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AMERCO /NV/
Form 10-K/A
September 26, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A (Amendment No. 1) - Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

(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, 2002

OR

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation Address and Telephone Number	I.R.S. Employer Identification No.
1-11255	AMERCO (A Nevada Corporation) 1325 Airmotive Way, Suite 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300	88-0106815
2-38498	U-Haul International, Inc. (A Nevada Corporation) 2727 N. Central Avenue Phoenix, Arizona 85004 Telephone (602) 263-6645	86-0663060

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

Registrant	Title of Class	Name of Each Exchange on Which Registered
AMERCO	Series A 8 1/2% Preferred Stock	New York Stock Exchange
U-Haul International, Inc.	None	

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

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Registrant -----	Title of Class -----
AMERCO U-Haul International, Inc.	Common None

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 X No

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

21,375,037 shares of AMERCO common stock, \$0.25 par value, were outstanding at July 12, 2002. The aggregate market value of AMERCO common stock held by non-affiliates (i.e., stock held by persons other than officers, directors and 5% shareholders of AMERCO) was \$93,315,111. The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on July 12, 2002.

5,385 shares of U-Haul International, Inc. common stock, \$0.01 par value, were outstanding at July 12, 2002. None of these shares were held by non-affiliates. U-Haul International, Inc. meets the conditions set forth in General Instruction I (1) (a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrants' Proxy Statement for its 2002 Annual Meeting of Stockholders held on August 30, 2002 (the "2002 Proxy Statement"), which was filed with the Securities and Exchange Commission on July 26, 2002, are incorporated by reference into Part III herein.

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K ("Amendment No. 1") is being filed for the purpose of modifying certain disclosures in the Annual Report on Form 10-K for the registrants' fiscal year ended March 31, 2002 originally filed on July 17, 2002 (the "Original Filing"). In addition, we are refileing our audited financial statements for the fiscal year ended March 31, 2002 to reflect that our former independent accountants have audited the financial statements of SAC Holding Corporation, and their subsidiaries, as of and for the year ended March 31, 2001, which were previously audited by other accountants, and to modify certain disclosures contained therein.

This report continues to speak as of the date of the Original Filing, and we have not updated the disclosures in this report to speak as of a later date. All information contained in this report and the Original Filing is subject to

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updating and supplementing as provided in our periodic reports filed with the Securities and Exchange Commission.

The Items of the Original Filing which are amended and restated herein are:

Item 1 of Part I;

Item 7 of Part II;

Item 13 of Part III; and

Item 14 of Part IV

PART I, ITEM 1, BUSINESS:

A. AMERCO AND CONSOLIDATED SUBSIDIARIES, SAC HOLDING CORPORATION AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATION II AND CONSOLIDATED SUBSIDIARIES

AMERCO, a Nevada corporation (AMERCO), is the holding company for U-Haul International, Inc. (U-Haul), Amerco Real Estate Company (Real Estate), Republic Western Insurance Company (RepWest) and Oxford Life Insurance Company (Oxford). Throughout this Form 10-K, unless the context otherwise requires, the term "AMERCO" includes all of its subsidiaries. AMERCO's executive offices are located at 1325 Airmotive Way, Suite 100, Reno, Nevada 89502-3239, and the telephone number is (775) 688-6300. As used in this Form 10-K, all references to a fiscal year refer to AMERCO's fiscal year ended March 31 of that year. RepWest and Oxford are consolidated on the basis of calendar years ended December 31. Accordingly, all references to the years 2001, 2000 and 1999 correspond to AMERCO's fiscal years 2002, 2001 and 2000, respectively. AMERCO has four industry segments represented by Moving and Storage Operations (U-Haul), Real Estate, Property and Casualty Insurance (RepWest) and Life Insurance (Oxford). See Note 21 of Notes to Consolidated Financial Statements in Item 8 for financial information regarding the industry segments.

SAC Holding Corporation and SAC Holding Corporation II, Nevada corporations (collectively, SAC Holdings), are the holding companies for several individual corporations that own self-storage properties managed by AMERCO subsidiaries in the ordinary course of business. AMERCO has made significant loans to SAC Holdings and is entitled to participate in SAC Holdings' excess cash flow (after senior debt service). Substantially all of the equity interest of SAC Holdings is owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. AMERCO does not have an equity ownership interest in SAC Holdings, except for investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. SAC Holdings are not legal subsidiaries of AMERCO. AMERCO is not liable for the debts of SAC

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Holdings and there are no default provisions in AMERCO indebtedness that cross-default to SAC Holdings' obligations. U-Haul currently manages the properties owned by SAC Holdings under management agreements and receives a management fee. SAC Holdings has one business segment -- moving and storage operations.

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The accounts of AMERCO and SAC Holdings are presented as consolidated due to a revised interpretation of EITF 90-15 by AMERCO's independent public accountants. AMERCO agrees with this interpretation. The accompanying consolidated financial statements as of and for the periods ending March 31, 2001 and 2000 have been restated to reflect such consolidation. The following table presents the impact of such consolidation at March 31, 2001:

	March 31, 2001		March 31, 2000	
	As reported(1) (in thousands)	As restated (in thousands)	As reported(1) (in thousands)	As restated (in thousands)
Assets	\$3,384,064	3,638,439	\$3,125,225	3,291,292
Liabilities	\$2,768,698	3,126,175	\$2,539,931	2,758,838
Stockholders' equity	\$ 615,366	512,264	\$ 585,294	532,454
Net income	\$ 12,965	1,012	\$ 65,491	63,184

(1) As reported in the Company's March 31, 2001 form 10-K, filed on July 2, 2001 prior to the consolidation of SAC Holdings described above.

The reduction in stockholders' equity is due to the elimination of gains previously recorded in connection with sales of properties from AMERCO to SAC Holdings. Such gains had been previously recognized as a component of stockholders' equity in the AMERCO financial statements. The reduction in net income is primarily due to the recognition of SAC Holdings' losses for the periods presented.

See Note 21 of Notes to Consolidated Financial Statements in Item 8 for financial information regarding the industry segments.

MOVING AND STORAGE OPERATIONS

Moving and self-storage operations consist of the rental of trucks and trailers, the sale of moving aids such as boxes and the rental of self-storage spaces to the do-it-yourself mover. Operations are conducted using the registered tradename U-Haul(R) throughout the United States and Canada.

REAL ESTATE OPERATIONS

Real Estate owns approximately 90% of AMERCO's real estate assets, including U-Haul Center and Storage locations. The remainder of the real estate assets are owned by various U-Haul entities. Real Estate is responsible for managing all of the properties including the environmental risks of the properties. Real Estate is responsible for the purchase of all properties used by AMERCO or any of its subsidiaries. Real Estate also handles all the dispositions (sale or lease) of unused real estate.

PROPERTY AND CASUALTY INSURANCE

RepWest originates and reinsures property and casualty-type insurance products for various market participants, including independent third parties, U-Haul's customers, independent dealers and AMERCO.

As of December 31, 2001, RepWest has recognized \$2.6 million of assumed incurred losses from the events of September 11, 2001. RepWest's maximum retention level of \$2.0 million has been met and the company will not incur any additional losses.

LIFE INSURANCE

Oxford originates and reinsures annuities, credit life and disability, single premium whole life, group life and disability coverage, and Medicare supplement insurance. Oxford also administers the self-insured employee health and dental plans for AMERCO.

On November 13, 2000, Oxford acquired all of the issued and outstanding shares of Christian Fidelity Life Insurance Company (CFLIC) in an exchange of cash for stock. CFLIC is a Texas-based insurance company specializing in providing supplemental health insurance and is licensed in 31 states. The acquisition was accounted for using the purchase method of accounting and, accordingly, CFLIC's results of operations have been included in the consolidated financial statements since the date of acquisition. Oxford funded the acquisition from available cash and short-term funds.

B. HISTORY

U-Haul was founded in 1945 under the name "U-Haul Trailer Rental Company". From 1945 to 1974, U-Haul rented trailers and, starting in 1959, trucks on a one-way and In-Town(R) basis through independent dealers. Since 1974, U-Haul has developed a network of Company managed rental centers (U-Haul Centers) through which U-Haul rents its trucks and trailers and provides related products and services (e.g., the sale and installation of hitches, as well as the sale of boxes and moving supplies). At March 31, 2002, U-Haul's distribution network included 1,345 Company operated centers and 14,905 independent dealers.

C. MOVING AND STORAGE OPERATIONS

BUSINESS STRATEGIES

The U-Haul business strategy remains focused on do-it-yourself moving and self-storage customers. U-Haul believes that customer access, in terms of truck or trailer availability and proximity of rental locations, is critical to its success. Under the U-Haul name, our strategy is to offer, in an integrated manner over an extensive and geographically diverse network of 16,250 Company operated Centers and independent dealers, a wide range of products and services to do-it-yourself moving and self-storage customers.

MOVING OPERATIONS

U-Haul has a variety of product offerings. Rental trucks are designed with do-it-yourself customers in mind. U-Haul trailers are suited to the low profile of many newly manufactured automobiles. As of March 31, 2002, the U-Haul rental equipment fleet consisted of 97,000 trucks, 87,000 trailers and 21,000 tow dollies. Additionally, U-Haul provides support rental items such as furniture pads, utility dollies and handtrucks.

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Approximately 90% of U-Haul's rental revenue is from do-it-yourself movers. Moving rentals include:

- (i) In-Town(R) rentals, where the equipment is returned to the originating U-Haul location and
- (ii) one-way rentals, where the equipment is returned to a U-Haul location in Another city.

U-Haul's truck and trailer rental business tends to be seasonal, with proportionally more transactions and revenues generated in the spring and summer months than during the balance of the year.

U-Haul sells a wide selection of moving supplies that include boxes, tape and packaging materials. U-Haul Centers also sell and install hitches and towing systems, and sell propane.

U-Haul offers protection packages such as:

- (i) Safemove(R) - which provides moving customers with a damage waiver, cargo protection and medical and life coverage; and,
- (ii) Safestor(R) - which provides self-storage rental customers with various types of protection for their goods in storage.

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Independent dealers receive U-Haul equipment on a consignment basis and are paid a commission on gross revenues generated from their rentals. U-Haul maintains contracts with its independent dealers that may typically be terminated upon 30 days written notice by either party.

