

SECURITIES AND EXCHANGE COMMISSION

FORM S-2/A

Registration of securities [amend]

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FILER

AMERCO /NV/

CIK: **4457** | IRS No.: **880106815** | State of Incorpor.: **NV** | Fiscal Year End: **0331**
Type: **S-2/A** | Act: **33** | File No.: **033-54289** | Film No.: **94554613**
SIC: **3711** Motor vehicles & passenger car bodies

Mailing Address
1325 AIRMOTIVE WAY
SUITE 100
RENO NV 89502

Business Address
1325 AIRMOTIVE WY STE 100
RENO NV 89502
7027860488

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PRE-EFFECTIVE
AMENDMENT NO. 5
TO
FORM S-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERCO
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA
(STATE OR OTHER
JURISDICTION OF INCORPORATION OR ORGANIZATION)

88-0106815
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

1325 AIRMOTIVE WAY, SUITE 100
RENO, NEVADA 89502-3239
(702) 688-6300
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JON S. COHEN, ESQ.
SNELL & WILMER
ONE ARIZONA CENTER
PHOENIX, ARIZONA 85004
(602) 382-6247
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPY TO:

DEBRA K. WEINER, ESQ.
GROVER WICKERSHAM, P.C.
430 CAMBRIDGE AVENUE, SUITE 100
PALO ALTO, CALIFORNIA 94306
(415) 323-6400

CHRISTOPHER S. BERTICS, ESQ.
COOLEY GODWARD CASTRO
HUDDLESON & TATUM
5 PALO ALTO SQUARE, 4TH FLOOR
PALO ALTO, CALIFORNIA 94306
(415) 843-5000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE TO BE OFFERED ON A
DELAYED OR CONTINUOUS BASIS PURSUANT TO RULE 415 UNDER THE SECURITIES ACT OF
1933, CHECK THE FOLLOWING BOX. []

IF THE REGISTRANT ELECTS TO DELIVER ITS LATEST ANNUAL REPORT TO SECURITY
HOLDERS, OR A COMPLETE AND LEGIBLE FACSIMILE THEREOF PURSUANT TO ITEM 11(A)(1)
OF THIS FORM, CHECK THE FOLLOWING BOX. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Additional Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Additional Amount of Registration Fee
Common Stock, \$.25 par value.....	75,000(1)	\$18.00	\$1,350,000	\$465.52

(1) All of which is subject to an over-allotment option granted by the Selling
Stockholder to the Underwriters.

The Registrant hereby amends this Registration Statement on such date or
dates as may be necessary to delay its effective date until the Registrant shall
file a further amendment which specifically states that this Registration
Statement shall thereafter become effective in accordance with Section 8(a) of
the Securities Act of 1933 or until the Registration Statement shall become

effective on such date as the Commission acting pursuant to Section 8(a) may determine.

CROSS REFERENCE SHEET SHOWING LOCATION IN PROSPECTUS
OF INFORMATION REQUIRED BY FORM S-2
FILED AS PART OF REGISTRATION STATEMENT

ITEM NUMBER IN FORM S-2	ITEM CAPTION IN FORM S-2	CAPTION IN PROSPECTUS
1.	Forepart of Registration Statement and Outside Front Cover Page of Prospectus	Facing Page; Cross Reference Sheet; Cover Page
2.	Inside Front and Outside Back Cover Pages of Prospectus	Inside Front Cover Page; Available Information; Information Incorporated by Reference; Table of Contents
3.	Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges	Prospectus Summary; Risk Factors; The Company
4.	Use of Proceeds	Prospectus Summary
5.	Determination of Offering Price	Cover Page; Underwriting
6.	Dilution	Inapplicable
7.	Selling Security Holders	Selling Security Holder
8.	Plan of Distribution	Underwriting
9.	Description of Securities to be Registered	Description of Capital Stock
10.	Interests of Named Experts and Counsel	Legal Opinions; Experts
11.	Information with Respect to Registrant	Prospectus Summary; Risk Factors; The Company; Capitalization; Stockholder Matters; Selected Consolidated Financial Data; Management's Discussion and Analysis; Business; Certain Transactions; Selling Security Holder; Financial Statements
12.	Incorporation of Certain Information by Reference	Information Incorporated by Reference
13.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Inapplicable

