020, 2019 and 2018 were \$ 5.6 million, \$ 1.0 million and \$ 1.0 million, respectively. In fiscal 2020, 2019 and 2018, the Company made non-leveraged contributions of \$ 4.0 million, \$ 5.2 and \$ 11.0 million, respectively to the Plan Trust. In both fiscal 2020 and 2019, \$ 0.0 million of dividends from unallocated shares were applied to debt.

Shares held by the Plan were as follows:

	Years Ended March 31,	
	2020	2019
	(In thousands)	
Allocated shares	1,003	1,069
Unreleased shares - leveraged	-	16
Fair value of unreleased shares - leveraged	\$ -	\$ 6,019
Unreleased shares - non-leveraged	-	-
Fair value of unreleased shares - non-leveraged	\$ -	\$ -

The fair value of unreleased shares issued prior to 1992 is defined as the historical cost of such shares. The fair value of unreleased shares issued subsequent to December 31, 1992 is defined as the trading value of such shares as of March 31, 2020 and March 31, 2019, respectively. During fiscal 2020, we released for allocation 16,558 leveraged shares and 13,989 non-leveraged shares. As of March 31, 2020, it is estimated there will be no shares committed to be released.

#### Post Retirement and Post Employment Benefits

We provide a health reimbursement benefit to our eligible U.S. employees and their eligible dependents upon retirement from the Company. The retiree must have attained age sixty-five and earned twenty years of full-time service upon retirement to be awarded the health reimbursement benefit. The health reimbursement benefit is capped at a \$ 20,000 lifetime maximum per covered person. Reimbursements are coordinated with Medicare and any other medical policies in force.

In addition, retirees who have attained age sixty-five and earned at least twenty years of full-time service upon retirement from the Company are entitled to group term life insurance benefits. The life insurance benefit is \$ 3,000 plus \$ 100 for each year of employment over twenty years. The benefits are not funded, and claims are paid as they are incurred. We use a March 31 measurement date for our post retirement benefit disclosures.

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

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Service cost for benefits earned during the period	\$ 1,055	\$ 1,108	\$ 1,073
Other components of net periodic benefit costs:			
Interest cost on accumulated postretirement benefit	964	943	869
Other components	90	70	58
Total other components of net periodic benefit costs	<u>1,054</u>	<u>1,013</u>	<u>927</u>
Net periodic postretirement benefit cost	<u>\$ 2,109</u>	<u>\$ 2,121</u>	<u>\$ 2,000</u>

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The fiscal 2020 and fiscal 2019 post retirement benefit liability included the following components:

	Years Ended March 31,	
	2020	2019
	(In thousands)	
Beginning of year	\$ 25,817	\$ 23,316
Service cost for benefits earned during the period	1,055	1,108
Interest cost on accumulated post retirement benefit	964	943
Net benefit payments and expense	(93)	(979)
Actuarial (gain) loss	(240)	1,429
Accumulated postretirement benefit obligation	<u>27,503</u>	<u>25,817</u>
Current liabilities	1,151	1,037
Non-current liabilities	26,352	24,780
Total post retirement benefit liability recognized in statement of financial position	27,503	25,817
Components included in accumulated other comprehensive income (loss):		
Unrecognized net loss	<u>(3,447)</u>	<u>(3,890)</u>
Cumulative net periodic benefit cost (in excess of employer contribution)	<u>\$ 24,056</u>	<u>\$ 21,927</u>

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

	Years Ended March 31,		
	2020	2019	2018
	(In percentages)		
Accumulated postretirement benefit obligation	3.37 %	3.83 %	3.98 %



In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 became law. Net periodic post retirement benefit cost above includes the effect of the subsidy. The discount rate represents the expected yield on a portfolio of high grade (AA to AAA rated or equivalent) fixed income investments with cash flow streams sufficient to satisfy benefit obligations under the plan when due. Fluctuations in the discount rate assumptions primarily reflect changes in U.S. interest rates. The assumed health care cost trend rate used to measure the accumulated postretirement benefit obligation as of the end of fiscal 2020 was 6.5 % in the initial year and was projected to decline annually to an ultimate rate of 4.5 % in fiscal 2038. The assumed health care cost trend rate used to measure the accumulated post retirement benefit obligation as of the end of fiscal 2019 (and used to measure the fiscal 2020 net periodic benefit cost) was 6.9 % in the initial year and was projected to decline annually to an ultimate rate of 4.5 % in fiscal 2038.

If the estimated health care cost trend rate assumptions were increased by one percent, the accumulated post retirement benefit obligation as of fiscal year-end would increase by \$ 246 thousand and the total of the service cost and interest cost components would increase by \$ 25 thousand. A decrease in the estimated health care cost trend rate assumption of one percent would decrease the accumulated post retirement benefit obligation as of fiscal year-end by \$ 278 thousand and the total of the service cost and interest cost components would decrease by \$ 29 thousand.

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

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

Future net benefit payments are expected as follows:

	<b>Future Net Benefit Payments</b>	
	(In thousands)	
Year-ended:		
2021	\$	1,151
2022		1,350
2023		1,547
2024		1,753
2025		1,965
2026 through 2029		11,581
Total	\$	19,347

**Note 16. Fair Value Measurements**

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

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

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

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

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

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

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

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

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

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

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

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

	<b>Fair Value Hierarchy</b>					
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		<b>Total Estimated Fair Value</b>
	(In thousands)					
<b>Assets</b>						
Reinsurance recoverables and trade receivables, net	\$ 186,672	\$ –	\$ –	\$ 186,672	\$ 186,672	
Mortgage loans, net	262,688	–	–	262,688	262,688	
Other investments	97,685	–	–	97,685	97,685	
Total	\$ 547,045	\$ –	\$ –	\$ 547,045	\$ 547,045	

<b>Liabilities</b>					
Notes, loans and finance/capital leases payable	\$ 4,651,068	\$ —	\$ 4,651,068	\$ —	\$ 4,342,308
Total	\$ 4,651,068	\$ —	\$ 4,651,068	\$ —	\$ 4,342,308

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

<b>Liabilities</b>					
Notes, loans and finance/capital leases payable	\$ 4,192,243	\$ —	\$ 4,192,243	\$ —	\$ 4,192,243
Total	\$ 4,192,243	\$ —	\$ 4,192,243	\$ —	\$ 4,192,243

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

The following tables represent the financial assets and liabilities on the condensed consolidated balance sheets as of March 31, 2020 and 2019, that are measured at fair value on a recurring basis and the level within the fair value hierarchy.

Year Ended March 31, 2020	Total	Level 1	Level 2	Level 3
	(In thousands)			
<b>Assets</b>				
Short-term investments	\$ 369,279	\$ 368,968	\$ 311	\$ —
Fixed maturities - available for sale	2,466,048	7,156	2,458,731	161
Preferred stock	6,675	6,675	—	—
Common stock	20,015	20,015	—	—
Derivatives	5,944	5,944	—	—
Total	\$ 2,867,961	\$ 408,758	\$ 2,459,042	\$ 161
<b>Liabilities</b>				
Derivatives	\$ 8,214	\$ —	\$ 8,214	\$ —
Total	\$ 8,214	\$ —	\$ 8,214	\$ —

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

The fair value measurements of our assets using significant unobservable inputs (Level 3) were \$0.2 million and \$0.3 million as of March 31, 2020 and 2019, respectively.

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

**Note 17. Reinsurance and Policy Benefits and Losses, Claims and Loss Expenses Payable**

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

Direct	Ceded to Other	Assumed from Other	Net	Percentage of Amount
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	Amount (a)	Companies	Companies	Amount (a)	Assumed to Net
	(In thousands)				
<b>Year ended December 31, 2019</b>					
Life insurance in force	\$ 957,280	\$ 7	\$ 441,563	\$ 1,398,836	32 %
Premiums earned:					
Life	\$ 53,289	\$ 1	\$ 5,629	\$ 58,917	10 %
Accident and health	66,863	226	1,563	68,200	2 %
Annuity	65	–	794	859	92 %
Property and casualty	69,126	–	15	69,141	– %
Total	\$ 189,343	\$ 227	\$ 8,001	\$ 197,117	
<b>Year ended December 31, 2018</b>					
Life insurance in force	\$ 941,822	\$ 207	\$ 548,152	\$ 1,489,767	37 %
Premiums earned:					
Life	\$ 51,691	\$ (1)	\$ (69,616)	\$ (17,924)	388 %
Accident and health	77,813	267	1,851	79,397	2 %
Annuity	1,221	–	794	2,015	39 %
Property and casualty	60,848	–	–	60,848	– %
Total	\$ 191,573	\$ 266	\$ (66,971)	\$ 124,336	
<b>Year ended December 31, 2017</b>					
Life insurance in force	\$ 947,720	\$ 248	\$ 876,865	\$ 1,824,337	48 %
Premiums earned:					
Life	\$ 51,227	\$ 4	\$ 9,880	\$ 61,103	16 %
Accident and health	90,396	295	1,977	92,078	2 %
Annuity	728	–	794	1,522	52 %
Property and casualty	57,161	69	8	57,100	– %
Total	\$ 199,512	\$ 368	\$ 12,659	\$ 211,803	

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

Reserves for recognizing a premium deficiency included in future policy benefits are established, if necessary, when the liability for future policy benefits plus the present value of expected future gross premiums are determined to be materially insufficient to provide for expected future policy benefits and expenses. Additionally, in certain instances the policyholder liability for a particular line of business may not be deficient in the aggregate to trigger loss recognition, but the pattern of earnings may be such that profits are expected to be recognized in earlier years followed by losses in later years. In these situations, accounting standards require that an additional liability be recognized by an amount necessary to sufficiently offset the losses that would be recognized in later years. The Company has not recognized any reserves related to premium deficiencies in the years ended December 31, 2019 and December 31, 2018.