U-Haul designs and manufactures its truck van boxes, trailers and various other support rental equipment items. Truck chassis are manufactured by both foreign and domestic truck manufacturers. These chassis receive certain post-delivery modifications and are joined with van boxes at strategically located Company-owned manufacturing and assembly facilities in the United States.

U-Haul services and maintains its trucks and trailers through an extensive preventive-maintenance program, generally performed at Company-owned facilities located at or near U-Haul Centers. Major repairs are performed either by the chassis manufacturers' dealers or by Company-owned repair shops.

COMPETITION

A highly competitive industry exists within the moving truck and trailer rental market. U-Haul believes that the principal competitive factors are convenience of rental locations, availability of quality rental equipment and price. U-Haul's major competitors in the rental market are Budget and Penske.

There are two distinct users of rental trucks: commercial users and do-it-yourself users. U-Haul focuses on the do-it-yourself mover.

SELF-STORAGE BUSINESS

U-Haul entered the self-storage business in 1974 and continues to increase its presence in the industry through the acquisition of existing facilities and new construction. In addition, U-Haul has entered into management agreements to manage self-storage properties owned by others, including SAC

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Holdings. U-Haul has also entered into a strategic and financial partnership with Private Mini Storage Realty, L.P., a Texas-based operator of self-storage properties.

Through 1,023 owned, managed or participating self-storage locations in the United States and Canada, U-Haul offers for rent more than 361,600 self-storage spaces at March 31, 2002. This is an increase of 1,955,688 square feet over the prior year. U-Haul's self-storage facility locations range in sizes up to 152,600 square feet of storage space, with individual storage units in sizes from 15 square feet to 400 square feet.

The primary market for storage rooms is the storage of household goods. With the addition of 18,833 storage rooms during fiscal year 2002, the average occupancy rate of same store facilities operating over one year was 82.85%, with modest seasonal variations. During fiscal years 2002 and 2001, delinquent rentals as a percentage of total storage rentals were approximately 7.7%. U-Haul considers this rate to be satisfactory.

COMPETITION

The primary competition for a U-Haul self-storage location is other storage facilities within a trade area offering a comparable level of convenience to the customer.

EMPLOYEES

As of March 31, 2002, U-Haul's non-seasonal work force consisted of 16,100 full and part-time employees.

D. REAL ESTATE OPERATIONS

REAL ESTATE OPERATIONS

Real Estate has responsibility for actively marketing properties available for sale or lease. Real Estate is also responsible for managing any environmental risks associated with AMERCO's real estate.

ENVIRONMENTAL MATTERS

Compliance with environmental requirements of federal, state and local governments significantly affects Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the water, air and land 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. Under this program, over 3,000 tanks have been removed at a cost of \$43.7 million. See also Item 3. Legal Proceedings.

E. INSURANCE OPERATIONS

BUSINESS STRATEGIES

RepWest's principal business strategy is to provide insurance for commercial and reinsurance markets. RepWest focuses on selected regional and under-served customers through managing general agents, independent agents, brokers and direct sales.

Oxford's business strategy is long-term capital growth through direct writing and reinsuring of annuity, credit life and disability and Medicare supplement products. Oxford is pursuing a growth strategy of increased direct writing via acquisitions of insurance companies, expanded distribution channels

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and product development. The acquisitions of North American Insurance Company and Safe Mate Life Insurance Company in 1997 and Christian Fidelity Life Insurance Company in 2000 represent a significant movement toward this long-term goal. Oxford has significantly expanded product offerings, distribution channels and administrative capabilities through these acquisitions.

INVESTMENTS

RepWest and Oxford investments must comply with the insurance laws of the state of domicile. These laws prescribe the type, quality and concentration of investments that may be made. Moreover, in order to be considered an acceptable reinsurer by cedents and intermediaries, a reinsurer must offer financial security. The quality and liquidity of invested assets are important considerations in determining such security.

The investment philosophies of RepWest and Oxford emphasize protection of principal through the purchase of investment grade fixed-income securities. Approximately 88.0% of RepWest's and 93.2% of Oxford's fixed-income securities consist of investment grade securities (NAIC-2 or greater). The maturity distributions are designed to provide sufficient liquidity to meet future cash needs.

REINSURANCE

RepWest and Oxford assume and cede insurance from and to other insurers and members of various reinsurance pools and associations. Reinsurance arrangements are utilized to provide greater diversification of risk and to minimize exposure to large risks. However, the original insurer retains primary liability to the policyholder should the assuming insurer not be able to meet its obligations under the reinsurance agreements.

REGULATION

RepWest and Oxford are subject to regulation and supervision throughout the United States. The regulation extends to such matters as licensing companies and agents, restricting the types, quality or quantity of investments, regulating capital and surplus and actuarial reserve maintenance, setting solvency standards, filing of annual and other reports on financial position, and regulating trade practices. State laws also regulate transactions and dividends between an insurance company and its parent or affiliates, and generally require prior approval or notification for any change in control of the insurance subsidiary. RepWest's unpaid losses and loss expenses are certified annually by an independent actuarial consulting firm as required by state regulation.

In the past few years, the insurance and reinsurance regulatory framework has been subjected to increased scrutiny by the National Association of Insurance Commissioners (NAIC), federal and state legislatures and insurance regulators. These regulators are considering increased regulations, with an emphasis on insurance company investment and solvency issues. It is not possible to predict the future impact of changing state and federal regulations on the operations of RepWest and Oxford.

RepWest and Oxford are in compliance with NAIC minimum risk-based capitalization requirements for insurance companies as of December 31, 2001.

COMPETITION

The highly competitive insurance industry includes a large number of property and casualty insurance companies and life insurance companies. In addition, the marketplace now includes financial service 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. RepWest and Oxford compete in the insurance business based upon price, product design and services rendered to producers and policyholders.

EMPLOYEES

RepWest's non-seasonal work force consists of 397 full and part-time employees.

Oxford's non-seasonal work force consists of 159 full and part-time employees.

LIFE INSURANCE

Oxford offers annuities, credit life and disability, critical illness insurance, single premium whole life, group life and disability coverage, and Medicare supplement insurance. Oxford also administers the self-insured group health and dental plans for AMERCO. Reinsurance arrangements are entered into with unaffiliated reinsurers.

PROPERTY AND CASUALTY

RepWest's business activities consist of three basic areas: U-Haul, direct and assumed reinsurance underwriting. U-Haul underwritings include coverage for U-Haul customers, independent dealers, fleet owners and employees of AMERCO. For the year ended December 31, 2001, approximately 19.6% of RepWest's written premiums resulted from U-Haul underwriting activities. RepWest's direct underwriting is done through Company-employed underwriters and selected general agents. The products provided include liability coverage for rental vehicle lessees, storage rental properties, coverage for commercial multiple peril, commercial auto, mobile homes and excess workers' compensation. RepWest's assumed reinsurance underwriting is done via broker markets. In an effort to decrease risk, RepWest has entered into various catastrophe cover policies to limit its exposure.

The liability for reported and unreported losses is based on both RepWest's historical and industry averages. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expenses paid to losses paid. The liability for unpaid losses and loss adjustment expenses is based on estimates of the amount necessary to settle all claims as of the statement date. Both reported and unreported losses are included in the liability. RepWest updates the liability estimate as additional facts regarding claim costs become available. These estimates are subject to uncertainty and variation due to numerous factors. In estimating reserves, no attempt is made to isolate inflation from the combined effect of other factors including inflation. Unpaid losses and loss adjustment expense are not discounted.

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

	2001	2000	1999

	(in thousands)		
Balance at January 1	\$ 369,292	334,857	344,748
Less reinsurance recoverable	80,599	58,403	68,135

Net balance at January 1	288,693	276,454	276,613

Incurred related to:			
Current year	232,984	155,073	121,861

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Prior years	36,132	35,387	16,052
Total incurred	269,116	190,460	137,913
Paid related to:			
Current year	106,395	61,196	55,136
Prior years	130,471	117,025	82,936
Total paid	236,866	178,221	138,072
Net balance at December 31	320,943	288,693	276,454
Plus reinsurance recoverable	128,041	80,599	58,403
Balance at December 31	\$ 448,984	369,292	334,857

As a result of changes in estimates of insured events in prior years, the provision for unpaid losses and loss adjustment expenses (net of reinsurance recoveries of \$53.1 million) increased by \$36.1 million in 2001.

The following table illustrates the change in unpaid loss and loss adjustment expenses. First line - reserves as originally reported at the end of the stated year. Second section, reading down, - cumulative amounts paid as of the end of successive years with respect to that reserve. Third section, reading down, - revised estimates of the original recorded reserve as of the end of successive years. Last section - compares the latest revised estimated reserve amount to the reserve amount as originally established. This last section is cumulative and should not be summed.

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Unpaid Loss and Loss Adjustment Expenses

	December 31							
	1991	1992	1993	1994	1995	1996	1997	1998
	(in thousands)							
Unpaid Loss and Loss Adjustment Expenses:	\$236,019	238,762	314,482	329,741	341,981	332,674	384,816	344,748
Paid (Cumulative) as of:								
One year later	65,532	83,923	70,382	86,796	89,041	89,336	103,752	82,936
Two years later	105,432	123,310	115,467	139,247	150,001	161,613	174,867	164,318
Three years later	126,390	153,030	146,640	173,787	195,855	208,168	216,966	218,819
Four years later	143,433	173,841	166,068	198,434	226,815	232,726	246,819	
Five years later	153,730	181,677	181,174	219,425	243,855	250,312		
Six years later	160,875	191,938	194,652	231,447	254,204			
Seven years later	168,975	200,281	203,535	237,118				
Eight years later	175,364	207,719	207,834					
Nine years later	182,235	211,075						
Ten years later	184,822							
Reserve Reestimated								

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as of:									
One year later	231,779	251,450	321,058	338,033	353,508	354,776	357,733	339,602	
Two years later	224,783	254,532	323,368	340,732	369,852	342,164	361,306	371,431	
Three years later	223,403	253,844	309,936	349,459	328,445	346,578	369,598	407,285	
Four years later	214,854	231,536	317,687	302,808	331,897	349,810	397,046		
Five years later	198,320	239,888	267,005	300,180	339,665	362,049			
Six years later	210,872	263,843	262,517	307,306	341,207				
Seven years later	231,407	259,798	267,948	310,005					
Eight years later	227,603	265,285	269,874						
Nine years later	230,851	265,423							
Ten years later	229,325								

Cumulative Redundancy (Deficiency)	\$ 6,694	(26,661)	44,608	19,736	774	(29,375)	(12,230)	(62,537)
Retro Premium Recoverable	\$ 3,175	(66)	6,983	6,632	11,147	12,754	12,390	21,488
Reestimated Reserve: Amount (Cumulative)	\$ 9,869	(26,727)	51,591	26,368	11,921	(16,621)	160	(41,049)

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PART II, ITEM 7, MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. Additional written or oral forward-looking statements may be made by AMERCO from time to time in filings with the Securities and Exchange Commission or otherwise. Management believes such forward-looking statements are within the meaning of the safe-harbor provisions. Such statements may include, but are not limited to, projections of revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services and financing needs or plans, as well as assumptions relating to the foregoing. The words "believe", "expect", "anticipate", "estimate", "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements. Some of the important factors that could cause our actual results, performance or financial condition to differ materially from our expectations are: fluctuations in our costs to maintain and update our fleet and facilities; changes in government regulations, particularly environmental regulations; our credit ratings; changes in demand for our products; changes in the general domestic economy; degree and nature of our competition; changes in accounting standards and other factors described in this report or the other documents we file with the Securities and Exchange Commission. The above factors, the following disclosures, as well as other statements in this report and in the Notes to AMERCO's Consolidated Financial Statements, could contribute to or cause such differences, or could cause AMERCO's stock price to fluctuate dramatically.