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED OCTOBER 24, 1994

PROSPECTUS

500,000 SHARES
A M E R C O

Ponderosa Insurance Holdings
 U-Haul
 AMERCO Real Estate Company

Sophia M. Shoen ("Selling Stockholder") hereby offers 500,000 shares of Common Stock (the "Securities") of AMERCO (the "Company"), a holding company for U-Haul International, Inc., Ponderosa Holdings, Inc., and Amerco Real Estate Company. The Company will not receive any portion of the proceeds from the sale of the Securities offered hereby.

Although the Company has been a reporting company under the Securities Exchange Act of 1934 for several years, prior to this offering, there has been no active public trading market for the Company's common stock. See "Underwriting" for a discussion of factors considered in determining the initial public offering price. It is anticipated that the initial public offering price will be between \$16.00 and \$18.00 per share. Some of the Securities may be offered to non-U.S. persons. The Securities offered hereby have been approved for quotation on the Nasdaq National Market upon notice of issuance under the symbol "AMOO."

SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	PROCEEDS TO SELLING STOCKHOLDER(2)
Per Share.....	\$	\$	\$
TOTAL.....	\$	\$	\$

- (1) Excludes a non-accountable expense allowance of \$ payable by Selling Stockholder to Cruttenden & Company, the representative (the "Representative") of the several Underwriters. The Company and the Selling Stockholder have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). See "Underwriting."
- (2) The Company will be paying expenses in connection with this offering, estimated at approximately \$505,000.
- (3) The Selling Stockholder has granted the Underwriters a 45-day option to purchase up to 75,000 additional shares of Common Stock on the same terms and conditions as set forth above, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Selling Stockholder will be \$, \$ and \$, respectively. See "Underwriting."

The Securities offered by this Prospectus are offered by the Underwriters subject to prior sale when, as and if delivered to and accepted by the Underwriters, and subject to their right to withdraw, cancel, or modify such offer and to reject orders in whole or in part and to certain other conditions. It is expected that delivery of the Securities will be made at the offices of Cruttenden & Company, Irvine, California, on or about, 1994.

CRUTTENDEN & COMPANY THE DATE OF THIS PROSPECTUS IS , 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. STABILIZING TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports and other information with the Securities and Exchange

Commission (the "Commission"). Reports, proxy statements, and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at its regional offices located at 7 World Trade Center, 13th Floor, New York, New York 10048, and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material may be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates.

The Company has filed with the Commission a registration statement (the "Registration Statement") with respect to the Securities offered hereby. This Prospectus, which constitutes part of the Registration Statement, does not contain all of the information contained in the Registration Statement and the exhibits thereto. For further information with respect to the Company and the Securities offered hereby, reference is made to the Registration Statement, including the exhibits thereto, which may be examined without charge at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and copies of all or any part thereof may be obtained from the Public Reference Section of the Commission at prescribed rates. Statements contained in this Prospectus as to the contents of any contract or any other document are not necessarily complete and, in each instance, reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each statement being qualified in all respects by such reference.

The Company's Series A 8-1/2% Preferred Stock is listed on the New York Stock Exchange. Reports, proxy statements, and other information filed by the Company may be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INFORMATION INCORPORATED BY REFERENCE

The Annual Report of the Company on Form 10-K for the fiscal year ended March 31, 1994, the Quarterly Report of the Company on Form 10-Q for the quarter ended June 30, 1994, the Current Report on Form 8-K filed with the Commission on October 13, 1994, and the Company's definitive Notice and Proxy Statement filed with the Commission on July 8, 1994 are incorporated herein by reference.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will cause to be furnished without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon the written or oral request of such person, a copy of any documents described above, other than certain exhibits to such documents. Requests should be addressed to: AMERCO, Investor Relations, 1325 Airmotive Way, Suite 100, Reno, Nevada 89502; telephone: (702) 688-6300.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in this Prospectus. Except as otherwise specified, all information in this Prospectus assumes no exercise of the over-allotment option granted to the Underwriters. Investors should carefully consider the information set forth under the heading "Risk Factors."