To the extent that a reinsurer is unable to meet its obligation under the related reinsurance agreements, Repwest would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, Repwest holds letters of credit as of December 31, 2019 in the amount of \$ 0.1 million from re-insurers and has issued letters of credit in the amount of \$ 1.9 million in favor of certain ceding companies.

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

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

	December 31,	
	2019	2018
	(In thousands)	
Unpaid losses and loss adjustment expense	\$ 209,127	\$ 228,970
Reinsurance losses payable	1,214	988
Total	<u>\$ 210,341</u>	<u>\$ 229,958</u>

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

	December 31,		
	2019	2018	2017
	(In thousands)		
Balance at January 1	\$ 228,970	\$ 233,554	\$ 244,400
Less: reinsurance recoverable	94,920	94,490	103,952
Net balance at January 1	<u>134,050</u>	<u>139,064</u>	<u>140,448</u>
Incurred related to:			
Current year	22,137	19,579	15,749
Prior years	(9,535)	(5,365)	233
Total incurred	<u>12,602</u>	<u>14,214</u>	<u>15,982</u>
Paid related to:			
Current year	7,366	8,838	8,969
Prior years	17,242	10,390	8,397
Total paid	<u>24,608</u>	<u>19,228</u>	<u>17,366</u>
Net balance at December 31	<u>122,044</u>	<u>134,050</u>	<u>139,064</u>
Plus: reinsurance recoverable	87,083	94,920	94,490
Balance at December 31	<u>\$ 209,127</u>	<u>\$ 228,970</u>	<u>\$ 233,554</u>

Prior year incurred losses were impacted by favorable development on numerous Excess Workers Compensation claims. The liability for incurred losses and loss adjustment expenses (net of reinsurance recoverable of \$ 87.1 million) decreased by \$ 19.8 million as of December 31, 2019.

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

The information about property and casualty incurred and paid loss and loss adjustment expense development for the years end December 31, 2013 through 2019, and the average annual percentage payout of incurred claims by age as of December 31, 2019, is presented as supplementary information. Claims data for 2013 through 2018 is unaudited. Claims data for 2019 is audited.

**Cumulative Incurred Claims and Allocated Claims Adjustment Expenses, Net of Reinsurance**

Accident Year								As of December 31, 2019	
	2013	2014	2015	2016	2017	2018	2019	Total of Incurred-but- Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
(In thousands, except claim counts)									
2013	\$ 9,861	\$ 9,853	\$ 9,914	\$ 9,741	\$ 9,576	\$ 9,595	\$ 9,594	\$ -	7,652
2014		11,691	10,907	10,720	10,759	10,748	10,493	78	9,627
2015			12,214	12,459	12,460	12,464	11,087	-	10,652
2016				13,297	13,011	13,056	11,790	-	10,954
2017					15,749	16,109	17,078	1,411	11,291
2018						19,580	18,386	4,692	11,083
2019							22,138	10,743	10,745
							Total	<u>16,924</u>	

The following table presents paid claims development as of December 31, 2019, net of reinsurance. Claims data for 2013 through 2018 is unaudited. Claims data for 2019 is audited.

**Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

Accident Year								(In thousands)	
	2013	2014	2015	2016	2017	2018	2019		
2013	\$ 5,227	\$ 7,608	\$ 8,718	\$ 9,462	\$ 9,576	\$ 9,595	\$ 9,594		
2014		6,154	8,087	9,270	9,293	10,325	10,327		
2015			7,509	9,601	9,730	10,343	11,087		
2016				7,777	10,665	11,643	11,746		
2017					8,969	11,638	14,825		
2018						8,838	12,689		
2019							7,366		
					Total	Total	<u>77,634</u>		
									99,113
									<u>122,044</u>

All outstanding liabilities before 2013, net of reinsurance  
Liabilities for claims and claim adjustment expenses, net of reinsurance

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

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

	December 31, 2019	
	(In thousands)	
Liabilities for unpaid Property and Casualty claims and claim adjustment expenses, net of reinsurance	\$	122,044
Total reinsurance recoverable on unpaid Property and Casualty claims	\$	87,083
Total gross liability for unpaid Property and Casualty claims and claim adjustment expense	\$	<u>209,127</u>

The following is supplementary information about average historical claims duration as of December 31, 2019.

**Average Annual Percentage Payout of Incurred Claims by Age, net of Reinsurance**

Years							
	(In percentages)						
	1	2	3	4	5	6	7

**Note 18. Leases**

**Lessor**

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

For the periods after April 1, 2019, we combined all lease and non-lease components of lease contracts for which the timing and pattern of transfer are the same and the lease component meets the classification of an operating lease, and account for them in accordance with Topic 842. The revenue streams accounted for in accordance with Topic 842 are recognized evenly over the period of rental. Please see Note 23, Revenue Recognition, of the Notes to Consolidated Financial Statements.

**Lessee**

We determine if an arrangement is a lease at inception. Operating leases, which are comprised primarily of storage rental locations, are included in ROU assets - operating and operating lease liability in our consolidated balance sheet dated March 31, 2020. Finance leases, which are comprised primarily of rental equipment leases, are included in ROU assets - financing, net, and notes, loans and finance/capital leases payable, net in our consolidated balance sheet dated March 31, 2020.

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

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**AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

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

Adoption of this standard resulted in most of our operating lease commitments being recognized as operating lease liabilities and ROU assets, which increased total assets and total liabilities by approximately \$ 105.4 million related to property operating leases, as of April 1, 2019. In addition, we reclassified a net amount of \$ 948.2 million related to vehicle financing leases from property, plant, and equipment, net to ROU assets financing, net. During fiscal 2020, we recognized new operating leases and ROU assets of \$ 20.2 million.

The standard also changed the manner by which we account for our equipment sale/leaseback transactions. Based on our assessment, the lease transactions are classified as financing leases, and therefore the transactions do not qualify as a sale. Pursuant to the guidance, new sale leaseback transactions that fail to qualify as a sale will be accounted for as a financial liability. Please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements for additional information.

The following table shows the components of our right-of-use assets, net:

	<b>As of March 31, 2020</b>		
	<b>Finance</b>	<b>Operating</b>	<b>Total</b>
	(In thousands)		
Buildings and improvements	\$ –	\$ 125,547	\$ 125,547
Furniture and equipment	21,113	–	21,113
Rental trailers and other rental equipment	116,072	–	116,072
Rental trucks	1,738,081	–	1,738,081
Right-of-use assets, gross	1,875,266	125,547	2,000,813
Less: Accumulated depreciation	(794,913)	(18,916)	(813,829)
Right-of-use assets, net	<u>\$ 1,080,353</u>	<u>\$ 106,631</u>	<u>\$ 1,186,984</u>

	<b>Finance</b>	<b>Operating</b>
Weighted average remaining lease term (years)	4 Years	14 Years
Weighted average discount rate	3.5 %	4.6 %

For the last twelve months ended March 31, 2020, cash paid for leases included in our operating and financing cash flow activities were \$ 25.9 million and \$307.8 million, respectively.

The components of lease costs, including leases of less than 12 months, were as follows:

	<b>Twelve Months Ended</b>	
	<b>March 31, 2020</b>	
	(In thousands)	
Operating lease costs	\$	27,494
Finance lease cost:		
Amortization of right-of-use assets	\$	186,860
Interest on lease liabilities		30,901
Total finance lease cost	<u>\$</u>	<u>217,761</u>

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**AMERCO AND CONSOLIDATED SUBSIDIARIES**

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

Maturities of lease liabilities were as follows:

Year ending March 31,	Finance leases		Operating leases	
	(In thousands)			
2021	\$	218,424	\$	23,782
2022		164,190		22,001
2023		124,160		21,238
2024		106,156		20,616
2025		75,502		9,701
Thereafter		46,438		64,806
Total lease payments		734,870		162,144
Less: imputed interest		—		(55,701)
Present value of lease liabilities	\$	734,870	\$	106,443

As previously disclosed in our 2019 Annual Report o Form 10-K and under the previous lease accounting standard, our operating and ground lease commitments for leases having terms of more than one year were as follows:

Year-ended March 31:	Total	
	(In thousands)	
2020	\$	20,852
2021		18,495
2022		16,750
2023		16,317
2024		15,736
Thereafter		54,683
Total	\$	142,833

## Note 19. Contingencies

### COVID-19

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

During and subsequent to the fourth quarter of fiscal 2020, the Company has been impacted by the spread of COVID-19. The extent to which COVID-19 impacts the Company's business, operations and financial results will depend upon numerous evolving factors that the Company is not able to predict at this time, including among others: customer initiated changes in behavior, actions that have been and continue to be taken by governmental entities, our workforce may be negatively impacted disrupting our ability to serve customers, any new information that may emerge concerning the severity and duration of COVID-19 and the reaction of capital markets. For April the two most significant effects that we have experienced are an approximate 30 % (unaudited) decline in self-moving equipment rental income along with a decrease of approximately \$ 39.5 million (unaudited) in proceeds from the sales of rental equipment compared to April 2019. The decline in equipment rental revenue has been improving in May (unaudited).

