

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

**Table of Contents**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q/A**

(Mark One)

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

For the quarterly period ended June 30, 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 Address and Telephone Number Identification No.	Registrant, State of Incorporation,	I.R.S. Employer
1-11255 (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300 2-38498 U-Haul International, Inc. 86-0663060 (A Nevada Corporation) 2727 N. Central Avenue Phoenix, Arizona 85004 Telephone (602) 263-6645	AMERCO	88-0106815

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

20,566,308 shares of AMERCO Common Stock, \$0.25 par value were outstanding at August 16, 2002.

5,385 shares of U-Haul International, Inc. Common Stock, \$0.01 par value, were outstanding at August 12, 2002. U-Haul International, Inc. meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

**TABLE OF CONTENTS**

ITEM 1. FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

SIGNATURES

Index of Exhibits

EX-99.1

EX-99.2

EX-99.3

EX-99.4

---

**Table of Contents**

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-Q ( Amendment No. 1 ) is being filed for the purpose of amending certain financial statement disclosures in the Quarterly Report on Form 10-Q for the Registrants' quarter ended June 30, 2002 originally filed on August 19, 2002 (the Original Filing ). In particular, the financial statements contained in the Original Filing are being amended to reflect the reclassification of interest income and expense to properly reflect elimination entries. The reclassification will have no effect on the financial position or results of operations as of and for the quarters ended June 30, 2001 or 2002.

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

---

**Table of Contents**

TABLE OF CONTENTS

<b>PART I. FINANCIAL INFORMATION</b>	
Item 1.	
Financial Statements	
a) Condensed Consolidated Balance Sheets as of June 30, 2002 (unaudited) and March 31, 2002	3
b) Condensed Consolidated Statements of Earnings for the Quarters ended June 30, 2002 and 2001 (unaudited)	5
c) Condensed Consolidated Statements of Comprehensive Income for the Quarters ended June 30, 2002 and 2001 (unaudited)	6
d) Condensed Consolidated Statements of Cash Flows for the Quarters ended June 30, 2002 and 2001 (unaudited)	7
e) Notes to Condensed Consolidated Financial Statements - June 30, 2002 (unaudited), March 31, 2002 and June 30, 2001 (unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3.	

Quantitative and  
Qualitative  
Disclosures About  
Market Risk

22 **PART II.**

**OTHER  
INFORMATION**

Item 1.  
Legal Proceedings

23 Item 6.

Exhibits and  
Reports on  
Form 8-K

24

**Table of Contents**

PART I. FINANCIAL INFORMATION

**ITEM 1. FINANCIAL STATEMENTS**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Condensed Consolidated Balance Sheets

Assets	June 30, 2002	March 31, 2002
	(Unaudited)	(in thousands)
Cash and cash equivalents	\$ 38,204	47,651
Inventories, net		
66,075 76,519		
Prepaid expenses		
35,988 31,069		
Investments, fixed maturities		
968,430 994,875		
Investments, other		
255,438 250,458		
Other assets		
456,899 457,980		
<hr/>		
<hr/>		
1,821,034 1,858,552		
<hr/>		
<hr/>		
Property, plant and equipment, at cost:		
Buildings and improvements		
1,173,582 1,161,918		
Rental trucks		
1,111,053 1,071,604		
Other property, plant, and equipment		
892,701 892,563		
<hr/>		
<hr/>		

3,177,336 3,126,085  
Less accumulated depreciation  
(1,235,435) (1,211,182)

---

---

Total property, plant and equipment  
1,941,901 1,914,903

---

---

Total Assets  
\$3,762,935 3,773,455

---

---

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



**Table of Contents**AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

## Condensed Consolidated Balance Sheets, Continued

Liabilities and Stockholders' Equity	June 30, 2002	March 31, 2002
	(Unaudited)	
	(in thousands)	
<b>Liabilities:</b>		
AMERCO's notes and loans payable	\$898,517	1,045,802
SAC Holdings' notes and loans payable	588,648	557,761
Policy benefits and losses, claims and loss expenses payable	735,834	729,343
Liabilities from premium deposits	590,523	572,793
Other liabilities	420,673	368,650
<hr/>		
Total liabilities	3,234,195	3,274,349
Contingent liabilities and commitments		
<b>Stockholders' equity:</b>		
Serial preferred stock -		
Series A preferred stock		
Series B preferred stock		
Serial common stock -	1,441	1,441
Series A common stock		
Common stock	9,122	9,122
Additional paid-in capital	263,045	267,712
Accumulated other comprehensive income	(34,687)	(32,384)
Retained earnings	755,037	716,614
Cost of common shares in treasury, net		

(450,982) (449,247)  
Unearned ESOP shares  
(14,236) (14,152)

---

---

Total stockholders' equity  
528,740 499,106

---

---

Total Liabilities and Stockholders  
Equity  
\$3,762,935 3,773,455

---

---

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

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Condensed Consolidated Statements of Earnings

Quarters ended June 30,  
(Unaudited)