GENERAL

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Information on fiscal year, industry segments and AMERCO and SAC Holdings is incorporated by reference to "Item 8. Financial Statements and Supplementary Data - Notes 1, 20, and 21 of Notes to Consolidated Financial Statements". The notes discuss the principles of consolidation, summarized consolidated financial information and industry segment and geographic area data. In consolidation, all intersegment premiums are eliminated and the benefits, losses and expenses are retained by the insurance companies.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, estimates are revalued, including those related to areas that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. These areas include allowances for doubtful accounts, revenue earning vehicles and buildings, self-insured liabilities, income taxes and commitments and contingencies. The estimates are based on historical experience, observance of trends in particular areas, information and/or 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.

Accounting policies are considered critical when they are significant and involve difficult, subjective or complex judgments or estimates. Of the accounting policies discussed in "Item 8. Financial Statements and Supplementary Data - Note 1 of Notes to Consolidated Financial Statements", the following are considered to be critical accounting policies:

Principles of consolidation -- The consolidated financial statements include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holdings and their subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. AMERCO has made significant loans to SAC Holdings and is entitled to participate in SAC Holdings' excess cash flow (after senior debt service). Substantially all of the equity interest of SAC Holdings is owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. AMERCO does not have an equity ownership interest in SAC Holdings, except for investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. SAC Holdings are not legal subsidiaries of AMERCO. AMERCO is not liable for the debts of SAC Holdings and there are no default provisions in AMERCO indebtedness that cross-default to SAC Holdings' obligations.

Revenue earning vehicles and buildings - Depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal (i.e. no gains or losses). In determining the depreciation rate, historical disposal experience and holding periods, and trends in the market for

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vehicles are reviewed. Due to longer holding periods on trucks and the resulting increased possibility of changes in the economic environment and market conditions, these estimates are subject to a greater degree of risk.

Long-lived assets and intangible assets - The carrying value is reviewed whenever events or circumstances indicate the carrying values may not be recoverable through projected undiscounted future cash flows. The events could include significant underperformance relative to expected, historical or projected future operating results, significant changes in the manner of using the assets, overall business strategy, significant negative industry or economic trends and an unexpected non-compliance with significant debt agreements.

Investments - In determining if and when a decline in market value below amortized cost is other than temporary, quoted market prices, dealer quotes or discounted cash flows are reviewed. Permanent declines in value are recognized in the current period operating results to the extent of the decline.

Insurance Revenue and Expense Recognition - Premiums are recognized as revenue when due. Benefits and expenses are matched with recognized premiums to result in recognition over the life of the contracts. This match is accomplished by recording a provision for future policy benefits and unpaid claims and claim adjustment expenses and by amortizing deferred policy acquisition costs. Charges related to services to be performed are deferred until earned. The amounts received in excess of premiums and fees are included in other policyholder funds in the consolidated balance sheets.

Unearned premiums represent the portion of premiums written which relates to the unexpired term of policies. Liabilities for health and disability and other policy claims and benefits payable represent estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred but not yet reported. These estimates are based on past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. Due to the nature of underlying risks and the high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle liabilities cannot be precisely determined and may vary significantly from the estimated liability.

Acquisition costs related to insurance contracts have been deferred to accomplish matching against future premium revenue. The costs are charged to current earnings to the extent it is determined that future premiums are not adequate to cover amounts deferred.

DISCLOSURES ABOUT CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Contractual Obligations	Total	Payments due by Period			
		Less than 1 year	1-3 years	4-5 years	After 5 years
AMERCO's notes and loans payable	\$1,045,802	240,642	600,180	30,125	174,855
SAC Holdings' notes and loans payable including lease financings	\$ 557,761	137,313	128,185	13,040	279,223
Leases obligations	\$ 464,296	152,816	115,090	162,176	34,214

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Total Contractual Obligations	\$2,067,859	530,771	843,455	205,341	488,292
	=====				

LIQUIDITY AND CAPITAL RESOURCES

AMERCO'S MOVING AND STORAGE OPERATIONS

To meet the needs of its customers, U-Haul must maintain a large inventory of fixed asset rental items. In fiscal year 2002, capital expenditures were \$275.8 million, as compared to \$448.2 million and \$476.8 million in fiscal years 2001 and 2000, respectively. These expenditures primarily reflect the renewal of the rental truck fleet. The capital required to fund these acquisitions was obtained through internally generated funds from operations and lease financings.

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During each of the fiscal years ending March 31, 2003, 2004 and 2005, U-Haul estimates gross capital expenditures will average approximately \$289.0 million primarily reflecting rental fleet rotation. This level of capital expenditures, combined with a potential range of \$150-\$205 million in annual long-term debt maturities, are expected to create annual average funding needs of approximately \$466.0 million. Management estimates that U-Haul will fund these requirements with leases, internally generated funds, including the proceeds from the disposition of older trucks and other asset sales, and to a lesser extent refinance of a portion of existing indebtedness. The sale of assets is dependent upon economic conditions, the amount and nature of sale-leaseback transactions, and AMERCO's fleet rotation program. Operating leases on rental equipment were the result of sale-lease back transactions, whereby as part of the agreement residual value guarantees were provided. AMERCO believes the market value of the trucks upon the lease maturity will be greater than the residual value guarantees. In many cases, a decline in asset sales is accompanied by a decrease in capital expenditures. Depending on the results of our operations and general economic and competitive conditions, many of which we cannot control, we may take certain actions, including delaying or reducing capital expenditures.

Real Estate has sold storage properties, from time to time, to SAC Holdings. These sales have in the past provided significant cash flows to AMERCO. The ability of Real Estate to engage in similar transactions in the future is dependent to a large degree on the ability of SAC Holdings to obtain third-party financing for its acquisitions of properties from Real Estate and in general, its willingness to engage in such transactions. Also, Real Estate continues to sell surplus properties to third parties primarily for cash at current levels.

At March 31, 2002, total outstanding notes and mortgages payable for AMERCO and consolidated subsidiaries was \$1,045.8 million compared to \$1,170.0 million at March 31, 2001. On June 28, 2002, AMERCO entered into an agreement replacing an existing revolver agreement with a 3 year revolver for \$205.0 million.

At March 31, 2002, total outstanding notes and mortgages payable for SAC Holdings and consolidated subsidiaries, before intercompany eliminations of \$399.6 million was \$957.4 million compared to \$504.2 million at March 31, 2001. SAC Holdings' creditors have no recourse to AMERCO. AMERCO is not liable for the debts of SAC Holdings. Further, there are no cross default provisions on

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indebtedness between AMERCO and SAC Holdings. Lease financing included in the above totals approximated \$117.1 million and \$114.0 million at March 31, 2002 and March 31, 2001, respectively.

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The accounts of AMERCO and SAC Holdings are presented as consolidated due to a revised interpretation of EITF 90-15 as applied to us by our former independent accountants during the fiscal year ended March 31, 2002. The presentation of the consolidated statements has no bearing on the credit agreements or the operations of either AMERCO or SAC Holdings.

CREDIT AGREEMENTS

AMERCO's operations are funded by various credit and financing arrangements, including unsecured long-term borrowings, unsecured medium-term notes and revolving lines of credit with domestic and foreign banks. To finance its fleet of trucks and trailers, U-Haul routinely enters into sale and leaseback transactions. As of March 31, 2002, AMERCO had \$1,045.8 million in total notes and loans outstanding. We believe there are enough leasing companies, banks and other forms of financing to meet our needs.

Certain of AMERCO's credit agreements contain restrictive financial and other covenants, including, among others, covenants with respect to incurring additional indebtedness, making third party guarantees, entering into contingent obligations, maintaining certain financial ratios and placing certain additional liens on its properties and assets and restricting the issuance of certain types of preferred stock. At March 31, 2002, AMERCO was in compliance with these covenants. AMERCO's various credit and financing arrangements are affected by its credit ratings such that if AMERCO experiences a credit downgrade, the interest rates that it is charged might be increased, which would result in an increase in AMERCO's interest expense and hinder its ability to obtain additional financing on terms acceptable to it, if at all.

On June 28, 2002, AMERCO entered into an agreement replacing an existing five year \$400.0 million revolving credit agreement with a three-year \$205.0 million revolving credit facility. The agreement, as amended, requires that the Company obtain incremental net cash proceeds and/or availability from additional financings in an aggregate amount of at least \$150.0 million prior to October 8, 2002. Such proceeds or availability may be in the form of structured asset sales, additional loan agreements (including increases in commitments under the revolving credit facility), issuances of bonds or other financings.

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SAC HOLDINGS

SAC Holdings intends to meet its current debt obligations through cash flows, generated from its operating activities. SAC Holdings intends to continue to purchase storage properties during the next year using financing arrangements.

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Reference is made to Note 5 of Notes to Consolidated Financial Statements.