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

#### CARES Act

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

#### Environmental

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

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

#### Other

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

## Note 20. Related Party Transactions

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

AMERCO has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below.

SAC Holding Corporation and SAC Holding II Corporation (collectively "SAC Holdings") were established in order to acquire and develop self-storage properties. These properties are being managed by us pursuant to management agreements. In the past, we sold real estate and various self-storage properties to SAC Holdings, and such sales provided significant cash flows to us. SAC Holdings, Four SAC Self-Storage Corporation, Five SAC Self-Storage Corporation, Galaxy Investments, L.P. and 2015 SAC self-storage are substantially controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly owned by Willow Grove Holdings LP, which is owned by Mark V. Shoen (a significant stockholder), and various trusts associated with Edward J. Shoen (our Chairman of the Board, President and a significant stockholder) and Mark V. Shoen.

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

**Related Party Revenues**

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
U-Haul interest income revenue from Blackwater	\$ –	\$ –	\$ 3,326
U-Haul management fee revenue from Blackwater	24,014	23,986	23,577
U-Haul management fee revenue from Mercury	6,392	5,162	6,025
	\$ 30,406	\$ 29,148	\$ 32,928

We currently manage the self-storage properties owned or leased by Blackwater and Mercury Partners, L.P. ("Mercury"), pursuant to a standard form of management agreement, under which we receive a management fee of between 4 % and 10 % of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of \$ 29.0 million, \$ 30.0 million and \$ 29.5 million from the above-mentioned entities during fiscal 2020, 2019 and 2018, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are owned indirectly by James P. Shoen and various trusts benefitting Edward J. Shoen and James P. Shoen or their descendants. Mercury holds the option to purchase a portfolio of properties currently leased by Mercury and a U-Haul subsidiary, which option is exercisable in 2024.

**Related Party Costs and Expenses**

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
U-Haul lease expenses to Blackwater	\$ 2,631	\$ 2,678	\$ 2,684
U-Haul commission expenses to Blackwater	62,066	61,434	58,595
	\$ 64,697	\$ 64,112	\$ 61,279

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

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

These agreements and notes with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of \$ 24.0 million, expenses of \$ 2.6 million and cash flows of \$ 21.5 million during fiscal 2020. Revenues and commission expenses related to the Dealer Agreements were \$ 293.6 million and \$ 62.1 million, respectively for fiscal 2020.

In December 2019, Real Estate completed the sale of two office buildings to Oxford at cost for approximately \$ 15.0 million. Oxford assumed the debt securing the property of \$ 11.5 million and paid the balance in cash. There were no gains on this transaction.

Management determined that we do not have a variable interest pursuant to the VIE model under ASC 810 in the holding entities of Blackwater based upon management agreements which are with the individual operating entities; therefore, we are precluded from consolidating these entities.

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

**Related Party Assets**

	March 31,	
	2020	2019
	(In thousands)	
U-Haul receivable from Blackwater	\$ 25,293	\$ 25,158
U-Haul receivable from Mercury	9,893	7,234
Other (a)	(402)	(1,503)
	\$ 34,784	\$ 30,889

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

**Note 21. Statutory Financial Information of Insurance Subsidiaries**

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

	Years Ended December 31,		
	2019	2018	2017
	(In thousands)		
Repwest:			
Audited statutory net income	\$ 28,614	\$ 23,960	\$ 16,328
Audited statutory capital and surplus	226,999	216,763	197,375

ARCOA:			
Audited statutory net income	2,906	1,612	1,190
Audited statutory capital and surplus	12,851	9,390	7,991
Oxford:			
Audited statutory net income	18,599	11,367	10,350
Audited statutory capital and surplus	223,264	203,723	195,931
CFLIC:			
Audited statutory net income	8,043	8,735	8,062
Audited statutory capital and surplus	26,305	27,232	26,653
NAI:			
Audited statutory net income	1,942	1,436	1,594
Audited statutory capital and surplus	13,371	12,817	12,674

The amount of dividends that can be paid to shareholders by insurance companies domiciled in the State of Arizona is limited. There are restrictions on the ability of our insurance subsidiaries to transfer funds to us in the form of cash dividends, loans or advances. Their ordinary dividends are limited to the lower of 10% of prior year statutory surplus or prior year net income. Any extraordinary dividend, loans or advances to us from the insurance subsidiaries must be approved by the domiciliary insurance commissioner. Any dividend in excess of the limit requires prior regulatory approval. The statutory surplus for Repwest at December 31, 2019 that could be distributed as ordinary dividends was \$ 22.7 million. The statutory surplus for Oxford at December 31, 2019 that could be distributed as ordinary dividends was \$ 18.6 million. Repwest paid a dividend of \$ 21.6 million to AMERCO during fiscal 2020. Repwest did not pay a dividend to AMERCO in fiscal 2019 or 2018. Oxford did not pay a dividend to AMERCO in fiscal 2020, 2019 or 2018, respectively. Restricted net assets for our insurance subsidiaries were \$ 98.5 million and \$ 130.2 million as of March 31, 2020 and 2019, respectively.

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

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

#### Note 22. Financial Information by Geographic Area

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. \$'s)		
<b>Fiscal Year Ended March 31, 2020</b>			
Total revenues	\$ 3,797,849	\$ 181,019	\$ 3,978,868
Depreciation and amortization, net of gains on disposal	652,110	15,414	667,524
Interest expense	157,595	3,355	160,950
Pretax earnings	372,687	5,437	378,124
Income tax expense (benefit)	(65,842)	1,918	(63,924)
Identifiable assets	13,016,942	421,082	13,438,024

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

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

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## AMERCO AND CONSOLIDATED SUBSIDIARIES

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

#### Note 22A. Consolidating Financial Information by Industry Segment

AMERCO's three reportable segments are:



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

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

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

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

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

### Note 22A. Financial Information by Consolidating Industry Segment:

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

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

(a) Balances as of December 31, 2019

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

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

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

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 545,685	\$ 5,530	\$ 3,138	\$ –	\$ 554,353
Notes, loans and finance/capital leases payable, net	4,609,844	–	11,447	–	4,621,291
Operating lease liability	106,443	–	–	–	106,443
Policy benefits and losses, claims and loss expenses payable	410,107	210,341	377,199	–	997,647
Liabilities from investment contracts	–	–	1,802,217	–	1,802,217
Other policyholders' funds and liabilities	–	5,751	4,439	–	10,190
Deferred income	31,620	–	–	–	31,620
Deferred income taxes, net	1,063,681	8,447	21,415	–	1,093,543
Related party liabilities	24,275	4,616	2,670	(31,561) (c)	–
<b>Total liabilities</b>	<b>6,791,655</b>	<b>234,685</b>	<b>2,222,525</b>	<b>(31,561)</b>	<b>9,217,304</b>
<b>Stockholders' equity :</b>					
<b>Series preferred stock:</b>					
Series A preferred stock	–	–	–	–	–
Series B preferred stock	–	–	–	–	–

Series A common stock	—	—	—	—	—
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	454,029	91,120	26,271	(117,601) (b)	453,819
Accumulated other comprehensive income (loss)	35,100	12,581	78,550	(91,579) (b)	34,652
Retained earnings	4,399,192	144,062	310,113	(453,965) (b)	4,399,402
Cost of common shares in treasury, net	(525,653)	—	—	—	(525,653)
Cost of preferred shares in treasury, net	(151,997)	—	—	—	(151,997)
Unearned employee stock ownership plan shares	—	—	—	—	—
Total stockholders' equity	<u>4,221,168</u>	<u>251,064</u>	<u>417,434</u>	<u>(668,946)</u>	<u>4,220,720</u>
Total liabilities and stockholders' equity	\$ <u>11,012,823</u>	\$ <u>485,749</u>	\$ <u>2,639,959</u>	\$ <u>(700,507)</u>	\$ <u>13,438,024</u>

(a) Balances as of December 31, 2019

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

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

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

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

(a) Balances as of December 31, 2018

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

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

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

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 548,099	\$ 2,844	\$ 5,930	\$ —	\$ 556,873
Notes, loans and leases payable, net	4,163,323	—	—	—	4,163,323
Policy benefits and losses, claims and loss expenses payable	407,934	229,958	373,291	—	1,011,183
Liabilities from investment contracts	—	—	1,666,742	—	1,666,742
Other policyholders' funds and liabilities	—	5,259	9,788	—	15,047
Deferred income	35,186	—	—	—	35,186
Deferred income taxes, net	741,644	6,961	2,365	—	750,970
Related party liabilities	25,446	3,836	692	(29,974) (c)	—
Total liabilities	<u>5,921,632</u>	<u>248,858</u>	<u>2,058,808</u>	<u>(29,974)</u>	<u>8,199,324</u>
<b>Stockholders' equity :</b>					
Series preferred stock:					
Series A preferred stock	—	—	—	—	—
Series B preferred stock	—	—	—	—	—
Series A common stock	—	—	—	—	—
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	453,536	91,120	26,271	(117,601) (b)	453,326