THE COMPANY

AMERCO, a Nevada corporation (the "Company"), is the holding company for U-Haul International, Inc. ("U-Haul"), Ponderosa Holdings, Inc. ("Ponderosa"), and Amerco Real Estate Company ("AREC"). Throughout this Prospectus, unless the context otherwise requires, the term "Company" includes all of the Company's subsidiaries.

U-Haul is primarily engaged, through subsidiaries, in the rental of trucks, automobile-type trailers, and support rental items to the do-it-yourself moving customer, all under the registered tradename U-Haul(R). Additionally, U-Haul sells related products and services and rents self-storage facilities and various kinds of equipment. AREC owns and manages a majority of the real estate used in connection with the foregoing businesses.

Ponderosa serves as the holding company for the Company's insurance businesses. Ponderosa's two principal subsidiaries are Oxford Life Insurance Company ("Oxford") and Republic Western Insurance Company ("RWIC"). Oxford primarily reinsures life, health, and annuity type insurance products and

administers the Company's self-insured employee health plan. RWIC originates and reinsures property and casualty type insurance products for various market participants, including independent third parties, the Company's customers, and the Company. See "The Company" and "Business."

The Company's principal executive offices are located at 1325 Airmotive Way, Suite 100, Reno, Nevada 89502-3239, and the telephone number of the Company is (702) 688-6300. As used in this Prospectus, all references to a fiscal year refer to the Company's fiscal year ended March 31 of that year.

THE OFFERING

Securities Offered (1).....	500,000 shares of Common Stock.
Securities Outstanding	6,100,000 shares of Series A 8-1/2% Preferred Stock, 29,426,048 shares of Common Stock, and 9,238,015 shares of Series A Common Stock.
Use of Proceeds	The Company will receive no proceeds from the sale of the Securities offered hereby.
Proposed Nasdaq National Market Symbol	"AMOO"

(1) Excludes up to 75,000 shares subject to the Underwriters' over-allotment option.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary financial information was derived from and is qualified by reference to the financial statements and other information and data contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1994, and the Company's unaudited Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, which are incorporated by reference. Oxford and RWIC have been consolidated on the basis of fiscal years ended December 31. To give effect to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," the Company has restated its financial statements to April 1, 1988. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Other." The summaries for the quarters ended June 30 are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of such financial information have been included. The results of operations for the quarter ended June 30, 1994 may not be indicative of the results to be expected for fiscal 1995 because the Company's U-Haul business is seasonal, with a majority of its revenue and substantially all of its net earnings being generated in the first and second quarters of each fiscal year.

<TABLE>
<CAPTION>

	For the Fiscal Years Ended March 31,					For the Quarters Ended June 30,	
	1990	1991	1992	1993	1994	1993	1994
	(in thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS DATA:							
Rental, net sales, and other revenues .. \$	830,998	\$ 860,044	\$ 845,128	\$ 901,446	\$ 972,704	\$ 255,684	\$ 281,509
Premiums and net investment income	119,641	126,620	126,756	139,465	162,151	35,664	42,069
	950,639	986,664	971,884	1,040,911	1,134,855	291,348	323,578
Operating expenses and cost of sales	627,396	668,149	661,229	697,700	735,841	188,138	194,336
Benefits, losses, and amortization of deferred acquisition costs	121,602	126,626	99,091	115,969	130,168	26,094	29,496
Depreciation	105,437	114,589	109,641	110,105	133,485	30,140	37,282
Interest expense ..	74,657	80,815	76,189	67,958	68,859	17,338	16,638
	929,092	990,179	946,150	991,732	1,068,353	261,710	277,752