CONSOLIDATED NET CASH PROVIDED BY OPERATING ACTIVITIES

Net cash provided by operating activities was \$130.5 million, \$280.5 million and \$224.1 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follows:

AMERCO MOVING AND STORAGE OPERATIONS

Cash provided by operating activities was \$185.3 million, \$39.7 million and \$147.5 million in fiscal years 2002, 2001 and 2000, respectively. The increase in the current year is due to an increase in earnings and an increase in intercompany payable with Real Estate operations. The decrease from fiscal year 2000 to fiscal year 2001 is mainly due to a decrease in intercompany payable.

REAL ESTATE OPERATIONS

Cash provided (used) by operating activities was \$(227.9) million, \$50.5 million and \$24.8 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal year 2002 is due to a decrease in the intercompany payable with AMERCO Moving and Storage operations. The increase in fiscal year 2001 is due to an increase in intercompany payable. This is due to dividends paid related to the sale of property.

PROPERTY AND CASUALTY

Cash provided (used) by operating activities was \$(54.9) million, \$21.1 million and \$(11.1) million for the years ended December 31, 2001, 2000 and 1999, respectively. The 2000 to 2001 change resulted from decreased unearned premiums, increased premium receivables and intercompany due from affiliates, and an increase in federal income tax recoverable. The 1999 to 2000 change resulted from increased premium collections and funds withheld, offset by increased loss and loss adjustment expense payments and policy acquisition costs associated with new business production.

RepWest's cash and cash equivalents and short-term investment portfolio were \$18.3 million, \$17.0 million and \$6.0 million at December 31, 2001, 2000 and 1999, respectively. This balance reflects funds in transition from maturity proceeds to long-term investments. This level of liquid assets, combined with anticipated operating cash flow, is adequate to meet periodic needs. Capital and operating budgets allow RepWest to schedule cash needs in accordance with investment and underwriting proceeds.

During fiscal 2002, RepWest realized a write-down of investments due to other than temporary declines approximating \$4.3 million.

LIFE INSURANCE

Cash provided (used) by operating activities was \$(3.1) million, \$3.7 million and \$22.2 million for the years ended December 31, 2001, 2000 and 1999, respectively. The decrease in cash flows from operating activities in 2000 relates to paid loss experience. Cash flows provided by financing activities were \$58.1 million, \$13.9 million and \$3.2 million for the years ended December 31, 2001, 2000 and 1999, respectively. Cash flows from deferred annuity sales increase investment contract deposits, which are a component of financing activities, as well as the purchase of fixed maturities, which is a component of investing activities. The increase in investment contract deposits in 2001 over 2000 is due to growth in new deposits offset by withdrawals and terminations of existing deposits.

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Oxford's primary sources of cash are premiums, receipts from interest-sensitive products and investment income. The primary uses of cash are operating costs and benefit payments to policyholders. Matching the investment portfolio to the cash flow demands of the types of insurance being written is an important consideration. Benefit and claim statistics are continually monitored to provide projections of future cash requirements.

In addition to cash flows from operating and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. Short-term investments amounted to \$53.5 million, \$45.0 million and \$30.7 million at December 31,

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2001, 2000 and 1999, respectively. Oxford believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

During fiscal 2002, Oxford realized a write-down of investments due to other than temporary declines approximating \$2.3 million.

SAC HOLDINGS

Cash provided by operating activities was \$6.7 million, \$2.8 million and \$0.7 million in fiscal years 2002, 2001 and 2000, respectively.

At March 31, 2002, total outstanding notes and mortgages payable before intercompany eliminations of \$399.6 million were \$957.4 million compared to \$504.2 million at March 31, 2001.

CONSOLIDATED STOCKHOLDERS' EQUITY

Consolidated stockholders' equity was \$499.1 million, \$512.3 million and \$532.5 million as of March 31, 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

U-Haul's stockholders' equity was \$538.9 million, \$495.7 million and \$420.7 million as of March 31, 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is mainly the result of increased additional paid in capital due to the sale of property to a related party. Such amounts are eliminated in consolidation. The increase in fiscal year 2001 was due to earnings.

REAL ESTATE OPERATIONS

Real Estate stockholders' equity was \$198.4 million, \$89.1 million and \$96.1 million as of March 31, 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is due to the sale of storage properties. The decrease in fiscal year 2001 relates to the payment of a dividend to U-Haul partially offset by increased earnings.

PROPERTY AND CASUALTY

RepWest maintains a diversified securities investment portfolio, primarily in bonds at varying maturity levels with 88.0% of the fixed-income securities consisting of investment grade securities. The maturity distribution is designed to provide sufficient liquidity to meet future cash needs. Liquidity remains strong, with invested assets equal to 75.3% of total liabilities.

The liability for reported and unreported losses are based upon both RepWest's historical and industry averages. Unpaid loss adjustment expenses are

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based on historical ratios of loss adjustment expenses paid to losses paid. Unpaid loss and loss expenses are not discounted.

RepWest's stockholder's equity was \$214.0 million, \$192.1 million and \$208.5 million at December 31, 2001, 2000 and 1999, respectively. The increase from 2000 to 2001 was the result of a \$60.2 million capital contribution from the RepWest's parent AMERCO, offset by operating losses in 2001. The decrease from 1999 to 2000 is a result of operating losses and a change in market value for the available for sale investment portfolio. RepWest considers current stockholder's equity to be adequate to support future growth and absorb unforeseen risk events. RepWest does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions. RepWest did not pay dividends to its parent during 2001, 2000 or 1999.

LIFE INSURANCE

Oxford's stockholder's equity was \$128.8 million, \$99.8 million and \$88.1 million as of December 31, 2001, 2000 and 1999, respectively. The increase from 2000 to 2001 is a result of earnings and changes in market value for the available for sale investment portfolio and a \$15.4 million contribution from AMERCO. Oxford did not pay dividends to its parent during 2001, 2000 or 1999.

SAC HOLDINGS

SAC Holdings' stockholders' deficit was \$(19.5) million, \$(31.7) million and \$(11.5) million as of March 31, 2002, 2001 and 2000, respectively. Stockholder's deficit for fiscal 2002 decreased due to a \$27.0 million contribution of stock by the owner recorded to additional paid-in capital, offset by a net loss of \$14.8 million.

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INSURANCE OPERATIONS

Applicable laws and regulations of the State of Arizona require RepWest and Oxford to maintain minimum capital determined in accordance with statutory accounting practices. Such amount is \$1.0 million and \$0.4 million, for RepWest and Oxford, respectively. In addition, the amount of dividends that can be paid to stockholders by insurance companies domiciled in the State of Arizona is limited. Any dividend in excess of the limit requires prior regulatory approval. Statutory surplus which can be distributed as dividends without regulatory approval is \$15.2 million and \$0.1 million for RepWest and Oxford, respectively at December 31, 2001. These restrictions are not expected to have a material adverse effect on the ability of the Company to meet its cash obligations. Oxford issued a surplus note to AMERCO on December 31, 1998 for \$10.0 million. Approval by the Arizona Department of Insurance is required prior to payment of principal and interest.

The Regulatory authorities impose minimum risk-based capital ("RBC") requirements that were developed by the NAIC, on insurance enterprises. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on perceived degree of risk. Regulatory compliance is determined by a ratio of the enterprise's regulatory total adjusted capital, as defined by the NAIC, to its authorized control level RBC, as defined by the NAIC. Enterprises below specific trigger points or ratios are classified within certain levels, each of which requires specified corrective action. The RBC measures of the Company, NAI and CFLIC as of December 31, 2001 were all above the minimum standards.

RESULTS OF OPERATIONS - CONSOLIDATED

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CONSOLIDATED RENTAL REVENUE

Rental revenue, net of commission expense was \$1,344.0 million, \$1,285.5 million, and \$1,208.8 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Rental revenue was \$1,243.4 million, \$1,202.4 million and \$1,148.2 million fiscal years 2002, 2001 and 2000, respectively. The increase from fiscal year 2001 to fiscal year 2002 is due to an increase in one-way transactions with an improved average dollar per transaction on one-way rentals as well as growth in transactions in trailer rentals and support rental items. The increase from fiscal year 2000 to fiscal year 2001 was primarily due to the growth in truck rental revenues, which benefited from transactional growth and reflects higher average revenue per transaction.

REAL ESTATE OPERATIONS

Rental revenue, before intercompany eliminations, were \$78.7 million, \$71.9 million and \$73.4 million in fiscal years 2002, 2001 and 2000, respectively. Intercompany rental revenue was \$75.0 million, \$71.1 million and \$71.0 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal year 2002 is related to the sale of properties to a related party while rental revenue was consistent between fiscal year 2000 and fiscal year 2001.

SAC HOLDINGS

Rental revenue was \$111.1 million, \$88.6 million and \$64.9 million in fiscal years 2002, 2001 and 2000, respectively. Increased facility capacity through the acquisition of new locations and increased storage rates accounted for the increase. The occupancy of existing storage locations has remained stable.

CONSOLIDATED NET SALES

Net sales revenues were \$222.8 million, \$212.2 million and \$201.4 million in fiscal years 2002, 2001 and 2000, respectively. Revenue growth from the sale of moving support items (i.e. boxes, etc.) and propane resulted in the increase for each year.

AMERCO'S MOVING AND STORAGE OPERATIONS

Net sales revenues were \$198.3 million, \$194.3 million and \$188.8 million in fiscal years 2002, 2001 and 2000, respectively. Revenue growth from the sale of moving support items (i.e. boxes, etc.) and propane resulted in the increase for each year.

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SAC HOLDINGS

Net sales revenues were \$24.4 million, \$17.9 million and \$12.5 million in fiscal years 2002, 2001 and 2000, respectively. Revenue growth was due to the addition of new locations.

CONSOLIDATED PREMIUMS

Premium revenues, after intercompany eliminations, were \$433.6 million, \$323.2 million and \$262.1 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

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PROPERTY AND CASUALTY

Premium revenues, before intercompany eliminations, were \$274.0 million, \$218.1 million and \$173.8 million for the years ended December 31, 2001, 2000 and 1999, respectively. General agency premiums were \$107.4 million, \$64.3 million and \$17.8 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase from 2000 to 2001 was the result of trucking, commercial lines business, and the non-standard auto program. Assumed treaty reinsurance premiums were \$73.0 million, \$83.2 million and \$80.7 million for the years ended December 31, 2001, 2000 and 1999, respectively. Rental industry revenues were \$59.6 million, \$43.3 million and \$50.3 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase from 2000 was the result of an increase in premiums of a retrospectively rated policy on the U-Haul industry liability policy.