Accumulated other comprehensive income (loss)	(68,459)	(3,721)	(5,300)	10,782 (b)	(66,698)
Retained earnings	3,976,752	131,734	288,252	(419,776) (b)	3,976,962
Cost of common shares in treasury, net	(525,653)	–	–	–	(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–	(151,997)
Unearned employee stock ownership plan shares	(4,048)	–	–	–	(4,048)
Total stockholders' equity	\$ 3,690,628	222,434	311,723	(532,396)	3,692,389
Total liabilities and stockholders' equity	\$ 9,612,260	\$ 471,292	\$ 2,370,531	\$ (562,370)	\$ 11,891,713

(a) Balances as of December 31, 2018

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

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

Consolidating statements of operations by industry segment for period ending March 31, 2020 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
<b>Revenues:</b>					
Self-moving equipment rentals	\$ 2,696,516	\$ –	\$ –	(4,103) (c)	\$ 2,692,413
Self-storage revenues	418,741	–	–	–	418,741
Self-moving & self-storage products & service sales	265,091	–	–	–	265,091
Property management fees	30,406	–	–	–	30,406
Life insurance premiums	–	–	127,976	–	127,976
Property and casualty insurance premiums	–	69,141	–	(3,088) (c)	66,053
Net investment and interest income	10,593	19,923	109,018	(1,705) (b)	137,829
Other revenue	236,419	–	4,470	(530) (b)	240,359
Total revenues	<u>3,657,766</u>	<u>89,064</u>	<u>241,464</u>	<u>(9,426)</u>	<u>3,978,868</u>
<b>Costs and expenses:</b>					
Operating expenses	2,069,655	33,770	21,425	(7,702) (b,c)	2,117,148
Commission expenses	288,332	–	–	–	288,332
Cost of sales	164,018	–	–	–	164,018
Benefits and losses	–	12,410	162,426	–	174,836
Amortization of deferred policy acquisition costs	–	–	31,219	–	31,219
Lease expense	27,494	–	–	(612) (b)	26,882
Depreciation, net gains on disposals	637,063	–	–	–	637,063
Net gains on disposal of real estate	(758)	–	–	–	(758)
Total costs and expenses	<u>3,185,804</u>	<u>46,180</u>	<u>215,070</u>	<u>(8,314)</u>	<u>3,438,740</u>
Earnings from operations before equity in earnings of subsidiaries	471,962	42,884	26,394	(1,112)	540,128
Equity in earnings of subsidiaries	55,789	–	–	(55,789) (d)	–
Earnings from operations	527,751	42,884	26,394	(56,901)	540,128
Other components of net periodic benefit costs	(1,054)	–	–	–	(1,054)
Interest expense	(162,062)	–	–	1,112 (b)	(160,950)
Pretax earnings	364,635	42,884	26,394	(55,789)	378,124
Income tax benefit (expense)	77,413	(8,956)	(4,533)	–	63,924
Earnings available to common shareholders	\$ <u>442,048</u>	\$ <u>33,928</u>	\$ <u>21,861</u>	\$ <u>(55,789)</u>	\$ <u>442,048</u>

(a) Balances for the year ended December 31, 2019

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

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

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

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
<b>Revenues:</b>					
Self-moving equipment rentals	\$ 2,656,327	\$ –	\$ –	(2,830) (c)	\$ 2,653,497
Self-storage revenues	367,276	–	–	–	367,276
Self-moving & self-storage products & service sales	264,146	–	–	–	264,146
Property management fees	29,148	–	–	–	29,148
Life insurance premiums	–	–	63,488	–	63,488
Property and casualty insurance premiums	–	63,488	–	(2,635) (c)	60,853
Net investment and interest income	13,857	12,349	86,395	(1,667) (b)	110,934
Other revenue	215,055	–	4,831	(521) (b)	219,365
Total revenues	<u>3,545,809</u>	<u>75,837</u>	<u>154,714</u>	<u>(7,653)</u>	<u>3,768,707</u>
<b>Costs and expenses:</b>					
Operating expenses	1,938,317	34,218	14,613	(5,968) (b,c)	1,981,180
Commission expenses	288,408	–	–	–	288,408
Cost of sales	162,142	–	–	–	162,142
Benefits and losses	–	14,213	86,064	–	100,277
Amortization of deferred policy acquisition costs	–	–	28,556	–	28,556
Lease expense	33,702	–	–	(544) (b)	33,158
Depreciation, net gains on disposals	554,043	–	–	–	554,043
Net gains on disposal of real estate	(44)	–	–	–	(44)
Total costs and expenses	<u>2,976,568</u>	<u>48,431</u>	<u>129,233</u>	<u>(6,512)</u>	<u>3,147,720</u>

Earnings from operations before equity in earnings of subsidiaries	569,241	27,406	25,481	(1,141)	620,987
Equity in earnings of subsidiaries	41,811	—	—	(41,811) (d)	—
Earnings from operations	611,052	27,406	25,481	(42,952)	620,987
Other components of net periodic benefit costs	(1,013)	—	—	—	(1,013)
Interest expense	(143,586)	—	—	1,141 (b)	(142,445)
Pretax earnings	466,453	27,406	25,481	(41,811)	477,529
Income tax expense	(95,596)	(5,698)	(5,378)	—	(106,672)
Earnings available to common shareholders	\$ 370,857	\$ 21,708	\$ 20,103	\$ (41,811)	\$ 370,857

- (a) Balances for the year ended December 31, 2018  
(b) Eliminate intercompany lease/interest income  
(c) Eliminate intercompany premiums  
(d) Eliminate equity in earnings of subsidiaries

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

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

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

- (a) Balances for the year ended December 31, 2017  
(b) Eliminate intercompany lease/interest income  
(c) Eliminate intercompany premiums  
(d) Eliminate equity in earnings of subsidiaries

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

Consolidating cash flow statements by industry segment for the year ended March 31, 2020, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
<b>Cash flows from operating activities:</b>					
Net earnings	\$ 442,048	\$ 33,928	\$ 21,861	\$ (55,789)	\$ 442,048
Earnings from consolidated subsidiaries	(55,789)	—	—	55,789	—
Adjustments to reconcile net earnings to cash provided by operations:					
Depreciation	664,120	—	—	—	664,120
Amortization of deferred policy acquisition costs	—	—	31,219	—	31,219
Amortization of premiums and accretion of discounts related to investments, net	—	1,469	11,848	—	13,317
Amortization of debt issuance costs	4,426	—	—	—	4,426
Interest credited to policyholders	—	—	51,857	—	51,857
Change in allowance for losses on trade receivables	(14)	—	—	—	(14)
Change in allowance for inventories and parts reserve	640	—	—	—	640
Net gains on disposal of personal property	(27,057)	—	—	—	(27,057)
Net gains on disposal of real estate	(758)	—	—	—	(758)
Net gains on sales of investments	—	(355)	(13,241)	—	(13,596)
Net gains on equity securities	—	(3,783)	—	—	(3,783)
Deferred income taxes	323,980	(2,847)	(3,240)	—	317,893
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	30,771	8,127	(769)	—	38,129
Inventories and parts	1,776	—	—	—	1,776
Prepaid expenses	(391,120)	—	—	—	(391,120)
Capitalization of deferred policy acquisition costs	—	—	(24,447)	—	(24,447)
Other assets	(3,099)	2,098	(294)	—	(1,295)
Related party assets	(5,106)	(539)	—	—	(5,645)
Accounts payable and accrued expenses	(4,428)	2,688	(2,790)	—	(4,530)
Policy benefits and losses, claims and loss expenses payable	3,092	(19,618)	3,908	—	(12,618)
Other policyholders' funds and liabilities	—	491	(5,348)	—	(4,857)

Deferred income	(1,818)	—	—	—	(1,818)
Related party liabilities	(1,170)	819	1,977	—	1,626
Net cash provided by operating activities	980,494	22,478	72,541	—	1,075,513
Cash flows from investing activities:					
Escrow deposits	6,617	—	—	—	6,617
Purchases of:					
Property, plant and equipment	(2,309,406)	—	—	—	(2,309,406)
Short term investments	—	(60,590)	(636)	—	(61,226)
Fixed maturities investments	—	(13,001)	(366,348)	—	(379,349)
Equity securities	—	—	(83)	—	(83)
Preferred stock	—	—	—	—	—
Real estate	—	(328)	(3,958)	—	(4,286)
Mortgage loans	—	(18,050)	(43,966)	—	(62,016)
Proceeds from sales and paydowns of:					
Property, plant and equipment	687,375	—	—	—	687,375
Short term investments	—	59,056	—	—	59,056
Fixed maturities investments	—	25,386	243,250	—	268,636
Equity securities	—	185	—	—	185
Preferred stock	—	1,375	1,000	—	2,375
Real estate	311	—	—	—	311
Mortgage loans	—	4,126	21,036	—	25,162
Net cash used by investing activities	(1,615,103)	(1,841)	(149,705)	—	(1,766,649)

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(a) Balance for the period ended December 31, 2019

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

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2020, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	1,118,912	—	2,500	—	1,121,412
Principal repayments on credit facilities	(347,486)	—	(2,500)	—	(349,986)
Payment of debt issuance costs	(5,332)	—	—	—	(5,332)
Capital lease payments	(307,782)	—	—	—	(307,782)
Employee stock ownership plan shares	(206)	—	—	—	(206)
Securitization deposits	—	—	—	—	—
Common stock dividends paid	(29,404)	—	—	—	(29,404)
Net contribution from (to) related party	21,600	(21,600)	—	—	—
Investment contract deposits	—	—	234,640	—	234,640
Investment contract withdrawals	—	—	(151,022)	—	(151,022)
Net cash provided (used) by financing activities	450,302	(21,600)	83,618	—	512,320
Effects of exchange rate on cash	(533)	—	—	—	(533)
Decrease in cash and cash equivalents	(184,840)	(963)	6,454	—	(179,349)
Cash and cash equivalents at beginning of period	643,918	5,757	24,026	—	673,701
Cash and cash equivalents at end of period	\$ 459,078	\$ 4,794	\$ 30,480	\$ —	\$ 494,352