	2002	2001
	(in thousands, except share and per share data)	
<b>Revenues</b>		
Rental revenue	375,854	356,440
Net sales	68,188	68,789
Premiums	87,550	100,330
Net investment and interest income	13,765	15,095
<hr/>		
<hr/>		
Total revenues	545,357	540,654
Costs and expenses		
Operating expenses	262,786	265,548
Cost of sales	33,303	36,440
Benefits and losses	76,418	91,432
Amortization of deferred policy acquisition costs	10,328	9,794
Lease expense	40,823	46,641
Depreciation, net	32,084	32,545
<hr/>		
<hr/>		
Total costs and expenses	455,742	482,400
Earnings from operations	89,615	58,254
Interest expense		

26,932 25,509

---

---

Pretax earnings  
62,683 32,745  
Income tax expense  
(22,144) (11,844)

---

---

Net earnings  
\$40,539 20,901  
Less: preferred stock dividends  
(3,241) (3,241)

---

---

Basic and diluted earnings available to  
common share holders:  
37,298 17,660

---

---

Basic and diluted earnings per common  
share:  
\$1.81 0.83

---

---

Basic and diluted average common  
shares outstanding:  
20,592,858 21,280,361

---

---

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



**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income

Quarters ended June 30,  
(Unaudited)

	2002	2001
	(in thousands)	
Comprehensive income:		
Net earnings		
\$40,539	20,901	
Changes in other comprehensive income:		
Foreign currency translation		
1,035	1,497	
Fair market value of cash flow hedge		
357		
Unrealized gain (loss) on investments		
(3,338)	8,789	
<hr/>		
<hr/>		
Total comprehensive income		
\$38,236	31,544	
<hr/>		
<hr/>		

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

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

Quarters ended June 30,  
(Unaudited)

	2002	2001
	(in thousands)	
Net cash provided by operating activities	\$ 100,347	54,107
Cash flows from investing activities:		
Purchases of investments:		
Property, plant and equipment		
(70,755) (106,484)		
Fixed maturities		
(60,986) (18,652)		
Real estate		
Mortgage loans		
(561) (561)		
Proceeds from sale of investments:		
Property, plant and equipment		
16,688 13,887		
Fixed maturities		
70,324 31,696		
Mortgage loans		
3,817		
Changes in other investments		
6,405 4,806		
Net cash used by investing activities		
(38,885) (71,491)		
Cash flows from financing activities:		
Net change in short-term borrowings		
17,015 (13,578)		
Principal payments on notes		
(129,539) 23,731		
Investment contract deposits		

36,628	37,477
Investment contract withdrawals	
(19,211)	(35,713)
Proceeds from minority interest	
Changes in other financing activities	
24,188	(3,244)

---

---

Net cash provided (used) by  
financing activities  
(70,919) 8,673

---

---

Decrease in cash and cash  
equivalents  
(9,457) (8,711)  
Cash and cash equivalents at  
beginning of period  
47,661 52,788

---

---

Cash and cash equivalents at end of  
period  
\$38,204 44,077

---

---

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



**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

June 30, 2002, March 31, 2002 and June 30, 2001  
(Unaudited)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

ORGANIZATION

AMERCO, a Nevada corporation (AMERCO), is the holding company for U-Haul International, Inc. (U-Haul), which conducts moving and storage operations; Amerco Real Estate Company (Real Estate), which conducts real estate operations; Republic Western Insurance Company (RepWest), which conducts property and casualty insurance operations; and Oxford Life Insurance Company (Oxford), which conducts life insurance operations.

SAC Holdings Corporation (SAC Holdings), a Nevada corporation, is owned by Mark V. Shoen. Mark V. Shoen is the beneficial owner of 15.6% of AMERCO's common stock and is an executive officer of U-Haul.

PRINCIPLES OF CONSOLIDATION

The condensed consolidated financial statements presented here include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holdings and its consolidated subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. AMERCO does not have any ownership interest in SAC Holdings or its subsidiaries, except for investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The condensed consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in AMERCO's annual financial statements and notes. For a more detailed breakout of the accounts of AMERCO, refer to AMERCO's Form 10-K.

The condensed consolidated balance sheet as of June 30, 2002 and the related condensed consolidated statements of earnings, comprehensive income, and cash flows for the quarters ended June 30, 2002 and 2001 are unaudited. In our opinion, all adjustments necessary for a fair presentation of such condensed consolidated financial statements have been included. Such adjustments consisted only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

The accounts of AMERCO and SAC Holdings are consolidated due to SAC's majority owner not qualifying as an independent third party to AMERCO and not maintaining a substantive residual equity capital investment, exclusive of unrealized appreciation of real estate held by SAC Holdings subsidiaries, in the SAC Holdings during the entire holding period.

The operating results and financial position of RepWest and Oxford have been consolidated on the basis of a calendar year and, accordingly, are determined on a one quarter lag for financial reporting purposes. There were no effects related to intervening events, which would materially affect the consolidated financial position or results of operations for the financial statements presented herein.

Certain reclassifications have been made to the financial statements for the quarter ended June 30, 2001 to conform with the current year's presentation.