LIFE INSURANCE

Premium revenues, before intercompany eliminations, were \$160.1 million, \$112.6 million and \$96.4 million for the years ended December 31, 2001, 2000 and 1999, respectively. Oxford increased Medicare supplement premiums through direct writings and the acquisition of Christian Fidelity Life Insurance Company (CFLIC); these actions increased premiums by \$49.6 million from 2000 and \$61.8 million from 1999. Premiums from Oxford's life insurance lines increased \$1.2 million from 2000 and decreased \$0.4 million from 1999 due to production fluctuations from year to year. In the area of credit insurance, Oxford had cancelled accounts in specific states and has experienced an industry-wide reduction in new premium production. These factors contributed to a \$3.7 million decrease in premium from 2000 and a \$0.4 million decrease from 1999. Annuitizations decreased by \$1.9 million from 2000 and \$0.8 million from 1999. Other health insurance premiums increased \$2.3 million from 2000 and \$3.5 million from 1999 due to a higher reinsurance retention level.

CONSOLIDATED NET INVESTMENT AND INTEREST INCOME

Net investment and interest income was \$58.1 million, \$61.5 million and \$61.0 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO MOVING AND STORAGE OPERATIONS

Interest income, before consolidating entries, was \$24.2 million, \$27.9 million and \$19.5 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal year 2002 is mainly related to decrease average investment balance. The increase in interest during fiscal year 2001 reflects higher average storage note receivable balances.

REAL ESTATE OPERATIONS

Net investment and interest income was \$8.7 million, \$11.0 million and \$7.0 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal 2002 is related to increased investments. The increase in fiscal 2001 is due to interest income received on notes receivable.

PROPERTY AND CASUALTY

Net investment income was \$27.6 million, \$29.1 million and \$33.0 million for the years ended December 31, 2001, 2000 and 1999, respectively. The reductions are attributable to lower invested asset balance, lower interest rates, as well as the write down of \$4.1 million of fixed maturity investments

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during 2001.

LIFE INSURANCE

Net investment income was \$27.0 million, \$22.2 million and \$21.5 million for the years ended December 31, 2001, 2000 and 1999, respectively. This increase is due to a larger invested asset base in 2001 and net realized capital gains in 2001.

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CONSOLIDATED OPERATING EXPENSES

Operating expenses were \$1,109.4 million, \$1,047.2 million and \$949.3 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Operating expenses, before intercompany eliminations, were \$1,001.8 million, \$986.5 million and \$931.1 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is due to increased personnel costs and higher repair expense. The increased expense in fiscal year 2001 is due to increased personnel costs, higher repair expense, a substantial lawsuit settlement and other administrative costs. Also, the addition of storage rooms will initially cause an increase in operating expenses without corresponding increases in earnings until the properties reach a stabilized level of occupancy.

REAL ESTATE OPERATIONS

Operating expenses, before intercompany eliminations, were \$6.0 million, \$0.4 million and \$4.0 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is due to an increase in the maintenance costs, including insurance and property taxes. Real Estate benefited from a reduction in intercompany management fees charged by an affiliated segment company during fiscal year 2001 compared to the prior two years.

PROPERTY AND CASUALTY

Operating expenses, before intercompany eliminations, were \$78.7 million, \$56.7 million and \$35.0 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase is due to a change in estimate on an aggregate stop loss treaty in which RepWest had originally recorded the treaty as if it would be commuted. Estimates in 2001 have changed and the treaty will not be commuted. The original amount was a reduction to commissions of \$17.7 million of which RepWest had to recognize back through commissions in 2001. Commission expenses were \$51.2 million, \$33.1 million and \$19.1 million for the years ended December 2001, 2000 and 1999, respectively. Lease expenses were \$1.7 million, \$2.1 million and \$1.9 million for the years ended December 2001, 2000 and 1999, respectively. All other underwriting expenses consisted of \$22.8 million, \$21.4 million and \$13.9 million for the years ended December 2001, 2000 and 1999, respectively.

LIFE INSURANCE

Operating expenses, before intercompany eliminations, were \$37.0 million, \$29.0 million and \$23.1 million for the years ended December 31, 2001, 2000 and 1999, respectively. Commissions have increased \$3.9 million and \$11.2 million from 2000 and 1999, respectively, primarily due to the increases in

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Medicare supplement premiums. General and administrative expenses net of fees collected increased \$4.1 million and \$2.8 million from 2000 and 1999, respectively. Increases due to the acquisition of CFLIC were \$3.3 million and \$3.9 million from 2000 and 1999, respectively. The remaining increases are due to increases in the volume of business and the expenses associated with the administration.

SAC HOLDINGS

Operating expenses, before intercompany eliminations, were \$62.2 million, \$51.5 million and \$34.2 million in fiscal years 2002, 2001 and 2000, respectively. Reimbursed personnel expenses, liability insurance, property taxes and utility expenses all increased proportionately in relation to the increased revenues from the acquisition of new locations.

CONSOLIDATED COST OF SALES

Cost of sales was \$122.9 million, \$126.6 million and \$115.4 million in fiscal years 2002, 2001 and 2000, respectively. Increased material costs and a higher sales volume related to moving support items contributed to the increases in both fiscal years 2002 and 2001.

AMERCO'S MOVING AND STORAGE

Cost of sales was \$111.6 million, \$116.7 million and \$110.6 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal year 2002 is due to the lower costs associated with the sale of propane and other materials. The increase in fiscal year 2001 is due to increased material costs and a higher sales volume related to moving support items.

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SAC HOLDINGS

Cost of sales was \$11.3 million, \$9.9 million and \$4.8 million in fiscal years 2002, 2001 and 2000, respectively. Increased material costs and a higher sales volume related to moving support items contributed to the increases in both fiscal years 2002 and 2001.

CONSOLIDATED BENEFITS AND LOSSES

Benefits and losses were \$389.5 million, \$283.4 million and \$209.6 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

PROPERTY AND CASUALTY

Benefits and losses incurred were \$269.1 million, \$204.1 million and \$150.5 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase from 2000 to 2001 resulted from increased earned premium in three general agency programs and continued reserve strengthening in assumed reinsurance treaty segment. The increase from 1999 to 2000 resulted from two new general agency programs, and reserve strengthening in existing rental industry, assumed treaty reinsurance, and general agency programs.

LIFE INSURANCE

Benefits incurred were \$120.4 million, \$79.2 million and \$59.0 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase is primarily due to Medicare supplement benefits incurred, which accounts for \$38.8 million and \$55.5 million of benefit increases from 2000 and 1999,

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respectively. These increases are due to the acquisition of CFLIC and poor experience on legacy blocks, which are no longer actively marketed. Credit insurance benefits increased \$0.8 million and \$2.9 million from 2000 and 1999, respectively, due to increased mortality and morbidity experience. Benefits from other health lines increased \$3.1 million and \$5.6 million from 2000 and 1999, respectively, as retained volume increased and loss experience worsened. These lines have been terminated. Annuity and life benefits decreased \$1.5 million and \$2.6 million from 2000 and 1999, respectively, due to fluctuations in life insurance production and annuitizations of annuity contracts.

CONSOLIDATED AMORTIZATION OF DEFERRED ACQUISITION COSTS AND OTHER

Amortization of deferred acquisition costs (DAC) and the value of business acquired (VOBA) was \$40.7 million, \$35.9 million and \$35.0 million in fiscal years 2002, 2001 and 2000, respectively. DAC consists of commissions and other policy acquisition costs, which vary with, and are primarily related to, the production of new business. The prior year end commissions and other related expenses are recognized ratably over the remainder of the policy year. Details by material segment follow:

PROPERTY AND CASUALTY

Amortization expense was \$22.1 million, \$16.3 million and \$13.4 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase from 2000 to 2001 is due to the amortization of higher commissions deferred in the 2000 year. The increase from 1999 to 2000 is mainly due to the amortization of Assumed Treaty expenses that were deferred in the 2000 year.

LIFE INSURANCE

The VOBA asset relates to the future profits of insurance policies in force at the date of the North American Insurance and CFLIC acquisitions. Amortization of DAC and VOBA was \$18.6 million, \$19.6 million and \$21.6 million for the years ended December 31, 2001, 2000 and 1999, respectively. These costs are amortized as the premium is earned over the term of the policy. Amortization decreased \$1.0 million and \$3.0 million from 2000 and 1999, respectively, due to the annuity and credit segments.

CONSOLIDATED LEASE EXPENSE

Lease expense was \$175.5 million, \$173.1 million and \$131.0 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Lease expense before intercompany elimination was \$170.8 million, \$166.2 million and \$132.4 million in fiscal years 2002, 2001 and 2000, respectively. The increase in 2002 is due property leases, with a decrease in rental equipment lease expense.

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REAL ESTATE OPERATIONS

Lease expense before intercompany eliminations, for real estate operations was \$11.2 million, \$11.6 million and \$3.0 million for the fiscal years 2002, 2001 and 2000, respectively. The lease expense in fiscal year 2002 was virtually unchanged over the fiscal year 2001. The continued increase in fiscal year 2001 over 2000 reflects payments under an operating lease facility with a number of financial institutions.

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CONSOLIDATED DEPRECIATION EXPENSE, NET

Depreciation expense, net was \$108.7 million, \$101.5 million and \$96.1 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Depreciation expense, net was \$97.3 million, \$82.7 million and \$79.0 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal years 2002 and 2001 reflects an increase in depreciation expense on the rental truck fleet.

REAL ESTATE OPERATIONS

Depreciation expense, net was \$(2.0) million, \$5.3 million and \$8.6 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal years 2002 reflects an increase in gains from the disposition of property, plant and equipment. The decrease in fiscal year 2001 reflects an increase in gains from the disposition of property, plant and equipment and a decrease in depreciation on buildings and non-rental equipment.

SAC HOLDINGS

Depreciation expense, net was \$14.2 million, \$11.7 million and \$7.9 million in fiscal years 2002, 2001 and 2000, respectively. The increase is attributed to the acquisition of new locations.