Pretax earnings							
(loss) from							
operations	21,547	(3,515)	25,734	49,179	66,502	29,638	45,826
Income tax expense	(3,516)	(6,354)	(4,940)	(17,270)	(19,853)	(8,775)	(16,413)
Earnings (loss)							
before							
cumulative							
effect of change							
in accounting							
principle and							
extraordinary							
item	18,031	(9,869)	20,794	31,909	46,649	20,863	29,413
Extraordinary loss							
on early							
extinguishment							
of debt, net	--	--	--	--	(3,370)	--	--
Cumulative effect							
of change in							
accounting							
principle, net ..	--	--	--	--	(3,095)	(3,504)	--
Net earnings							
(loss)	\$ 18,031	\$ (9,869)	\$ 20,794	\$ 31,909	\$ 40,184	\$ 17,359	\$ 29,413
Earnings (loss)							
from operations							
before							
extraordinary							
loss on early							
extinguishment							
of debt and							
cumulative							
effect of change							
in accounting							
principle per							
common share	\$.46	\$ (.25)	\$.53	\$.83	\$ 1.06	\$.56	\$.71
Net earnings							
(loss) per common							
share <F1>.....	.46	(.25)	.53	.83	.89	.47	.71
Weighted average							
common shares							
outstanding	39,483,960	39,312,080	38,880,069	38,664,063	38,664,063	37,158,211	37,107,536
Cash dividends							
declared --							
common shares ...	\$ 2,575	\$ 1,176	\$ --	\$ 1,994	\$ 3,147	\$ --	\$ --

<CAPTION>

MARCH 31,

JUNE 30,

1990 1991 1992 1993 1994 1993 1994

(IN THOUSANDS)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:							
Total property,							
plant, and							
equipment,							
net.....	\$ 975,675	\$ 1,040,342	\$ 987,095	\$ 989,603	\$ 1,174,236	\$ 1,123,541	\$ 1,224,674
Total assets.	1,725,660	1,822,977	1,979,324	2,024,023	2,344,442	2,169,040	2,411,381
Notes and							
loans							
payable.....	749,113	804,826	733,322	697,121	723,764	766,946	725,565
Stockholders'							
equity.....	446,294	435,180	451,888	479,958	651,787	495,458	673,803

<FN>

<F1> For the fiscal year ended March 31, 1994, and the quarter ended June 30, 1994, net earnings per common share amounts were computed after giving effect to the dividend on the Company's Series A 8-1/2% Preferred Stock. See "Description of Capital Stock -- Dividends."

</FN>

</TABLE>

RISK FACTORS

THE PURCHASE OF THE SECURITIES OFFERED HEREBY INVOLVES SUBSTANTIAL RISK. THE FOLLOWING MATTERS, INCLUDING THOSE MENTIONED ELSEWHERE, SHOULD BE CONSIDERED CAREFULLY BY A PROSPECTIVE INVESTOR IN EVALUATING A PURCHASE OF THE SECURITIES.

EXISTING MANAGEMENT -- POTENTIAL CHANGE IN CONTROL

For the reasons set forth below, there can be no assurance that the Company's current management or its current operating strategy will remain in

place. The Selling Stockholder opposes current management. See "Selling Security Holder" for information about Selling Stockholder.

At the date of this Prospectus, members of a stockholder group (the "Inside Stockholder Group"), which includes the Trust (the "ESOP Trust") under the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan (the "ESOP"), Oxford (acting as a trustee), Selling Stockholder, certain members of the Company's management, and certain other stockholders vote approximately, 47.6% of the Company's common stock pursuant to a stockholder agreement. The ESOP Trust holds approximately 7.7% of the Company's voting stock. Approximately 2.8% of the Company's outstanding voting stock is allocated to participants' ESOP Trust accounts and voted by the ESOP Trustees in accordance with the participants' direction. The ESOP Trust votes approximately 4.9% of the Company's voting stock in its discretion as part of the Inside Stockholder Group. See "Risk Factors -- Existing Management -- Potential Change in Control -- Replacement of ESOP Trustees." Oxford acts as trustee for various trusts that own approximately 4.2% of the Company's voting stock. At the completion of the offering of the Securities, the Inside Stockholder Group will vote approximately 46.3% of the Company's common stock. There exists a second stockholder group (the "Outside Stockholder Group") controlling approximately 49.1% of the Company's common stock that is currently opposed to existing Company management. See "Principal Stockholders -- Outside Stockholder Group." The members of the Outside Stockholder Group may be required to sell their shares to certain of the Company's current and former directors pursuant to litigation described in "Business -- Litigation."