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)

**2. INVESTMENTS**

A comparison of amortized cost to market for fixed maturities is as follows:

March 31, 2002 Consolidated Held-to-Maturity	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated market value
(in thousands)				
U.S. treasury securities and government obligations	\$3,223	170	3,393	
U.S. government agency mortgage- backed securities	7,375	254	(1)	7,628
Corporate securities	38,416	587	(749)	38,254
Mortgage-backed securities	22,097	634	(32)	22,699
Redeemable preferred stocks	106,323	323	(2,728)	103,918
	177,434	1,968	(3,510)	175,892

March 31, 2002 Consolidated	Amortized	Gross unrealized	Gross unrealized	Estimated market
--------------------------------	-----------	---------------------	---------------------	---------------------

Edgar Filing: AMERCO /NV/ - Form 10-Q/A

Available-for-Sale	cost	gains	losses	value
			(in thousands)	
U.S. treasury securities and government obligations	\$40,100	1,702	(363)	41,439
U.S. government agency mortgage- backed securities	19,655	616	(14)	20,257
Obligations of states and political subdivisions	6,595	233	(7)	6,821
Corporate securities	668,592	19,106	(23,576)	664,122
Mortgage-backed securities	27,336	2,244	(152)	29,428
Redeemable preferred stocks	27,415	966	(836)	27,545
Redeemable common stocks	2,060	(676)		1,384
	791,753	24,867	(25,624)	790,996
Total	\$969,187	26,835	(29,134)	966,888

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)

**3. SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION OF INSURANCE SUBSIDIARIES**

Summarized condensed consolidated balance sheets for RepWest are presented below:

	March 31,	
	2002	2001
	(in thousands)	
Investments, fixed maturities	\$ 338,489	409,210
Receivables		
243,033	210,051	
Due from affiliate		
105,295	51,361	
Other assets		
129,368	71,169	
<hr/>		
<hr/>		
Total assets		
\$816,185	741,791	
<hr/>		
<hr/>		
Policy liabilities and accruals		
\$474,052	384,635	
Unearned premiums		
84,242	106,203	
Other policyholders' funds and liabilities		
47,323	58,539	
<hr/>		
<hr/>		
Total liabilities		
605,617	549,377	
Stockholder's equity		
210,568	192,414	

---



---

Total liabilities and stockholders' equity  
 \$816,185 741,791

---



---

Summarized condensed consolidated income statements for RepWest are presented below:

	Quarters ended March 31,	
	2002	2001
	(in thousands)	
Premiums	\$46,609	62,178
Net investment income		
7,568 8,416		

---



---

Total revenue  
 54,177 70,594  
 Benefits and losses  
 45,647 60,267  
 Amortization of deferred  
 policy acquisition costs  
 5,303 5,040  
 Operating expenses  
 6,014 10,870

---



---

Total expenses  
 56,964 76,177  
 Loss from operations  
 (2,787) (5,583)  
 Income tax benefit  
 1,005 1,979

---



---

Net loss  
\$(1,782) (3,604)

---

---

---

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)

**3. SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION OF INSURANCE SUBSIDIARIES, continued**

Summarized condensed consolidated balance sheets for Oxford are presented below:

	March 31,	
	2002	2001
	(in thousands)	
Investments, fixed maturities	\$ 629,941	541,450
Investments, other		
171,536	190,048	
Receivables		
35,164	28,200	
Deferred policy acquisition costs		
89,005	81,231	
Due from affiliate		
(10,878)	(10,079)	
Other assets		
5,192	16,189	
<hr/>		
<hr/>		
Total assets		
\$919,960	847,039	
<hr/>		
<hr/>		
Policy liabilities and accruals		
\$177,540	183,936	
Premium deposits		
590,523	523,772	
Other policyholders' funds and liabilities		
20,242	18,522	
Deferred federal income taxes		
8,733	14,423	
<hr/>		
<hr/>		

Total liabilities  
 797,038 740,653  
 Stockholder s equity  
 122,922 106,386

---



---

Total liabilities and  
 stockholder s equity  
 \$919,960 847,039

Summarized condensed consolidated income statements for Oxford are presented below:

	Quarters ended March 31,	
	2002	2001
	(in thousands)	
Premiums	\$ 39,658	39,633
Net investment income 5,331 6,208		

---



---

Total revenue  
 44,989 45,841  
 Benefits and losses  
 30,771 31,165  
 Amortization of deferred  
 policy acquisition costs  
 5,025 4,754  
 Operating expenses  
 8,311 7,239

---



---

Total expenses  
 44,107 43,158  
 Income from operations  
 882 2,683



Income tax expense  
(304) (960)

---

---

Net income  
\$578 1,723

---

---

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)

**4. CONTINGENT LIABILITIES AND COMMITMENTS**

During the quarter ended June 30, 2002, a subsidiary of U-Haul entered into a transaction whereby the subsidiary sold rental trucks and trailers to an unrelated third party, which were subsequently leased back. AMERCO has guaranteed \$2,075,000 of residual values at June 30, 2002 for these assets at the end of the respective lease terms. Following are the lease commitments for the leases executed during the quarter ended June 30, 2002, and after quarter end which have a term of more than one year:

Year ending March 31,	Lease Commitments
(in thousands)	
2003	\$ 619
2004	
825	
2005	
825	
2006	
825	
2007	
825	
Thereafter	
2,683	
<hr/>	
	\$6,602
<hr/>	

In the normal course of business, AMERCO is a defendant in a number of suits and claims. AMERCO is also a party to several administrative proceedings arising from state and local provisions that regulate the removal and/or clean-up of underground fuel storage tanks. In our opinion, none of such suits, claims or proceedings involving AMERCO, individually, or in the aggregate, are expected to result in a material loss.