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(a) Balance for the period ended December 31, 2019

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

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

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

Mortgage loans	-	5,881	141,856	-	147,737
Net cash used by investing activities	(1,259,634)	(20,685)	(290,817)	-	(1,571,136)

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

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

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

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

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

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

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

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

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

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

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

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	498,464	-	-	-	498,464
Principal repayments on credit facilities	(356,451)	-	-	-	(356,451)
Payment of debt issuance costs	(5,111)	-	-	-	(5,111)

Capital lease payments	(296,363)	-	-	-	(296,363)
Employee stock ownership plan shares	(11,640)	-	-	-	(11,640)
Securitization deposits	(2,180)	-	-	-	(2,180)
Common stock dividends paid	(29,380)	-	-	-	(29,380)
Investment contract deposits	-	-	401,814	-	401,814
Investment contract withdrawals	-	-	(182,549)	-	(182,549)
Net cash provided (used) by financing activities	(202,661)	-	219,265	-	16,604
Effects of exchange rate on cash	5,598	-	-	-	5,598
Increase (decrease) in cash and cash equivalents	30,371	(6,086)	37,297	-	61,582
Cash and cash equivalents at beginning of period	671,665	12,725	13,416	-	697,806
Cash and cash equivalents at end of period	\$ 702,036	\$ 6,639	\$ 50,713	\$ -	\$ 759,388

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

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## Note 23. Revenue Recognition

### *Revenue Recognized in Accordance with Topic 606*

On April 1, 2018, we adopted ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)*, on a modified retrospective basis. The standard outlines a five-step model for entities to use in accounting for revenue arising from contracts with customers. The standard applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The standard also requires expanded disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. Due to insignificant changes in our revenue recognition pattern for applicable revenue streams as a result of the updated guidance, there was no cumulative effect recorded. Additionally, we elected to use the practical expedient for contracts that begin and end within the same reporting period in applying the updated guidance to our applicable revenue streams. The adoption of the standard did not have a material effect on our Consolidated Balance Sheets, Consolidated Statements of Operations, or Consolidated Statements of Cash Flows.

We enter into contracts that may include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of amounts collected from customers for taxes, such as sales tax, and remitted to the applicable taxing authorities. We account for a contract under Topic 606 when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. For contracts scoped into this standard, revenue is recognized when (or as) the performance obligations are satisfied by means of transferring goods or services to the customer as applicable to each revenue stream as discussed below. There were no material contract assets or liabilities as of March 31, 2020 and March 31, 2019.

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

Property management fees are recognized over the period that agreed-upon services are provided. The performance obligation for this portfolio of contracts is property management services, which represents a series of distinct days of service, each of which is comprised of activities that may vary from day to day. However, those tasks are activities to fulfill the property management services and are not separate promises in the contract. We determined that each increment of the promised service is distinct in accordance with paragraph 606-10-25-19. This is because the customer can benefit from each increment of service on its own and each increment of service is separately identifiable because no day of service significantly modifies or customizes another and no day of service significantly affects either the entity's ability to fulfill another day of service or the benefit to the customer of another day of service. As such, we concluded that the performance obligation is satisfied over time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance for the Management Fee component of the compensation received in exchange for the service. Additionally, in certain contracts the Company has the ability to earn an incentive fee based on operational results. Historically, these fees have been recognized once fully determinable. Under Topic 606, we measure and recognize the progress toward completion of the performance obligation on a quarterly basis using the most likely amount method to determine an accrual for the incentive fee portion of the compensation received in exchange for the property management service. The variable consideration recognized is subject to constraints due to a range of possible consideration amounts based on actual operational results. The amount accrued in the fourth quarter of fiscal 2020 did not have a material effect on our financial statements.

Other revenue consists of numerous services or rentals, of which U-Box contracts and service fees from Moving Help are the main components. The performance obligations identified for U-Box contracts

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are fees for rental, storage and shipping of U-Box containers to a specified location, each of which are distinct. A contract may be partially within the scope of Topic 606 and partially within the scope of other topics. The rental and storage obligations in U-Box contracts meet the definition of a lease in Topic 842, while the shipping obligation represents a contract with a customer accounted for under Topic 606. Therefore, we allocate the total transaction price between the performance obligations of storage fees and rental fees and the shipping fees on a standalone selling price basis. U-Box shipping fees are collected once the shipment is in transit. Shipping fees in U-Box contracts are set at the initiation of the contract based on the shipping origin and destination, and the performance obligation is satisfied over time under Topic 606, which is consistent with the timing of our revenue recognition under legacy guidance. U-Box shipping contracts span over a relatively short period of time, and the majority of these contracts begin and end within the same fiscal year. Moving Help services fees are recognized in accordance with Topic 606. Moving Help services are generated as we provide a neutral venue for the connection between the service provider and the customer for agreed upon services. We do not control the specified services provided by the service provider before that service is transferred to the customer.

### *Revenue Recognized in Accordance with Topic 842/840*

The Company's self-moving rental revenues meet the definition of a lease pursuant to the guidance in ASU 2016-02, *Leases (Topic 842)* because those substitution rights do not provide an economic benefit to the Company that would exceed the cost of exercising the right. Therefore, upon adoption of Topic 842 on April 1, 2019, self-rental contracts are being accounted for as leases. We combined all lease and non-lease components of lease contracts for which the timing and pattern of transfer are the same and the lease component meets the classification of an operating lease, and account for them in accordance with Topic 842. The revenue streams accounted for in accordance with Topic 842 are recognized evenly over the period of rental. We do not expect this change to result in a change in the timing and pattern of recognition of the related revenues due to the short-term nature of the self-moving rental contracts. Please see Note 18, *Leases*, of the Notes to Condensed Consolidated Financial Statements.

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

We lease portions of our operating properties to tenants under agreements that are classified as operating leases. We recognize the total minimum lease payments provided

for under the leases on a straight-line basis over the lease term. Generally, under the terms of our leases, the majority of our rental expenses, including common area maintenance, real estate taxes and insurance, are recovered from our customers.

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

	Year Ended March 31,					
	2021	2022	2023	2024	2025	Thereafter
	(In thousands)					
Self-moving equipment rentals	\$ 2,139	\$ -	\$ -	\$ -	\$ -	\$ -
Property lease revenues	20,715	16,927	13,250	9,834	7,102	58,379
Total	\$ 22,854	\$ 16,927	\$ 13,250	\$ 9,834	\$ 7,102	\$ 58,379

#### Revenue Recognized in Accordance with Other Topics

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

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

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

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

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Revenues recognized over time	\$ 147,565	\$ 2,814,732	\$ 2,617,990
Revenues recognized at a point in time	309,804	305,408	301,152
Total revenues recognized under ASC 606	457,369	3,120,140	2,919,142
Revenues recognized under ASC 842 or 840	3,182,902	406,070	353,924
Revenues recognized under ASC 944	200,768	131,563	217,575
Revenues recognized under ASC 320	137,829	110,934	110,473
Total revenues	\$ 3,978,868	\$ 3,768,707	\$ 3,601,114

In the above tables, the revenues recognized over time include self-moving equipment rentals, property management fees, the shipping fees associated with U-Box rentals and a portion of other revenues for fiscal 2019 and 2018, respectively. Whereas revenues recognized at a point in time include self-moving and self-storage products and service sales and a portion of other revenues. Self-moving equipment rentals are now in revenues recognized under ASC 842/840 as of April 1, 2019.

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

#### Note 24. Subsequent Events

Our management has evaluated subsequent events occurring after March 31, 2020. We do not believe any other subsequent events have occurred that would require further disclosure or adjustment to our financial statements other than as stated below.

In April 2020, Oxford paid AMERCO a cash dividend of \$ 18.6 million.

In April 2020, we expanded our corporate revolver by an additional \$ 50.0 million and fully borrowed that as well. In May 2020, we entered into a one-year term loan totaling \$ 200.0 million at a rate of one-month LIBOR plus a 2.00 % margin. This loan is secured by the Company's claims for federal income tax refund, to further strengthen our liquidity position.