CONSOLIDATED EARNINGS FROM OPERATIONS

Earnings from operations were \$111.8 million, \$114.8 million and \$196.9 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Earnings from operations, before intercompany eliminations, were \$69.5 million, \$54.5 million and \$96.0 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is due to increased revenue from rental operations offset by the slight increase in operating expenses and a decrease in lease expense. The decrease in fiscal year 2001 is due to increased transactions, offset by increased operating and lease expenses.

REAL ESTATE OPERATIONS

Earnings from operations, before intercompany eliminations, were \$72.3 million, \$65.8 million and \$64.7 million in fiscal years 2002, 2001 and 2000, respectively. The increase in fiscal year 2002 is mainly related to higher net investment interest income. A decrease in intercompany management fees charged contributed to the earnings increase for fiscal year 2001.

PROPERTY AND CASUALTY

Earnings (loss) from operations were \$(68.2) million, \$(29.9) million and \$7.9 million for the years ended December 31, 2001, 2000 and 1999, respectively. The decrease in 2001 was due to the increase in commissions due to the commutation write-off, reserve strengthening, and development in older years on the assumed treaty reinsurance business. The 1999 to 2000 decrease was due to reserve strengthening and losses on two new general agency programs as well as

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the write downs of fixed maturity investments whose declines in value were determined to be other than temporary.

LIFE INSURANCE

Earnings from operations were \$11.1 million, \$6.9 million and \$14.2 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase from 2000 is due primarily to improved net investment income, while the decrease from 1999 is primarily due to poor experience in the Other Health and Credit insurance lines.

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SAC HOLDING

Earnings from operations were \$47.8 million, \$33.4 million and \$30.5 million for the years ended March 31, 2002, 2001 and 2000, respectively. The increase is due to the addition of storage locations.

CONSOLIDATED INTEREST EXPENSE

Interest expense was \$106.8 million, \$109.0 million and \$97.2 million in fiscal years 2002, 2001 and 2000, respectively. Details by material segment follow:

AMERCO'S MOVING AND STORAGE OPERATIONS

Interest expense was \$76.1 million, \$87.8 million and \$81.5 million in fiscal years 2002, 2001 and 2000, respectively. The decrease in fiscal year 2002 can be attributed to interest rate reductions. The increase in fiscal year 2001 over fiscal year 2000 can be attributed to an increase in the average cost of debt.

SAC HOLDING

Interest expense before intercompany elimination was \$61.1 million, \$51.3 million and \$36.8 million in fiscal years 2002, 2001 and 2000, respectively. The average debt level outstanding continued to increase due to the acquisition of storage properties in fiscal year 2002 compared to fiscal years 2001 and 2000.

CONSOLIDATED EXTRAORDINARY LOSS ON THE EXTINGUISHMENT OF DEBT

During fiscal year 2001, AMERCO extinguished \$100.0 million of 6.89% Bond Backed Asset Trust certificates (BATs) originally due in fiscal year 2011 and \$25.0 million of 6.71% Medium-Term notes originally due in fiscal year 2009. This resulted in an extraordinary loss of \$2.1 million, net of tax of \$1.2 million (\$0.10 per share).

During fiscal year 2000, AMERCO extinguished \$100.0 million of 6.65% Bond Backed Asset Trust certificates (BATs) originally due in fiscal year 2030 and \$50.0 million of 7.05% to 7.10% Medium-Term notes originally due in fiscal year 2007. This resulted in an extraordinary loss of \$0.3 million, net of tax of \$0.2 million (\$0.02 per share).

CONSOLIDATED EARNINGS

As a result of the foregoing, pretax earnings totaled \$5.0 million, \$5.8 million and \$99.7 million in fiscal years 2002, 2001 and 2000,

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respectively. After providing for income taxes, earnings from operations were \$2.7 million, \$3.1 million and \$63.5 million in fiscal years 2002, 2001 and 2000, respectively. Following deductions for an extraordinary loss from the early extinguishment of debt and the elimination of SAC Holdings, net earnings were \$2.7 million, \$1.0 million and \$63.2 million in fiscal years 2002, 2001 and 2000, respectively.

QUARTERLY RESULTS

The table on the following page presents unaudited quarterly results for the eight quarters in the period beginning April 1, 2000 and ending March 31, 2002. The quarters presented reflect the restatements due to the consolidation of SAC Holding Corporations. AMERCO believes that all necessary adjustments have been included in the amounts stated below to present fairly, and in accordance with generally accepted accounting principles, the selected quarterly information when read in conjunction with the consolidated financial statements incorporated herein by reference. U-Haul moving and storage operations are seasonal and proportionally more of AMERCO's revenues and net earnings from its U-Haul 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.

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	Quarter Ended					
	Jun 30		Sep 30		Dec 31	
	2001		2001		2001	
As reported	As adjusted (3)	As reported	As adjusted (3)	As reported	As adjusted (3)	
	(in thousands, except share and per s					
Total revenues	\$ 542,553	540,654	572,379	571,207	467,410	
Earnings from operations net of tax	\$ 25,324	20,901	41,131	35,738	(22,389)	
Net earnings (loss)	\$ 25,003	20,901	41,686	35,738	(20,212)	
Weighted average common shares outstanding basic and diluted	21,280,361	21,280,361	21,106,343	21,106,343	20,892,342	20,892,342
Earnings (loss) from operations before extraordinary loss on early extinguishment of debt per common share (1)	\$ 1.02	.83	1.82	1.54	(1.12)	
Earnings (loss) per common share basic and diluted	\$ 1.02	.83	1.82	1.54	(1.12)	

Quarter Ended

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	Jun 30 2000		Sep 30 2000		As r
	As reported	As adjusted(3)	As reported	As adjusted(3)	
(in thousands, except share and per share data)					
Total revenues	\$ 472,350	469,654	520,132	521,789	444,620
Earnings from operations before extraordinary loss on early extinguishment of debt net of tax (2)	\$ 35,876	35,908	41,233	38,853	(24,739)
Net earnings (loss)	\$ 37,612	35,908	41,233	38,853	(21,292)
Weighted average common shares outstanding Basic	21,718,988	21,718,988	21,489,970	21,489,970	21,406,688
Earnings (loss) from operations before minority interest and extraordinary loss on early extinguishment of debt per common share (1) (2)	\$ 1.58	1.50	1.77	1.66	(1.05)
Earnings (loss) per common share basic and diluted	\$ 1.58	1.50	1.77	1.66	(1.15)

	Quarter Ended	
	As reported	As adjusted(3)
Mar 31 2001		
(in thousands, except share and per share data)		
Total revenues	425,318	447,553
Earnings from operations before extraordinary loss on early extinguishment of debt net of tax (2)	(46,650)	(48,106)
Net earnings (loss)	(46,650)	(48,106)
Weighted average common shares outstanding Basic	21,326,015	21,326,015
Earnings (loss) from operations before minority interest and extraordinary loss on early extinguishment of debt per common share (1) (2)	(2.34)	(2.37)
Earnings (loss) per common share basic and diluted	(2.34)	(2.37)

(1) Net earnings (loss) per common share amounts were computed after giving effect to the dividends on AMERCO's Preferred Stock.

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- (2) During fiscal year 2001, AMERCO extinguished \$100.0 million of 6.89% BATs originally due in fiscal year 2011 and \$25.0 million of 6.71% Medium-Term Notes originally due in fiscal year 2009. This resulted in an extraordinary loss of \$2.1 million, net of tax of \$1.2 million (\$0.10 per share).
- (3) Reflects a reclassification of interest income and expense for elimination purposes.

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IRS EXAMINATION

In connection with the resolution of stockholder litigation, AMERCO has deducted for income tax purposes approximately \$372.0 million of the payments made to former shareholders in a stockholder lawsuit. While AMERCO believes that such income tax deductions are appropriate, there can be no assurance that such deductions ultimately will be allowed in full.

The Company is currently under IRS examination for the years 1996-1997. The IRS has proposed adjustments to the Company's 1997 and 1996 tax returns in the amount of \$233.1 million and \$99.0 million, respectively. Nearly all of the adjustments are attributable to denials of deductions claimed for certain payments made in connection with the resolution of stockholder litigation with certain members of the Shoen family and their corporations. The Company believes these income tax deductions are appropriate and it is vigorously contesting the IRS adjustments. The Company estimates that if it is unsuccessful in its challenge in all respects, the Company could incur tax liabilities totaling approximately \$90.0 million plus interest. The Company believes that even though an unfavorable result could result in substantial cash payments, there would be minimal, if any, impact on consolidated results of operations.

OTHER

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141 (SFAS 141), "Business Combinations", and No. 142 (SFAS 142), "Goodwill and Other Intangible Assets".

SFAS 141 supercedes Accounting Principles Board Opinion No. 16 (APB 16), "Business Combinations". The most significant changes made by SFAS 141 are: (1) requiring that the purchase method of accounting be used for all business combinations initiated after June 30, 2001, (2) establishing specific criteria for the recognition of intangible assets separately from goodwill, and (3) requiring unallocated negative goodwill to be written off immediately as an extraordinary gain (instead of being deferred and amortized).

SFAS 142 supercedes APB 17, "Intangible Assets". SFAS 142 primarily addresses the accounting for goodwill and intangible assets subsequent to their acquisition (i.e., the post-acquisition accounting). The provisions of SFAS 142 will be effective for fiscal years beginning after December 15, 2001. The most significant changes made by SFAS 142 are: (1) goodwill and indefinite lived intangible assets will no longer be amortized, (2) goodwill will be tested for impairment at least annually at the reporting unit level, (3) intangible assets deemed to have an indefinite life will be tested for impairment at least annually, and (4) the amortization period of intangible assets with finite lives will no longer be limited to forty years.

SFAS No. 141 and 142 are not expected to affect the consolidated financial position or results of operations.

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SFAS No. 143, Accounting for Asset Retirement Obligations, requires recognition of the fair value of liabilities associated with the retirement of long-lived assets when a legal obligation to incur such costs arises as a result of the acquisition, construction, development and/or the normal operation of a long-lived asset. Upon recognition of the liability, a corresponding asset is recorded at present value and accreted over the life of the asset and depreciated over the remaining life of the long-lived asset. The Statement defines a legal obligation as one that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Management has not yet determined the effects of adopting this Statement on the financial position or results of operations.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which addresses issues relating to the implementation of FASB Statement No. 121 (FAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", and develops a single accounting model, based on the framework established in FAS 121, for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired. The Company is in the process of determining the extent to which this statement will impact its results of operations or financial position.