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.

A subsidiary of U-Haul, INW Company (INW), owns one property located within two different state hazardous substance sites in the State of Washington. The sites are referred to as the Yakima Valley Spray Site and the Yakima Railroad Area. INW has been named a potentially liable party under state law with respect to this property as it relates to both sites. As a result of the cleanup costs of approximately \$5.5 to \$10.0 million required by the State of Washington, INW filed for reorganization under federal bankruptcy laws in May of 2001. The potential liability to INW could be in the range of \$2.0 million to \$5.5 million.

## Edgar Filing: AMERCO /NV/ - Form 10-Q/A

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

**Table of Contents**

**5. SUPPLEMENTAL CASH FLOWS INFORMATION**

The (increase) decrease in cash flow for receivables, inventories and accounts payable and accrued liabilities net of other operating and investing activities follows:

	Quarters ended June 30,	
	2002	2001
	(in thousands)	
Receivables	\$ (4,197)	(15,178)
Inventories	\$ 10,444	5,338
Accounts payable and accrued expenses	\$ 32,881	(16,520)

Income taxes paid in cash amounted to \$0 and \$78,000 for the quarters ended June 30, 2002 and 2001, respectively.

Interest paid in cash amounted to \$31,782,000 and \$26,273,000 for the quarters ended June 30, 2002 and 2001, respectively.

**6. EARNINGS PER SHARE OF AMERCO**

The following table reflects the calculation of earnings per share:

	Income (Numerator)	Weighted Average Common Shares Outstanding (Denominator)	Per Share Amount
(in thousands, except share and per share data)			
Quarter ended June 30, 2002:			
Net earnings			
\$40,539			
Less: preferred stock dividends			
3,241			
<hr/>			
Basic and diluted earnings			
per common share			
37,298 20,592,858 \$1.81			
<hr/>			
<hr/>			

---

Quarter ended June 30, 2001:

Net earnings  
\$20,901  
Less: preferred stock dividends  
3,241

---

Basic and diluted earnings

per common share  
17,660 21,280,361 \$0.83

---

---

---

## 7. NEW ACCOUNTING STANDARDS

In July 2002, 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, 2002. 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.

**Table of Contents**

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

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. We have not yet determined the effects of adopting this Statement on our 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. SFASB 144 requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFASB 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001 and, generally, are to be applied prospectively. Management has adopted this Statement effective April 1, 2002 and it did not affect the consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No.13, and Technical Corrections. This statement eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent, in accordance with the current GAAP criteria for extraordinary classification. In addition, SFAS 145 eliminates an inconsistency in lease accounting by requiring that modifications of capital leases that result in reclassification as operating leases be accounted for consistent with sale-leaseback accounting rules. The statement also contains other nonsubstantive corrections to authoritative accounting literature. The changes related to debt extinguishment will be effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting will be effective for transactions occurring after May 15, 2002. 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.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, which addresses accounting for restructuring and similar costs. SFAS No. 146 supersedes previous accounting guidance, principally Emerging Issues Task Force (EITF) Issue No. 94-3. SFAS No. 146 requires that the liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF No. 94-3, a liability for an exit cost was recognized at the date of a company's commitment to an exit plan. SFAS No. 146 also establishes that the liability should initially be measured and recorded at fair value. Accordingly, SFAS No. 146 may affect the timing of recognizing future restructuring costs as well as the amount recognized. The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. The Company intends to adopt the Statement at that time.

**Table of Contents**

AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)

**8. INDUSTRY SEGMENT AND GEOGRAPHIC AREA DATA**

Information concerning operations by industry segment follows:

Quarter ended	Moving and Storage Operations	Property/ Real Estate	Casualty Life Insurance	Adjustments and Eliminations	AMERCO and SAC Holdings
<u>June 30, 2002</u>					
Revenues:					
Outside					
\$445,323	2,482	53,013	44,539		545,357
Intersegment					
15,695	1,164	450	(17,309)		
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					
Total revenues					
\$445,323	18,177	54,177	44,989	(17,309)	545,357
Depreciation/ amortization					
\$30,329	2,151	5,553	5,770		43,803
Interest expense					
\$26,932	5,303		(5,303)		26,932
Pretax earnings (loss)					
\$55,219	9,369	(2,787)	882		62,683
Income tax benefit (expense)					
\$(19,566)	(3,279)	1,005	(304)		(22,144)
Identifiable assets					
\$1,881,536	597,118	816,185	919,960	(451,864)	3,762,935
<u>June 30, 2001</u>					
Revenues:					

Edgar Filing: AMERCO /NV/ - Form 10-Q/A

Outside					
\$423,285	2,415	69,485	45,469		540,654
Intersegment					
17,329	1,109	372	(18,810)		