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## SCHEDULE I

### CONDENSED FINANCIAL INFORMATION OF AMERCO

#### BALANCE SHEETS

	March 31,	
	2020	2019
	(In thousands)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 294,528	\$ 428,950
Investment in subsidiaries	2,758,509	2,474,671



Related party assets	1,734,358	1,424,274
Other assets	502,064	120,896
Total assets	<u>\$ 5,289,459</u>	<u>\$ 4,448,791</u>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Other liabilities	\$ 1,068,291	\$ 754,115
	<u>1,068,291</u>	<u>754,115</u>
Stockholders' equity:		
Preferred stock	—	—
Common stock	10,497	10,497
Additional paid-in capital	454,029	453,536
Accumulated other comprehensive income (loss)	35,100	(68,459)
Retained earnings:		
Beginning of period	3,976,752	3,635,351
Adjustment for adoption of ASU 2016-01	—	9,724
Net earnings	442,048	370,857
Dividends	(19,608)	(39,180)
End of period	<u>4,399,192</u>	<u>3,976,752</u>
Cost of common shares in treasury	(525,653)	(525,653)
Cost of preferred shares in treasury	(151,997)	(151,997)
Total stockholders' equity	<u>4,221,168</u>	<u>3,694,676</u>
Total liabilities and stockholders' equity	<u>\$ 5,289,459</u>	<u>\$ 4,448,791</u>

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

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#### CONDENSED FINANCIAL INFORMATION OF AMERCO STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2020	2019	2018
	(In thousands, except share and per share data)		
Revenues:			
Net interest income and other revenues	\$ 6,586	\$ 8,601	\$ 4,606
Expenses:			
Operating expenses	10,622	8,840	7,003
Other expenses	96	93	91
Total expenses	<u>10,718</u>	<u>8,933</u>	<u>7,094</u>
Equity in earnings of subsidiaries	205,940	279,589	681,786
Interest income	130,670	112,649	120,549
Pretax earnings	332,478	391,906	799,847
Income tax benefit (expense)	109,570	(21,049)	(9,264)
Earnings available to common shareholders	<u>\$ 442,048</u>	<u>\$ 370,857</u>	<u>\$ 790,583</u>
Basic and diluted earnings per common share	<u>\$ 22.55</u>	<u>\$ 18.93</u>	<u>\$ 40.36</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,603,708</u>	<u>19,592,048</u>	<u>19,588,889</u>

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

#### CONDENSED FINANCIAL INFORMATION OF AMERCO STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		
Net earnings	\$ 442,048	\$ 370,857	\$ 790,583
Other comprehensive income (loss)	101,350	(62,075)	37,873
Total comprehensive income	<u>\$ 543,398</u>	<u>\$ 308,782</u>	<u>\$ 828,456</u>

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

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#### CONDENSED FINANCIAL INFORMATION OF AMERCO STATEMENTS OF CASH FLOW

	Years Ended March 31,		
	2020	2019	2018
	(In thousands)		

Cash flows from operating activities:			
Net earnings	\$	442,048	\$ 370,857 \$ 790,583
Change in investments in subsidiaries		(205,940)	(279,589) (681,786)
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation		1	1 3
Net loss on sale of real and personal property		—	— —
Deferred income taxes		323,980	112,434 (182,358)
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables		—	— —
Prepaid expenses		(381,190)	(6,289) (36,516)
Other assets		22	(40) 65
Related party assets		—	— —
Accounts payable and accrued expenses		1,935	2,260 278
Net cash provided (used) by operating activities		<u>180,856</u>	<u>199,634</u> <u>(109,731)</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment		—	(1) (1)
Proceeds of property, plant and equipment		—	— —
Net cash used by investing activities		<u>—</u>	<u>(1)</u> <u>(1)</u>
Cash flows from financing activities:			
Proceeds from (repayments) of intercompany loans		(311,534)	(196,382) 250,214
Common stock dividends paid		(29,404)	(39,179) (29,380)
Net contribution from related party		21,600	— —
Net cash provided (used) by financing activities		<u>(319,338)</u>	<u>(235,561)</u> <u>220,834</u>
Effects of exchange rate on cash		4,060	(4,331) (3,124)
Increase (decrease) in cash and cash equivalents		(134,422)	(40,259) 107,978
Cash and cash equivalents at beginning of period		428,950	469,209 361,231
Cash and cash equivalents at end of period	\$	<u>294,528</u>	\$ <u>428,950</u> \$ <u>469,209</u>

Income taxes paid, net of income taxes refunds received, amounted to \$ 6.9 million, \$ 4.3 million and \$ 68.7 million for fiscal 2020, 2019 and 2018, respectively.

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

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**CONDENSED FINANCIAL INFORMATION OF AMERCO**  
**NOTES TO CONDENSED FINANCIAL INFORMATION**  
**MARCH 31, 2020, 2019, AND 2018**

**1. Summary of Significant Accounting Policies**

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

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

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

**2. Guarantees**

AMERCO has guaranteed performance of certain long-term leases and other obligations. See Note 18, Leases, and Note 20, Related Party Transactions, of the Notes to Consolidated Financial Statements.

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**SCHEDULE II**  
**AMERCO AND CONSOLIDATED SUBSIDIARIES**  
**VALUATION AND QUALIFYING ACCOUNTS**

<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u> <u>Charged</u> <u>to Costs</u> <u>and</u> <u>Expenses</u>	<u>Additions</u> <u>Charged</u> <u>to Other</u> <u>Accounts</u>	<u>Deductions</u>	<u>Balance at</u> <u>Year End</u>
---------------------------------------------------------	----------------------------------------------------------------------------------------	--------------------------------------------------------------------------	-------------------	--------------------------------------

<b>Year ended March 31, 2020</b>		(In thousands)				
Allowance for doubtful accounts						
(deducted from trade receivable)	\$ 549	\$ 731	\$ –	\$ (745)	\$ 535	
Allowance for obsolescence						
(deducted from inventory)	\$ 2,322	\$ 741	\$ –	\$ –	\$ 3,063	
Allowance for LIFO						
(deducted from inventory)	\$ 18,987	\$ –	\$ –	\$ (101)	\$ 18,886	
Allowance for probable losses						
(deducted from mortgage loans)	\$ 493	\$ –	\$ –	\$ –	\$ 493	
<b>Year ended March 31, 2019</b>						
Allowance for doubtful accounts						
(deducted from trade receivable)	\$ 496	\$ 1,550	\$ –	\$ (1,497)	\$ 549	
Allowance for obsolescence						
(deducted from inventory)	\$ 5,329	\$ –	\$ –	\$ (3,007)	\$ 2,322	
Allowance for LIFO						
(deducted from inventory)	\$ 16,126	\$ 2,861	\$ –	\$ –	\$ 18,987	
Allowance for probable losses						
(deducted from mortgage loans)	\$ 618	\$ –	\$ –	\$ (125)	\$ 493	
<b>Year ended March 31, 2018</b>						
Allowance for doubtful accounts						
(deducted from trade receivable)	\$ 585	\$ 886	\$ –	\$ (929)	\$ 496	
Allowance for obsolescence						
(deducted from inventory)	\$ 2,050	\$ 3,279	\$ –	\$ –	\$ 5,329	
Allowance for LIFO						
(deducted from inventory)	\$ 14,340	\$ 1,786	\$ –	\$ –	\$ 16,126	
Allowance for probable losses						
(deducted from mortgage loans)	\$ 493	\$ 125	\$ –	\$ –	\$ 618	

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**SCHEDULE V**  
**AMERCO AND CONSOLIDATED SUBSIDIARIES**  
**SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE OPERATIONS)**  
**YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017**

Fiscal Year	Affiliation with Registrant	Deferred Policy Acquisition Cost	Reserves for Unpaid Claims and Adjustment Expenses	Discount if any, Deducted	Unearned Premiums	Net Earned Premiums (1)	Net Investment Income (2)	Claim and Claim Adjustment Expenses Incurred Related to Current Year	Claim and Claim Adjustment Expenses Incurred Related to Prior Year	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expense	Net Premiums Written (1)
(In thousands)												
2020	Consolidated property casualty entity	\$ –	\$ 209,127	\$ –	\$ 233	\$ 69,138	\$ 19,926	\$ 22,137	\$ (9,535)	\$ –	\$ 24,608	\$ 66,277
2019	Consolidated property casualty entity	–	228,970	–	239	60,853	9,373	19,579	(5,365)	–	19,228	61,022
2018	Consolidated property casualty entity	–	233,554	–	70	57,100	14,079	15,749	233	–	17,366	57,123

(1) The earned and written premiums are reported net of intersegment transactions. There were \$ 3.1 million, \$ 2.8 million and \$ 2.3 million in written premiums and \$ 2.8 million, \$ 2.6 million and \$ 1.7 million in earned premiums eliminated for the year ended December 31, 2019, 2018 and 2017, respectively.

(2) Net Investment Income excludes net realized (gains) losses on investments of (\$ 0.4 ) million, (\$ 3.0 ) million and (\$ 1.7 ) million for the years ended December 31, 2019, 2018 and 2017, respectively.

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**SIGNATURES**

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

**AMERCO**

Date: May 27, 2020

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

Date: May 27, 2020

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

Date: May 27, 2020

/s/ Maria L. Bell  
Maria L. Bell  
(Chief Accounting Officer)

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#### POWER OF ATTORNEY

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

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Edward J. Shoen</u> Edward J. Shoen	President and Chairman of the Board	May 27, 2020
<u>/s/ Jason A. Berg</u> Jason A. Berg	Chief Financial Officer	May 27, 2020
<u>/s/ Maria L. Bell</u> Maria L. Bell	Chief Accounting Officer	May 27, 2020
<u>/s/ James E. Acridge</u> James E. Acridge	Director	May 27, 2020
<u>/s/ John P. Brogan</u> John P. Brogan	Director	May 27, 2020
<u>/s/ James J. Grogan</u> James J. Grogan	Director	May 27, 2020
<u>/s/ Richard J. Herrera</u> Richard J. Herrera	Director	May 27, 2020
<u>/s/ Karl A. Schmidt</u> Karl A. Schmidt	Director	May 27, 2020
<u>/s/ Roberta R. Shank</u> Roberta R. Shank	Director	May 27, 2020
<u>/s/ Samuel J. Shoen</u> Samuel J. Shoen	Director	May 27, 2020

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**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Unless the context otherwise requires, the terms “we,” “our,” “us,” and the “Company” refer to AMERCO, a Nevada corporation. The Company has the following classes of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

We are authorized to issue up to 250,000,000 shares of common stock, par value \$0.25 (“Common Stock”); 250,000,000 shares of common stock issued in one or more classes or series, with or without par value (“Serial Common Stock”); and 50,000,000 shares of preferred stock, in one or more classes or series, with or without par value.