SFAS No. 145, Rescission of FAS Nos. 4, 44, and 64, Amendment of FAS 13, and Technical Corrections as of April 2002, rescinds FASB Statement No. 4, Reporting Gains and Losses from Extinguishment of Debt, and an amendment of that Statement, FASB Statement No. 64, Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements. This Statement also rescinds FASB Statement No. 44, Accounting for Intangible Assets of Motor Carriers. This Statement amends FASB Statement No. 13, Accounting for Leases, to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This Statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. Management has not yet determined the effects of adopting this Statement on the financial position or results of operations, except for the need to reclassify debt extinguishments previously reported as extraordinary.

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Part III, Item 13, Certain Relationships and Related Transactions

This section is amended and restated in its entirety as follows, which supplements certain disclosures contained in the Original Filing that were incorporated by reference from the 2002 Proxy Statement:

During fiscal 2002, U-Haul purchased \$3.2 million of printing from Form Builders, Inc. Mark V. Shoen, his daughter and Edward J. Shoen's sons are major stockholders of Form Builders, Inc. Edward J. Shoen is Chairman of the Board of Directors and President of AMERCO and is a significant stockholder of AMERCO. Mark V. Shoen is President, U-Haul Phoenix Operations and is a significant stockholder of AMERCO.

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On August 1, 2001, we sold one self-storage property to a subsidiary of SAC Holdings for \$530,000 in cash and notes. The purchase price was determined by the Treasurer of U-Haul, based on an analysis of the net operating income of the properties.

On September 28, 2001, we purchased 9 self-storage properties from SAC Holdings for \$35.2 million in cash. These properties were not previously owned by us. The purchase price was negotiated with SAC Holdings by the Treasurer of U-Haul, based on an analysis of the net operating income of the properties.

On December 20, 2001, we sold 14 self-storage properties to a subsidiary of SAC Holdings for \$43.8 million in cash and notes. The purchase price was negotiated with SAC Holdings by the Assistant Treasurer of U-Haul, based on an analysis of the net operating income of the properties.

On January 11, 2002, we sold 37 self-storage properties to a subsidiary of SAC Holdings for \$93.7 million in cash and notes. The purchase price was negotiated with SAC Holdings by the Assistant Treasurer of U-Haul, based on an analysis of the net operating income of the properties.

On February 1, 2002, we sold 62 self-storage properties to a subsidiary of SAC Holdings for \$146.9 million in notes. The purchase price was negotiated with SAC Holdings by the Assistant Treasurer of U-Haul, based on an analysis of the net operating income of the properties. On March 28, 2002, the purchaser paid down the notes in the amount of \$75.9 million from cash proceeds obtained from a third-party financing.

We hold various senior and junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. AMERCO does not have an equity ownership interest in SAC Holdings, except for investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The senior unsecured notes of SAC Holdings that AMERCO holds rank equal in right of payment with the notes of certain senior mortgage holders, but junior to the extent of the collateral securing the applicable mortgages and junior to the extent of the cash flow waterfalls that favor the senior mortgage holders. AMERCO received cash interest payments of \$27.9 million from SAC Holdings during fiscal year 2002. The notes receivable balance outstanding at June 30, 2002 was, in the aggregate, \$372.0 million. The largest aggregate amount outstanding during the fiscal year ended March 31, 2002 was \$463.1 million.

Interest on the senior and junior notes accrues at rates ranging from 8% to 13%.

Interest accrues on the outstanding principal balance of senior notes of SAC Holdings that we hold at a fixed rate and is paid on a monthly basis.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that we hold at a stated rate of basic interest. A fixed portion of that basic interest is paid on a monthly basis. Additional interest is paid on the same payment date based on the difference between the amount of remaining basic interest and an amount equal to a specified percentage of

the net cash flow before interest expense generated by the underlying property

minus

the sum of the principal and interest due on the senior notes of SAC Holdings relating to that property and a multiple of the fixed portion of basic interest paid on that monthly payment date.

We refer to the latter amount as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest equal to that excess and the amount of remaining basic interest are paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred and all amounts so deferred bear the stated rate of basic interest until maturity of the junior note.

We currently manage the self-storage properties owned by SAC Holdings pursuant to a management agreement, under which we receive a management fee equal to 6% of the gross receipts from the properties plus certain expenses. We received management fees of \$8.3 million during fiscal year 2002. This management fee is consistent with the fees received for other properties we manage.

Through RepWest and Oxford, we currently hold a 46% limited partnership interest in Securespace Limited Partnership (Securespace), a Nevada limited partnership. A SAC Holdings subsidiary serves as the general partner of Securespace and owns a 1% interest and another SAC Holdings subsidiary owns the remaining 53% limited partnership interest in Securespace. Securespace was formed by SAC Holdings to be the owner of various Canadian self-storage

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properties.

During fiscal year 2002, we leased space for marketing company offices, vehicle repair shops and hitch installation centers in 34 locations owned by subsidiaries of SAC Holdings. Total lease payments pursuant to such leases were \$410,000 during fiscal year 2002. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us.

We believe that the foregoing transactions were consummated on terms equivalent to those that prevail in arm's-length transactions.

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PART IV, ITEM 14, EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Item 14 of Part IV which contains the Financial Statements of AMERCO and its subsidiaries and SAC Holding Corporation and its subsidiaries and SAC Holding Corporation II and its consolidated subsidiaries is amended and restated in its entirety. In the Original Filing, our independent accountants' report included a division of responsibility related to the financial statements of SAC Holding Corporation, as of and for the year ended March 31, 2001. Since the Original Filing, PriceWaterhouseCoopers, LLP, has audited SAC Holding Corporation and its subsidiaries as of and for the year ended March 31, 2001 which the Report of Independent Accountants now reflects and is included herein. In addition, we have modified certain disclosures contained herein and have reclassified certain amounts between interest income and interest expense.

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(a) The following documents are filed as part of this Report:

	Page No.

1. Financial Statements	
Report of Independent Accountants	F-2
Consolidated Balance Sheets - March 31, 2002 and 2001	F-3
Consolidated Statements of Earnings - Years ended March 31, 2002, 2001 and 2000	F-5
Consolidated Statements of Changes in Stockholders' Equity - Years ended March 31, 2002, 2001 and 2000	F-6
Consolidated Statements of Comprehensive Income - Years ended March 31, 2002, 2001 and 2000	F-7
Consolidated Statements of Cash Flows - Years ended March 31, 2002, 2001 and 2000	F-8
Notes to Consolidated Financial Statements	F-9

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2. Additional Information

Consolidating Balance Sheets and Statements of Earnings	F-41
Summary of Earnings of Independent Trailer Fleets	F-44
Notes to Summary of Earnings of Independent Trailer Fleets	F-45

3. Financial Statement Schedules required to be filed by Item 8 and Paragraph (d) of this Item 14

Condensed Financial Information of Registrant -- Schedule I	F-47
Supplemental Information (For Property-Casualty Insurance Underwriters) -- Schedule V	F-51

All other schedules are omitted as the required information is not applicable or the information is presented in the financial statements or related notes thereto.

(b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

Offering Circular

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors

and Stockholders of AMERCO

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, changes in stockholders' equity, comprehensive income and cash flows present fairly, in all material respects, the financial position of AMERCO and its subsidiaries, SAC Holding Corporation and its subsidiaries, and SAC Holding Corporation II and its subsidiaries (collectively, the "Company") at March 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Further, in our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, changes in stockholders' equity, comprehensive income and cash flows present fairly, in all material respects, the financial position of AMERCO and its subsidiaries and SAC Holding Corporation and its subsidiaries at March 31, 2001 and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2001, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the Financial Statement Schedules listed in the index appearing under Item 14(a)3 appearing on page F-1 present fairly, in all material respects, the information set forth

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therein when read in conjunction with the related consolidated financial statements. These financial statements and schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements of the Company have been restated at March 31, 2001 and for each of the two years in the period ended March 31, 2001, to consolidate the financial statements of SAC Holding Corporation and its subsidiaries, an affiliated entity.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Consolidating Balance Sheets and Statements of Earnings Schedule and the Summary of Earnings of Independent Trailer Fleets information included on pages F-41 through F-46 of this Form 10-K is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies or the earnings of the independent fleets. Accordingly, we do not express an opinion on the financial position, results of operations of the individual companies, or on the earnings of the independent trailer fleets. However, such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Phoenix, Arizona

September 24, 2002

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31,	
2002	2001

(AS RESTATED)	
(IN THOUSANDS)	

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ASSETS		
Cash and cash equivalents.....	\$ 47,651	\$ 52,788
Trade receivables, net.....	279,914	252,015
Notes and mortgage receivables, net.....	15,907	29,154
Inventories, net.....	76,519	84,242
Prepaid expenses.....	31,069	23,339
Investments, fixed maturities.....	994,875	952,482
Investments, other.....	250,458	202,879
Deferred policy acquisition costs.....	101,308	99,807
Other assets.....	60,851	43,106
	-----	-----
	1,858,552	1,739,812
	-----	-----
Property, plant and equipment, at cost:		
Land.....	425,308	370,684
Buildings and improvements.....	1,161,918	1,221,157
Furniture and equipment.....	290,470	282,620
Rental trailers and other rental equipment.....	176,785	181,159
Rental trucks.....	1,071,604	1,037,653
	-----	-----
	3,126,085	3,093,273
Less accumulated depreciation.....	(1,211,182)	(1,194,646)
	-----	-----
Total property, plant and equipment.....	1,914,903	1,898,627
	-----	-----
Total assets.....	\$ 3,773,455	\$ 3,638,439
	=====	=====

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	MARCH 31,	
	2002	2001
	-----	-----
	(AS RESTATED)	
	(IN THOUSANDS)	
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses.....	\$ 149,338	167,102
AMERCO'S notes and loans payable.....	1,045,802	1,170,041
SAC Holdings' notes and loans payable, non-recourse to AMERCO.....	557,761	373,326
Policy benefits and losses, claims and loss expenses payable.....	729,343	668,830
Liabilities from investment contracts.....	572,793	522,207
Cash overdraft.....	34,629	26,484
Other policyholders' funds and liabilities.....	74,048	79,172
Deferred income.....	7,360	36,470
Deferred income taxes.....	103,275	82,543
	-----	-----
Total liabilities.....	3,274,349	3,126,175
	-----	-----
Stockholders' equity:		
Serial preferred stock, with or without par value,		