---



---



---



---



---



---

Total revenues						
\$423,285	19,744	70,594	45,841	(18,810)		540,654
Depreciation/ amortization						
\$32,234	2,815	5,286	4,794			45,129
Interest expense						
\$25,509	10,207		(10,207)			25,509
Pretax earnings (loss)						
\$31,037	4,608	(5,583)	2,683			32,745
Income tax benefit (expense)						
\$(11,250)	(1,613)	1,979	(960)			(11,844)
Identifiable assets						
\$1,744,325	713,085	741,791	847,039	(362,998)		3,683,242



**Table of Contents**AMERCO AND CONSOLIDATED SUBSIDIARIES AND  
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIESNotes to Condensed Consolidated Financial Statements, Continued  
(Unaudited)**8. INDUSTRY SEGMENT AND GEOGRAPHIC AREA DATA, continued**

Geographic Area Data (All amounts are in U.S. \$'s)	United States	Canada	TOTAL AMERCO and SAC Holdings
	(in thousands)		
Quarter ended <u>June 30, 2002</u>			
Total revenues	\$529,965	15,392	545,357
Depreciation/amortization			
\$42,473 1,330 43,803			
Interest expense			
\$25,794 1,138 26,932			
Pretax earnings			
\$59,709 2,974 62,683			
Income tax expense			
\$(22,144) (22,144)			
Identifiable assets			
\$3,637,280 125,655 3,762,935			
Quarter ended <u>June 30, 2001</u>			
Total revenues			
\$526,263 14,391 540,654			
Depreciation/amortization			
\$43,920 1,209 45,129			
Interest expense			
\$24,436 1,073 25,509			
Pretax earnings			
\$29,708 3,037 32,745			
Income tax expense			
\$(11,844) (11,844)			
Identifiable assets			
\$3,567,013 116,229 3,683,242			

**9. SUBSEQUENT EVENTS OF AMERCO**

On August 6, 2002, AMERCO declared a cash dividend of \$3,241,000 (\$0.53125 per preferred share) to preferred stockholders of record as of August 16, 2002.

**10. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Information regarding certain relationships and related transactions of management is set forth in the captions Certain Relationships and Related Transactions in the 2002 Proxy Statement, which information is incorporated herein by reference.

**Table of Contents**

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

**FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements. We may make additional written or oral forward-looking statements from time to time in filings with the Securities and Exchange Commission or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. 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, financing needs or plans, and liquidity 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; the availability of credit; changes in demand for our products; changes in the general domestic economy; the degree and nature of our competition; changes in accounting standards; and other factors described in this Quarterly Report on Form 10-Q 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 Consolidated Financial Statements, could contribute to or cause such differences, or could cause AMERCO's stock price to fluctuate dramatically.

**GENERAL**

Information on industry segments is incorporated by reference from Notes 1, 3 and 8 of Notes to Condensed Consolidated Financial Statements. The notes discuss the principles of consolidation, summarized consolidated financial information and industry segment and geographical area data, respectively. 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 our 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. Our 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 we believe 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. We considered the following 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 its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. AMERCO does not have an equity ownership interest in SAC Holdings or any of SAC Holdings' subsidiaries, except for investments made by Repwest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties.

**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, we review historical disposal experience and holding periods, and trends in the market. 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** We review carrying value whenever events or circumstances indicate the carrying values may not be recoverable through projected



## **Table of Contents**

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, we review quoted market prices, dealer quotes or discounted cash flows. 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.

## **RESULTS OF OPERATIONS**

### **QUARTER ENDED JUNE 30, 2002 VERSUS QUARTER ENDED JUNE 30, 2001**

#### **Consolidated Moving and Storage Operations**

Revenues consist of rental revenues and net sales. Total rental revenue was \$375.9 million and \$356.4 million for the quarters ended June 30, 2002 and 2001, respectively. Improved pricing has primarily attributed to the increase. Storage revenues increased \$4.7 million due to increased facility capacity through the acquisition of new locations and increased storage rates.

Net sales revenues were \$68.2 million and \$68.8 million for the quarters ended June 30, 2002 and 2001, respectively.

Cost of sales was \$33.3 million and \$36.4 million for the quarters ended June 30, 2002 and 2001, respectively. The decrease results from static sales.

Operating expenses before intercompany eliminations were \$262.4 million and \$267.4 million for the quarters ended June 30, 2002 and 2001, respectively.

Lease expense was \$38.8 million and \$42.5 million for the quarters ended June 30, 2002 and 2001, respectively. This decrease reflects a decline in the number of leased rental trucks.

Net depreciation expense was \$30.0 million and \$29.3 million for the quarters ended June 30, 2002 and 2001, respectively.

#### **AMERCO's Real Estate Operations**

Rental revenue before intercompany eliminations was \$15.4 million and \$17.9 million for the quarters ended June 30, 2002 and 2001, respectively. Intercompany revenue was \$14.7 and \$17.3 million for the quarters ended June 30, 2002 and 2001, respectively.