**Common Stock**

The following description of the Company’s Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Company’s Amended and Restated Articles of Incorporation (the “Articles of Incorporation”) and Restated Bylaws (the “Bylaws”), which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, and which we encourage you to refer. In addition, you should refer to the relevant laws of the State of Nevada, which may also affect the terms of the Common Stock.

***Voting Rights***

The holder of each share of Common Stock is entitled to cast one vote on all matters submitted to a vote of stockholders. A stockholder meeting quorum consists of one-third of voting power, represented in person or by proxy.

The affirmative vote of the holders of at least two-thirds of the outstanding shares of Common Stock is required to (1) make, alter, amend and repeal the Bylaws and (2) approve, adopt or authorize any merger, consolidation, amalgamation or combination agreement with or into any person, firm, corporation or other entity which, as of the record date for the determination of shareholders, is the beneficial owner, directly or indirectly, of more than 5% of the voting power of any class of outstanding shares of Company stock (an “Interested Stockholder”); any sale, lease exchange or other disposition to or with the Company of any assets of any Interested Stockholder; any sale, lease, exchange or other disposition by the Company of all or substantially all of the assets of the Company to or with an Interested Stockholder; any plan or proposal for liquidation of the Company if any shareholder of the Company is an Interested Stockholder; or any reclassification of securities (including any reverse stock split) or recapitalization of the Company which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of stock or convertible securities in the Company, directly or indirectly owned by an Interested Stockholder. The affirmative vote of the holders of at least two-thirds of outstanding shares of Common Stock are also required to amend, alter, change or repeal any provision inconsistent with (2) above. The two-thirds affirmative vote requirement in (2) above is

not applicable to a proposed action which has been approved or recommended by a majority of Disinterested Directors. A Disinterested Director means (i) any Company director who was a director as of July 24, 1988; or (ii) was thereafter elected by the shareholders or appointed by the Board of Directors and was not at the time of such election or appointment associated with or an affiliate of an interested Stockholder director or indirectly involved in the transaction or proposal before the Board; or (iii) a person designated, before his or her election or appointment as a director, as a Disinterested Director by a majority of Disinterested Directors then on the Board.

Shareholder action by written consent is prohibited, which prohibition may be amended only by the affirmative vote of at least two-thirds of the outstanding shares of Common Stock.

#### ***Preemptive Rights***

Holders of shares of our Common Stock have no preemptive right to purchase, subscribe for, or otherwise acquire any shares of Company stock of any class now or hereafter authorized, or any securities exchangeable or convertible into such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire such shares, unless otherwise provided by the Board of Directors.

#### ***Listing***

The Common Stock has been listed on the NASDAQ Global Select Market under the ticker symbol "UHAL".

#### ***Transfer Agent***

The transfer agent for the Common Stock is Computershare, Inc.

#### ***Restrictions on Transfer***

Except as it relates to shares of Common Stock (i) sold, transferred, or otherwise disposed of by the Trust under the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan, (ii) sold in a bona fide underwritten public offering or in a bona fide public distribution pursuant to Rule 144 of the Securities Act of 1933, as amended, or (iii) sold, transferred or otherwise disposed of by a member of the public who acquired such Common Stock in a transaction permitted by (i) or (ii) above, any sale, transfer or disposition of Common Stock is subject to a right of first refusal by the Company at the per share price of such sale, transfer or disposition.

### **Certain Provisions of Nevada Law and our Articles of Incorporation and Bylaws**

#### ***Nevada Business Combination Statute***

The Nevada Business Combination Statute, N.R.S. § 78.411 *et seq.*, provides that an interested stockholder cannot engage in specified business combinations with a company for a period of two years after the date on which the person became an interested stockholder, unless (a) the combination or transaction by which the person first became an interested stockholder was approved by the Company's board of directors before the person became an interested stockholder; or (b) the combination is approved by the board and, at or after that time, the combination is approved at an annual or special meeting of the stockholders by the affirmative vote of 60% or more of the voting power of the disinterested stockholders. At the expiration of the two-year waiting period, no proposed combinations with an interested stockholder may occur unless (a) the combination or transaction was approved by the board before the stockholder became an interested stockholder; (b) the combination is approved by a majority of the Company's disinterested stockholders at an annual or special meeting; or (c) the combination meets certain statutory requirements for specifying a premium transaction price.

The Business Combination Statute does not apply to (i) a person who has been an interested stockholder for 4 or more years; (ii) any combination with a person who was an interested stockholder on January 1, 1991; (iii) any combination of a company which adopts an amendment to its articles of incorporation, approved by the holders of a majority of the outstanding voting power of the company not beneficially owned by interested stockholders, expressly electing not to be governed by the Nevada Business Combination Statute. Such an amendment would not be effective until 18 months after the stockholder vote and would not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment; (iv) when the person became an interested stockholder inadvertently.

#### ***Nevada Control Share Act***

Under the Nevada Control Share Act, N.R.S. § 78.378 *et seq.*, if a person acquires 20% or more of the voting shares of the Company, stockholders have the right to regulate that person's voting rights. The acquisition of a controlling interest must be approved by both (a) the holders of a majority of the voting power of the Company and (b) if the acquisition would adversely alter or change any preference or any relative or other right given to any other class or series of outstanding shares, the holders of a majority of each class or series affected, excluding those shares voted by any interested stockholder. An "interested stockholder" under the Nevada Control Share Act includes an acquiring person, an officer or a director of the corporation, or an employee of the corporation.

If provided in a company's articles or bylaws, a company may redeem the control shares at the average price paid by the acquiring person if the majority of disinterested stockholders do not grant full voting rights to the control shares or the acquiring person fails to submit an offer statement to the corporation. Conversely, if the stockholders grant full voting rights, disinterested dissenting stockholders may obtain payment of the fair value of their shares.

A corporation may opt out of the Nevada Control Share Act by expressly electing not to be governed by the law's provisions in either its articles or bylaws. The Bylaws make inapplicable

the Nevada Control Share Act to the exchange of Series A common stock for Common Stock or Common Stock exchanged for Series A common stock, held by Mark V. Shoen, James P. Shoen, and Edward J. Shoen.



**AMERCO (Nevada)**  
**Consolidated Subsidiaries**

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

AREC 14, LLC	NV
AREC 15, LLC	NV
AREC 19, LLC	NV
AREC 20, LLC	NV
AREC 21, LLC	NV
AREC 22, LLC	DE
AREC 23, LLC	DE
AREC 24, LLC	DE
AREC 25, LLC	DE
AREC 26, LLC	DE
AREC 27, LLC	DE
AREC 28, LLC	DE
AREC 29, LLC	DE
AREC 30, LLC	DE
AREC 31, LLC	DE
AREC 32, LLC	DE
AREC 33, LLC	DE
AREC 34, LLC	DE
AREC 35, LLC	DE
AREC 36, LLC	DE
AREC 37, LLC	DE
AREC 38, LLC	DE
AREC 39, LLC	DE
AREC 40, LLC	NV
AREC 41, LLC	DE
AREC 42, LLC	DE
AREC 2018, LLC	NV
AREC QOF, LLC	NV
AREC Ridgefield, LLC	NV
20 Oak Harbor, LLC	NV
41 Haig, LLC	NV
53 Roanoke, LLC	NV
74-5583 Pawai, LLC	NV
125 Beechwood, LLC	NV
333 Sunrise, LLC	NV
344 Erie, LLC	NV
365 Cherry, LLC	NV
370 Orange Street, LLC	NV
407 Park, LLC	NV
506 Fessler's, LLC	NV
560 Waterbury, LLC	NV
1020 Randolph, LLC	NV
1315 3rd, LLC	NV
1450 Walbridge, LLC	NV
1506 Woodlawn, LLC	DE
1508 Woodlawn, LLC	DE