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50,000,000 shares authorized --		
Series A preferred stock, with no par value, 6,100,000 shares authorized; 6,100,000 shares issued and outstanding as of March 31, 2002 and 2001.....	--	--
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of March 31, 2002 and 2001.....	--	--
Serial common stock, with or without par value, 150,000,000 shares authorized --		
Series A common stock of \$0.25 par value, 10,000,000 shares authorized; 5,612,495 shares issued as of March 31, 2002 and 2001.....	1,441	1,441
Common stock of \$0.25 par value, 150,000,000 shares authorized; 36,487,505 issued as of March 31, 2002 and 2001.....	9,122	9,122
Additional paid-in capital.....	267,712	242,654
Accumulated other comprehensive income.....	(32,384)	(40,709)
Retained earnings.....	716,614	726,854
Cost of common shares in treasury, net (20,850,763 and 20,321,363 shares as of March 31, 2002 and 2001, respectively).....	(449,247)	(411,925)
Unearned employee stock ownership plan shares.....	(14,152)	(15,173)
	-----	-----
Total stockholders' equity.....	499,106	512,264
	-----	-----
Contingent liabilities and commitments		
	-----	-----
Total liabilities and stockholders' equity.....	\$ 3,773,455	3,638,439
	=====	=====

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

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

	YEARS ENDED MARCH 31,		
	2002	2001	2000
	-----	-----	-----
		(AS RESTATED)	
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Revenues			
Rental revenue.....	\$ 1,344,022	1,285,532	1,208,766
Net sales.....	222,816	212,242	201,355
Premiums.....	433,593	323,198	262,057
Net investment and interest income.....	58,075	61,475	61,021
	-----	-----	-----
Total revenues.....	2,058,506	1,882,447	1,733,199
	-----	-----	-----
Costs and expenses			

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Operating expenses.....	1,109,446	1,047,168	949,309
Cost of sales.....	122,860	126,567	115,390
Benefits and losses.....	389,522	283,366	209,592
Amortization of deferred acquisition costs.....	40,674	35,946	34,987
Lease expense.....	175,501	173,077	130,951
Depreciation, net.....	108,683	101,508	96,090
	-----	-----	-----
Total costs and expenses.....	1,946,686	1,767,632	1,536,319
	-----	-----	-----
Earnings from operations.....	111,820	114,815	196,880
Interest expense.....	106,841	108,981	97,187
	-----	-----	-----
Pretax earnings.....	4,979	5,834	99,693
Income tax expense.....	(2,258)	(2,701)	(36,175)
	-----	-----	-----
Earnings before extraordinary loss on early extinguishment of debt.....	2,721	3,133	63,518
Extraordinary loss on early extinguishment of debt, net.....	--	(2,121)	(334)
	-----	-----	-----
Net earnings.....	\$ 2,721	1,012	63,184
	=====	=====	=====
Basic earnings (loss) per common share:			
Earnings (loss) before extraordinary loss on early extinguishment of debt.....	\$ (0.49)	(0.46)	2.27
Extraordinary loss on early extinguishment of debt, net.....	--	(0.10)	(0.01)
	-----	-----	-----
Net earnings (loss).....	\$ (0.49)	(0.56)	2.26
	=====	=====	=====
Diluted earnings (loss) per common share:			
Earnings (loss) before extraordinary loss on early extinguishment of debt.....	\$ (0.49)	(0.46)	2.27
Extraordinary loss on early extinguishment of debt, net.....	--	(0.10)	(0.02)
	-----	-----	-----
Net earnings (loss).....	\$ (0.49)	(0.56)	2.25
	=====	=====	=====
Weighted average common shares outstanding:			
Basic.....	21,022,712	21,486,370	21,934,390
	=====	=====	=====
Diluted.....	21,022,712	21,486,370	22,226,057
	=====	=====	=====

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

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED MARCH 31,

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	2002	2001	2000
	-----	-----	-----
	(AS RESTATED)		
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Series A common stock of \$0.25 par value:			
10,000,000 shares authorized; 5,612,495 shares issued in			
2002, 2001 and 2000			
Beginning and end of year.....	\$ 1,441	1,441	1,441
	-----	-----	-----
Common stock of \$0.25 par value:			
150,000,000 shares authorized; 36,487,505 shares issued in			
2002, 2001 and 2000			
Beginning and end of year.....	9,122	9,122	9,122
	-----	-----	-----
Additional paid-in capital:			
Beginning of year.....	242,654	242,558	267,200
Repurchase of preferred stock.....	--	--	(25,000)
Contribution by owner.....	24,969	--	--
Issuance of common shares under leveraged employee			
stock ownership plan.....	89	96	300
	-----	-----	-----
End of year.....	267,712	242,654	242,500
	-----	-----	-----
Accumulated other comprehensive income:			
Beginning of year.....	(40,709)	(42,317)	(17,700)
Foreign currency translation.....	(4,242)	(7,252)	(2,800)
Fair market value of cash flow hedge.....	130	(1,185)	2,100
Unrealized gain (loss) on investments.....	12,437	10,045	(23,800)
	-----	-----	-----
End of year.....	(32,384)	(40,709)	(42,300)
	-----	-----	-----
Retained earnings:			
Beginning of year.....	726,854	738,805	689,200
Net earnings.....	2,721	1,012	63,100
Preferred stock dividends paid:			
Series A (\$2.13 per share for 2002, 2001 and 2000)...	(12,961)	(12,963)	(12,900)
Series B (\$27.14 per share for 2000).....	--	--	(600)
	-----	-----	-----
End of year.....	716,614	726,854	738,800
	-----	-----	-----
Less treasury stock:			
Beginning of year.....	411,925	400,790	367,700
Net increase.....	37,322	11,135	33,000
	-----	-----	-----
End of year.....	449,247	411,925	400,700
	-----	-----	-----
Less Unearned employee stock ownership plan shares:			
Beginning of year.....	15,173	16,366	16,400
Purchase of shares.....	72	46	1,000
Repayments from loan.....	(1,093)	(1,239)	(1,100)
	-----	-----	-----
End of year.....	14,152	15,173	16,300
	-----	-----	-----
Total stockholders' equity.....	\$499,106	512,264	532,400
	=====	=====	=====

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

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME

	YEARS ENDED MARCH 31,		
	2002	2001	2000
	(AS RESTATED)		
	(IN THOUSANDS)		
Comprehensive income:			
Net earnings.....	\$ 2,721	1,012	63,184
Other comprehensive income			
Foreign currency translation.....	(4,242)	(7,252)	(2,899)
Fair market value of cash flow hedges.....	130	(1,185)	2,192
Unrealized gain (loss) on investments, net.....	12,437	10,045	(23,870)
	-----	-----	-----
Total comprehensive income.....	\$11,046	2,620	38,607
	=====	=====	=====

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

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED MARCH 31,		
	2002	2001	2000
	(AS RESTATED)		
	(IN THOUSANDS)		
Cash flows from operating activities:			
Net earnings.....	\$ 2,721	1,014	63,172
Depreciation and amortization.....	169,440	156,801	143,992
Provision for losses on accounts receivable.....	4,729	3,286	4,601
Net gain on sale of real and personal property.....	(18,833)	(18,132)	(11,165)
Gain on sale of investments.....	2,841	12,931	(873)
Changes in policy liabilities and accruals.....	7,582	54,814	15,326
Additions to deferred policy acquisition costs.....	(39,252)	(42,535)	(31,804)
Net change in other operating assets and liabilities.....	1,265	114,442	41,221
Extraordinary loss on early extinguishment of debt, net.....	--	(2,121)	(341)
	-----	-----	-----
Net cash provided by operating activities.....	130,493	280,500	224,129
Cash flows from investing activities:			

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Purchases of investments:			
Property, plant and equipment.....	(275,852)	(448,188)	(476,781)
Fixed maturities.....	(257,559)	(122,863)	(158,304)
Common stock.....	(418)	(31,773)	--
Preferred stock.....	(2,072)	--	(369)
Other asset investment.....	(2,259)	(5,915)	--
Real estate.....	(35)	(5,938)	(70)
Mortgage loans.....	(1,351)	(24,084)	(27,367)
Proceeds from sales of investments:			
Property, plant and equipment.....	194,830	104,352	211,873
Fixed maturities.....	233,716	152,761	133,915
Preferred stock.....	4,400	372	968
Real estate.....	1,335	1,557	1,672
Mortgage loans.....	18,690	22,463	11,555
Changes in other investments.....	(126,774)	(155,168)	45,689
	-----	-----	-----
Net cash used by investing activities.....	(213,349)	(512,424)	(257,219)
Cash flows from financing activities:			
Net change in short-term borrowings.....	(2,500)	176,427	(146,836)
Proceeds from notes.....	275,879	361,608	444,239
Debt issuance costs.....	(10,182)	(3,745)	(8,551)
Leveraged Employee Stock Ownership Plan:			
Purchase of shares.....	--	(46)	(1,002)
Repayments from loan.....	1,019	1,239	1,128
Principal payments on notes.....	(222,114)	(299,666)	(185,311)
Repurchase of preferred stock.....	--	--	(25,000)
Proceeds from minority interest.....	--	2,121	--
Net change in cash overdraft.....	8,145	(3,976)	2,291
Preferred stock dividends paid.....	(12,961)	(12,963)	(13,641)
Treasury stock acquisitions, net.....	(10,154)	(9,617)	(33,467)
Dividends from subsidiaries.....	--	--	--
Investment contract deposits.....	150,432	87,687	63,978
Investment contract withdrawals.....	(99,845)	(72,953)	(60,808)
Proceeds from minority interest.....	--	10,151	--
	-----	-----	-----
Net cash provided by financing activities.....	77,719	236,267	37,020
	-----	-----	-----
Increase (decrease) in cash and cash equivalents.....	(5,137)	4,343	3,930
Cash and cash equivalents at beginning of year.....	52,788	48,445	44,515
	-----	-----	-----
Cash and cash equivalents at end of year.....	\$ 47,651	52,788	48,445
	=====	=====	=====

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

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AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
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