Net investment and interest income was \$2.8 million and \$1.9 million for the quarters ended June 30, 2002 and 2001, respectively. This decrease correlates to a reduction in Real Estate's average note and mortgage receivables balance outstanding.

## **Table of Contents**

Lease expense was \$1.9 million and \$4.1 million for the quarters ended June 30, 2002 and 2001, respectively.

Net depreciation expense was \$2.1 million and \$3.2 million for the quarters ended June 30, 2002 and 2001, respectively. The decrease from 2001 to 2002 reflected a loss on the disposition of assets for 2001 of \$0.6 million.

Operating profit before tax and intercompany elimination was \$14.7 million and \$14.8 million for the quarters ended June 30, 2002 and 2001, respectively.

## **Property and Casualty**

RepWest's premiums were \$46.6 million and \$62.2 million for the quarters ended March 31, 2002 and 2001, respectively. General agency premiums were \$20.2 million and \$29.6 million for the quarters ended March 31, 2002 and 2001, respectively. The decrease from 2001 to 2002 was the result of the cancellation of RepWest's direct Non-Standard Auto and Homeowners business, as well as additional quota share reinsurance on Transportation business. Assumed treaty reinsurance premium was \$9.3 million and \$15.7 million for the quarters ended March 31, 2002 and 2001, respectively. Rental industry premiums were \$9.2 million and \$8.5 million for the quarters ended March 31, 2002 and 2001, respectively.

Net investment income was \$7.6 million and \$8.4 million for the quarters ended March 31, 2002 and 2001, respectively. The decrease is attributable to lower annual average invested assets as well as reduced cash flow from operations.

Benefits and losses incurred were \$45.6 million and \$60.3 million for the quarters ended March 31, 2002 and 2001, respectively. This decrease is attributable to lowered premium writings resulting in less exposure primarily in the non-standard auto and home lines.

The amortization of deferred acquisition costs (DAC) was \$5.3 million and \$5.0 million for the quarters ended March 31, 2002 and 2001, respectively.

Operating expenses were \$6.0 million and \$10.9 million for the quarters ended March 31, 2002 and 2001, respectively. The decrease is a result of decreased commissions on decreased premium writings as well as decreased general and administrative expenses.

Operating loss before tax and intercompany elimination was \$2.8 million and \$5.6 million for the quarters ended March 31, 2002 and 2001, respectively. The decreased loss is the result of decreased expenses and the cancellation of unprofitable lines of business.

## **Life Insurance**

Net premiums were \$39.7 million and \$39.6 million for the quarters ended March 31, 2002 and 2001, respectively. Oxford increased Medicare supplement premiums by \$1.1 million through direct writings and rate management activity. Whole life sales increased \$0.7 million from the same quarter of 2001. Credit insurance premiums decreased \$1.3 million for the quarter from the previous year. Other business segments had premium decreases totaling \$0.2 million.

Net investment income before intercompany eliminations decreased \$0.9 million to \$5.3 million from \$6.2 million for the quarters ended March 31, 2002 and 2001, respectively, due to realized losses on fixed maturities.

Benefits incurred were \$30.8 million and \$31.2 million for the quarters ended March 31, 2002 and 2001, respectively. This was primarily due to fewer annuitizations.

Amortization of deferred acquisition costs (DAC) and the value of business acquired (VOBA) was \$5.0 million and \$4.8 million for the quarters ended March 31, 2002 and 2001, respectively.

Operating expenses were \$8.3 million and \$7.2 million for the quarters ended March 31, 2002 and 2001, respectively. Commissions have increased \$0.4 million from 2001 primarily due to the increase in Medicare supplement premiums. General and administrative expenses net of fees collected increased \$0.7 million.

Operating profit before tax and intercompany eliminations was \$0.9 million and \$2.7 million for the quarters ended March 31, 2002 and 2001, respectively. The decrease from 2001 is due primarily to realized investment losses and loss experience in the credit insurance segments.



## **Table of Contents**

### **Interest Expense Consolidated Group**

Interest expense was \$26.9 million and \$25.5 million for the quarters ended June 30, 2002 and 2001, respectively. The increase can be attributed to a higher debt level outstanding for SAC Holdings due its the acquisition of additional storage properties.

### **Consolidated Group**

As a result of the foregoing, pretax earnings were \$62.7 million and \$32.7 million for the quarters ended June 30, 2002 and 2001, respectively. After providing for income taxes, net earnings were \$40.5 million and \$20.9 million for the quarters ended June 30, 2002 and 2001, respectively.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Moving and Storage Operations**

To meet the needs of its customers, U-Haul must maintain a large inventory of fixed asset rental items. At June 30, 2002, net property, plant and equipment represented approximately 77.9% of total assets from non-insurance operations and approximately 51.6% of consolidated assets. In the quarters ended June 30, 2002 and 2001, capital expenditures were \$70.8 million and \$106.5 million, respectively. These expenditures primarily reflect the replacement of the rental truck fleet.

Cash provided by operating activities was \$81.4 million and \$71.0 million for the quarters ended June 30, 2002 and 2001, respectively. The increase resulted primarily from a decrease in notes and mortgage receivable partially offset by decreases in the accounts payable and intercompany payable balances along with increased earnings.