	CRP Holdings Dunleavy, LLC	DE
	2115 West, LLC	NV
	2317 Route 70, LLC	DE
	3001 Boxmeer, LLC	NV
	3400 MacArthur, LLC	NV
	3410 Galena, LLC	DE
	3463 Billie Hext, LLC	NV
	3700 Bigelow, LLC	NV
	4029 Golden, LLC	DE
	4251 Hiawatha, LLC	NV
	4795 Charlotte, LLC	NV
	5655 Whipple LLC	NV
	8250 Hwy 99, LLC	NV
	11700 Capitol, LLC	NV
	Foster 81st, LLC	DE
	Rosehill Street, LLC	NV
	West 16th, LLC	NV
	West 136th, LLC	DE
AREC	1031 Holdings, LLC	DE
	8 Erie EAT, LLC	NV
	53 Technology EAT, LLC	NV
	60 Burrell Plaza EAT, LLC	NV
	88 Birnie EAT, LLC	NV
	176 Ragland EAT, LLC	NV
	191 Bradley EAT, LLC	NV
	200-22- North Point EAT, LLC	NV
	207 Simpson EAT, LLC	NV
	339-341 Lehigh EAT, LLC	NV
	463 Lakewood EAT, LLC	NV
	500 Grandville EAT, LLC	NV
	529 & Westgreen EAT, LLC	NV
	665 Perry EAT, LLC	NV
	800 28 EAT, LLC	NV
	817 Appleyard EAT, LLC	NV
	900 Roswell EAT, LLC	NV
	950 25th EAT, LLC	NV
	1200 Main EAT, LLC	NV
	1320 Grandview EAT, LLC	NV
	1416 Route 66 EAT, LLC	NV
	1450 South West EAT, LLC	NV
	1903 Rosemont EAT, LLC	NV
	1910 5th EAT, LLC	NV
	2811 Vista EAT, LLC	NV
	3015 Tower EAT, LLC	NV
	4225 Hiawatha EAT, LLC	NV
	5204 Links EAT, LLC	NV
	6805 Corporate EAT, LLC	NV
	6910 Richmond EAT, LLC	NV
	8135-8171 Houghton Lake EAT, LLC	NV

10412 Sprague EAT, LLC	NV
10681 Loop 1604 EAT, LLC	NV
15500 Shawn EAT, LLC	NV
21930 Miles EAT, LLC	NV
Dimond EAT, LLC	NV
Marginal EAT, LLC	NV
U-Haul International, Inc.	NV
<u>United States:</u>	
A & M Associates, Inc	AZ
Web Team Associates, Inc.	NV
EMove, Inc.	NV
U-Haul Business Consultants, Inc	AZ
U-Haul Virginia Operations, Inc.	NV
U-Haul Leasing & Sales Co.	NV
RTAC, LLC	NV
U-Haul R Fleet, LLC	NV
2010 BE-BP-2, LLC	NV
2010 U-Haul S Fleet, LLC	NV
2010 TM-1, LLC	NV
2010 TT-1, LLC	NV
2010 DC-1, LLC	NV
2013 U-Haul R Fleet, LLC	NV
2013 BP, LLC	NV
2013 U-Haul R Fleet 2, LLC	NV
2013 BOA-BE, LLC	NV
2013 U-Haul R Fleet 3, LLC	NV
2013 NYCB-BE, LLC	NV
U-Haul Moving Partners, Inc.	NV
U-Haul Self-Storage Corporation	NV
U-Haul Self-Storage Management (WPC), Inc.	NV
U-Haul Co. of Alabama, Inc.	AL
U-Haul Co. of Alaska	AK
U-Haul Co. of Arizona	AZ
Boxman Rentals, LLC	NV
U-Haul Titling, LLC	NV
2010 U-Haul Titling 2, LLC	NV
2010 U-Haul Titling 3, LLC	NV
2013 U-Haul Titling 1, LLC	NV
2013 U-Haul Titling 2, LLC	NV
2013 U-Haul Titling 3, LLC	NV
CGAF Holdings, LLC	NV
Casa Grande Alternative Fuel Co., LLC	NV
U-Haul Co. of Arkansas	AR
U-Haul Co. of California	CA
U-Haul Co. of Charleston	WV
U-Haul Co. of Colorado	CO
U-Haul Co. of Connecticut	CT
U-Haul Co. of District of Columbia, Inc.	DC
U-Haul Co. of Florida	FL

1800 State Road, LLC	NV
U-Haul Co. of Florida 2, LLC	DE
U-Haul Co. of Florida 3, LLC	DE
U-Haul Co. of Florida 4, LLC	DE
U-Haul Co. of Florida 5, LLC	DE
U-Haul Co. of Florida 8, LLC	DE
U-Haul Co. of Florida 9, LLC	DE
U-Haul Co. of Florida 10, LLC	DE
U-Haul Co. of Florida 905, LLC	DE
U-Haul Co. of Florida 14, LLC	NV
U-Haul Co. of Florida 15, LLC	NV
U-Haul Co. of Florida 19, LLC	NV
U-Haul Co. of Florida 21, LLC	NV
U-Haul Co. of Florida 22, LLC	DE
U-Haul Co. of Florida 23, LLC	DE
U-Haul Co. of Florida 25, LLC	DE
U-Haul Co. of Florida 26, LLC	DE
U-Haul Co. of Florida 28, LLC	DE
U-Haul Co. of Florida 30, LLC	DE
U-Haul Co. of Florida 31, LLC	DE
U-Haul Co. of Florida 32, LLC	DE
U-Haul Co. of Florida 33, LLC	DE
U-Haul Co. of Florida 34, LLC	DE
U-Haul Co. of Florida 35, LLC	DE
U-Haul Co. of Florida 42, LLC	DE
U-Haul Co. of Georgia	GA
U-Haul of Hawaii, Inc.	HI
U-Haul Co. of Idaho, Inc.	ID
U-Haul Co. of Illinois, Inc.	IL
U-Haul Co. of Indiana, Inc.	IN
U-Haul Co. of Iowa, Inc.	IA
U-Haul Co. of Kansas, Inc.	KS
U-Haul Co. of Kentucky	KY
U-Haul Co. of Louisiana	LA
U-Haul Co. of Maine, Inc.	ME
U-Haul Co. of Maryland, Inc.	MD
U-Haul Co. of Massachusetts and Ohio, Inc.	MA
Collegeboxes, LLC	MA
U-Haul Co. of Michigan	MI
U-Haul Co. of Minnesota	MN
U-Haul Co. of Mississippi	MS
U-Haul Company of Missouri	MO
U-Haul Co. of Montana, Inc.	MT
U-Haul Co. of Nebraska	NE
U-Haul Co. of Nevada, Inc.	NV
U-Haul Co. of New Hampshire, Inc.	NH
U-Haul Co. of New Jersey, Inc.	NJ
U-Haul Co. of New Mexico, Inc.	NM
U-Haul Co. of New York and Vermont, Inc.	NY
U-Haul Co. of North Carolina	NC
U-Haul Co. of North Dakota	ND

U-Haul Co. of Oklahoma, Inc.	OK
U-Haul Co. of Oregon	OR
U-Haul Co. of Pennsylvania	PA
U-Haul Co. of Rhode Island	RI
U-Haul Co. of South Carolina, Inc.	SC
U-Haul Co. of South Dakota, Inc.	SD
U-Haul Co. of Tennessee	TN
U-Haul Co. of Texas	TX
U-Haul Propane of Texas, LLC	NV
U-Haul Co. of Utah, Inc.	UT
U-Haul Co. of Virginia	VA
U-Haul Co. of Washington	WA
U-Haul Co. of West Virginia	WV
U-Haul Co. of Wisconsin, Inc.	WI
U-Haul Co. of Wyoming, Inc.	WY
UHIL Holdings, LLC	DE
UHIL 1, LLC	DE
UHIL 2, LLC	DE
UHIL 3, LLC	DE
UHIL 4, LLC	DE
UHIL 5, LLC	DE
UHIL 6, LLC	DE
UHIL 7, LLC	DE
UHIL 8, LLC	DE
UHIL 9, LLC	DE
UHIL 10, LLC	DE
UHIL 11, LLC	DE
UHIL 12, LLC	DE
UHIL 13, LLC	DE
UHIL 14, LLC	NV
UHIL 15, LLC	NV
UHIL 16, LLC	NV
UHIL 19, LLC	NV
UHIL 20, LLC	NV
UHIL 21, LLC	NV
UHIL 22, LLC	DE
UHIL 23, LLC	DE
UHIL 24, LLC	DE
UHIL 25, LLC	DE
UHIL 26, LLC	DE
UHIL 27, LLC	DE
UHIL 28, LLC	DE
UHIL 29, LLC	DE
UHIL 30, LLC	DE
UHIL 31, LLC	DE
UHIL 32, LLC	DE
UHIL 33, LLC	DE
UHIL 34, LLC	DE
UHIL 35, LLC	DE
UHIL 36, LLC	DE
UHIL 37, LLC	DE

UHIL 38, LLC	DE
UHIL 39, LLC	DE
UHIL 40, LLC	NV
UHIL 41, LLC	DE
UHIL 42, LLC	DE
UHIL RW, LLC	DE

Canada:

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

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

AMERCO  
Reno, Nevada

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 33-56571 and 333-235872) of AMERCO and consolidated subsidiaries (the "Company") of our reports dated May 27, 2020, relating to the consolidated financial statements and financial statement schedules, and the effectiveness of the Company's internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO USA, LLP

Phoenix, Arizona  
May 27, 2020



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

I, Edward J. Shoen, certify that:

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

/s/ Edward J. Shoen

\_\_\_\_\_  
Edward J. Shoen  
President and Chairman of the Board

Date: May 27, 2020

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

I, Jason A. Berg, certify that:

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

/s/ Jason A. Berg

Jason A. Berg  
Chief Financial Officer

Date: May 27, 2020

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

In connection with the Form 10-K for the year ended March 31, 2020 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 27, 2020 (the "Report"), I, Edward J. Shoen, President and Chairman of the Board of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Edward J. Shoen

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Edward J. Shoen  
President and Chairman of the Board

Date: May 27, 2020

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

In connection with the Form 10-K for the year ended March 31, 2020 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 27, 2020 (the "Report"), I, Jason A. Berg, Chief Financial Officer of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Jason A. Berg

Jason A. Berg  
Chief Financial Officer

Date: May 27, 2020