### **AMERCO s Real Estate Operations**

Cash used by operating activities was \$0.4 million and \$20.8 million for the quarters ended June 30, 2002 and 2001, respectively. The reduction of the amount used mainly resulted from a decrease in the intercompany payable balance.

### **Property and Casualty**

Cash used by operating activities was \$28.0 million and \$17.8 million for quarters ended March 31, 2002 and 2001, respectively. This change resulted from decreased unearned premium, a decrease in the change in premiums receivable from period to period, along with an increase in due from affiliate.

RepWest s cash and cash equivalents and short-term investment portfolio were \$11.6 million and \$4.3 million at March 31, 2002 and 2001, respectively. The increase is a result of a shifting of investments to cash and cash equivalents to fund claim payments generated by new business.

RepWest maintains a diversified securities investment portfolio, primarily in bonds, at varying maturity levels with 87.5% of the fixed-income securities consisting of investment grade securities. The maturity distribution is designed to provide sufficient liquidity to meet future cash needs. Current liquidity remains stable with current invested assets equal to 71.4% of total liabilities.

### **Life Insurance**

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.

Cash used by operating activities was \$(16.9) million and (\$5.6) million for the quarters ended March 31, 2002 and 2001, respectively. The decrease in cash flows from operating activities in 2002 relates to paid loss experience. Cash flows provided by financing activities were \$1.8 million and \$1.8 million for the quarters ended March 31, 2002 and 2001, respectively. Cash flows from deferred annuity sales increase investment contract deposits, which are a component of financing activities. The decrease in 2002 from 2001 is due to a higher ratio of annuity withdrawals versus deposits on our annuity contracts.

## Edgar Filing: AMERCO /NV/ - Form 10-Q/A

In addition to cash flows from operating and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. At March 31, 2002 and 2001, short-term investments were \$67.0 million and \$65.1 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.



## **Table of Contents**

### **Consolidated group**

At June 30, 2002, total outstanding notes and mortgages payable for AMERCO and wholly owned subsidiaries was \$898.5 million compared to \$1,045.8 million at March 31, 2002. At June 30, 2002, total outstanding notes and mortgages payable for SAC Holdings and consolidated subsidiaries was \$960.7 million compared to \$957.4 million at March 31, 2002. SAC Holdings securitized loan agreements have no guarantees, or triggers that could create a guarantee, from AMERCO. With the exception of a Merrill Lynch transaction, a sellers warranty of value, for \$2.0 million, SAC Holdings creditors have no recourse to AMERCO. The sellers warranty will be eliminated when occupancy reaches 74.9%. AMERCO is not liable for the debts of SAC Holdings. Further, there are no cross default provisions on indebtedness between AMERCO and SAC Holdings.

AMERCO does not have any ownership interest in SAC Holdings or its subsidiaries, except for investments made by RepWest and Oxford in a SAC Holdings controlled limited partnership which holds Canadian self-storage properties. The presentation of the consolidated statements has no bearing on the credit agreements or the operations of either AMERCO or SAC Holdings. The accounts of AMERCO and SAC Holdings are presented as consolidated due to a revised interpretation of EITF 90-15 by the Company's former independent public accountants during the year ended March 31, 2002, which concluded that SAC Holdings majority owner did not qualify as an independent third party to AMERCO.

During each of the fiscal years ended March 31, 2003, 2004 and 2005, we estimate 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. We estimate 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, by refinancing a portion of existing indebtedness. The sale of assets is dependant upon economic conditions, the amount and nature of sale and leaseback transactions and our fleet rotation program. Operating leases on rental equipment result from sale-lease back transactions whereby as part of the agreement, residual value guarantees were provided. We believe 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.

From time to time, Real Estate sells storage properties to SAC Holdings. These sales have in the past provided significant cash flows to the Company. The ability of the Company 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 acquisition of properties from Real Estate and, in general, its willingness to engage in such transactions.

### **Credit Agreements**

Our operations are funded by various credit and financing arrangements, including unsecured long-term borrowings, unsecured medium-term notes, revolving lines of credit with banks and operating leases. The operating leases are primarily used to finance the Company's fleet of trucks and trailers. As of June 30, 2002, we had \$898.5 million in total notes and loans payable outstanding and total unutilized lines of credit of approximately \$65.8 million. In addition to economic pressures, there has been a reduction in the number of leasing companies and banks, which has had a negative impact on financial markets. This has led to less availability of financing and higher cost of credit. We believe there are enough leasing companies and banks to meet our financing needs. However, no assurance can be provided that we will be able to secure additional borrowings on satisfactory terms or in a timely manner.

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 us to 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.

Certain of our 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, placing certain additional liens on our properties and assets, and restricting the issuance of certain types of preferred stock. At June 30, 2002, AMERCO was in compliance with these covenants.

**Table of Contents**

SAC Holdings operations are funded by various mortgage loans and unsecured notes, with interest rates ranging from 7.5% to 13.0%. SAC does not utilize revolving lines of credit to finance its operations or acquisitions. Certain of SAC's agreements contain restrictive covenants including coverage ratios and restrictions on incurring additional subsidiary indebtedness. At June 30, 2002, SAC Holdings was in compliance with all of these covenants.

On June 28, 2002, AMERCO entered into an agreement replacing an existing 5 year \$400.0 million revolver agreement with a 3 year \$205.0 million revolver agreement.

Reference is made to Note 5 of Notes to Consolidated Financial Statements in AMERCO's Annual Report on Form 10-K for the fiscal year ended March 31, 2002 for additional information about our credit agreements.

**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	\$898,517	195,593	514,554	17,253	171,117
SAC Holdings' notes and loans payable	\$588,648	144,919	135,286	13,762	294,681
Lease obligations	\$503,369	107,892	219,996	137,722	37,759
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					
Total Contractual Obligations	\$1,990,534	448,404	869,836	168,737	503,557
<hr/>					
<hr/>					
<hr/>					
<hr/>					
<hr/>					

**Table of Contents**

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Part II, Item 7A, Quantitative and Qualitative Disclosure About Market Risk, in AMERCO's Annual Report on Form 10-K for the fiscal year ended March 31, 2002.

**Table of Contents**

PART II. OTHER INFORMATION

**ITEM 1. LEGAL PROCEEDINGS**

In the normal course of business, AMERCO is a defendant in a number of suits and claims. AMERCO is also a party to several administrative proceedings arising from state and local provisions that regulate the removal and/or cleanup of underground fuel storage tanks. It is the opinion of management that none of the suits, claims or proceedings involving AMERCO, individually or in the aggregate, are expected to result in a material loss.

**Table of Contents**

**ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K**

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Articles of Incorporation (1)
3.2	Restated
	By-Laws of
	AMERCO as of
	August 27, 1997
(2)99.1	
	Certificate of
	Edward J.
	Shoen, President
	of AMERCO
	pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.2	
	Certificate of
	Gary B. Horton,
	Treasurer of
	AMERCO
	pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.3	
	Certificate of
	Edward J.
	Shoen, President
	of U-Haul
	International,
	Inc. pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.4	
	Certificate of
	Gary B. Horton,
	Treasurer of
	U-Haul
	International,
	Inc. pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of 2002

(b) Reports on Form 8-K.

## Edgar Filing: AMERCO /NV/ - Form 10-Q/A

On July 23, 2002 the Company filed a report on Form 8-K to disclose the dismissal of PricewaterhouseCoopers. On August 12, 2002, the Company filed a report on Form 8-K to disclose the engagement of BDO Seidman, LLP, as the Company's new independent auditor. On August 14, 2002, the Company filed a report on Form 8-K to disclose that the Principal Executive Officer, Edward J. Shoen, and Principal Financial Officer, Gary B. Horton, submitted to the SEC sworn statements pursuant to Securities and Exchange Commission Order No. 4-460.

---

(1) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2002, file no. 1-11255.

(2) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997, file no. 1-11255.

**Table of Contents**

SIGNATURES

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

AMERCO

---

(Registrant)

Dated: September 26, 2002 By: /S/ GARY B.  
HORTON

---

Gary B. Horton, Treasurer  
(Principal Financial Officer)

**Table of Contents**

SIGNATURES

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

U-Haul International, Inc.

---

(Registrant)

Dated: September 26, 2002 By: /S/ GARY B.  
HORTON

---

Gary B. Horton, Assistant Treasurer  
(Principal Financial Officer)



**Table of Contents**

CERTIFICATIONS

I, Edward J. Shoen, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of AMERCO and U-Haul International, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

[Items 4, 5 and 6 omitted pursuant to the transition provisions of Release No. 34-46427.]

Date: September 26, 2002

/s/ EDWARD J. SHOEN

---

Edward J. Shoen  
Chairman of the Board  
and President of AMERCO  
and President of U-Haul International, Inc.

---

**Table of Contents**

I, Gary B. Horton, certify that:

1. I have reviewed this annual report on Form 10-Q/A of AMERCO and U-Haul International, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

[Items 4, 5 and 6 omitted pursuant to the transition provisions of Release No. 34-46427.]

Date: September 26, 2002

*/s/* GARY B. HORTON

---

Gary B. Horton  
Treasurer of AMERCO and  
Assistant Treasurer of  
U-Haul International, Inc.

---

**Table of Contents**

INDEX OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Articles of Incorporation (1)
3.2	Restated
	By-Laws of
	AMERCO as of
	August 27, 1997
(2)99.1	Certificate of
	Edward J.
	Shoen, President
	of AMERCO
	pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.2	Certificate of
	Gary B. Horton,
	Treasurer of
	AMERCO
	pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.3	Certificate of
	Edward J.
	Shoen, President
	of U-Haul
	International,
	Inc. pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of
200299.4	Certificate of
	Gary B. Horton,
	Treasurer of
	U-Haul
	International,
	Inc. pursuant to
	Section 906 of
	the
	Sarbanes-Oxley
	Act of 2002

(1) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2002, file no. 1-11255.

(2) Incorporated by reference to AMERCO's

Quarterly  
Report on  
Form 10-Q for  
the quarter  
ended  
December 31,  
1997, file no.  
1-11255.