Arbitration Proceedings. Selling Stockholder and Paul F. Shoen have claimed that the Company has defaulted in its obligations to register their common stock under separate Share Repurchase and Registration Rights Agreements. The matter is the subject of an arbitration proceeding described in "Business -- Litigation." The arbitration panel concluded hearings in the matter on August 21, 1994 and is expected to render a decision on or before November 3, 1994. Selling Stockholder and Paul F. Shoen claim that as a result of such alleged defaults they have the right to give notice of termination of the Inside Stockholder Group. The Company disagrees with those assertions. Selling Stockholder gave such notice of termination on July 11, 1994. See "Principal Stockholders -- Inside Stockholder Group."

Annual Meeting of Stockholders. The current members of the Inside Stockholder Group, excluding Selling Stockholder and Paul F. Shoen, control approximately 33.0% of the Company's common stock. Edward J. Shoen, the Company's Chairman and President, and Mark V. Shoen, Executive Vice President of Product for U-Haul International, Inc., who have been instrumental in the Company's performance since 1987, and Aubrey K. Johnson, one of three independent directors and the only director without a current or past employment history with the Company, are standing for re-election at the Company's 1994 Annual Meeting of Stockholders. There is no assurance that these individuals will be re-elected. Selling Stockholder and Paul F. Shoen have nominated themselves in opposition to Edward J. Shoen and Mark V. Shoen. The Outside Stockholder Group, controlling 49.1% of the voting stock, also has competing candidates. As a result of the foregoing, if Selling Stockholder or Paul F. Shoen is successful in leaving the Inside Stockholder Group, Edward J. Shoen and Mark V. Shoen probably will not be re-elected. Accordingly, there can be no assurance that the Company's current management or its current operating strategy will remain in place. In addition, the entire Board of Directors can be removed without cause by stockholders holding two-thirds of the Company's voting stock. The Annual Meeting of Stockholders was scheduled for July 21, 1994 but was enjoined, pursuant to litigation initiated by Paul F. Shoen (the "Paul F. Shoen Litigation"), by the United States District Court for the District of Nevada for a period of at least 45 days following the appointment of three neutral ESOP Trustees. The Court's order directs the parties to stipulate to the appointment of three neutral trustees by October 21, 1994. As of the date of this Prospectus, the parties have not stipulated to the appointment of replacement trustees and the Company has joined with the ESOP Trustee in appealing the Court's decision to the Ninth Circuit. See "Risk Factors -- Existing Management -- Potential Change in Control -- Replacement of ESOP Trustee," "Business -- Litigation," and "Principal Stockholders."

Replacement of ESOP Trustee. In the Paul F. Shoen Litigation, Paul F. Shoen alleges, among other things, that the ESOP Trustee breached its fiduciary duties by campaigning on behalf of incumbent management, by refusing to forward his proxy statement to the ESOP participants, and by violating certain of the Commission's Proxy Rules. Prior to October 6, 1994 three U-Haul officers, Edward J. Shoen, Gary B. Horton and Donald W. Murney collectively served as the ESOP Trustee under the ESOP Trust. On October 6, 1994, the United States District Court for the District of Nevada issued a Memorandum and Order entering a preliminary injunction in the Paul F. Shoen Litigation. In the order, the Court stated that it found it overwhelmingly likely that Paul F. Shoen would prevail on the merits of the case. The Court ordered that the current ESOP Trustee be replaced with three neutral trustees and that certain actions be taken by the new trustees regarding the voting of the common stock held by the

ESOP. The Court enjoined the Company's Annual Meeting of Stockholders for a period of at least 45 days after the date three neutral trustees are appointed. The Company has joined in motions filed by the ESOP Trustee to appeal the Court's order to the Ninth Circuit. As of the date of this Prospectus, the Court's order has not been stayed and the office of the ESOP Trustee is vacant. See "Business -- Litigation." The ESOP Trustee votes approximately 4.9% of the Company's common stock and all of the common stock allocated to participants' accounts for which no direction is received as part of the Inside Stockholder Group. See "Principal Stockholders -- Inside Stockholder Group -- ESOP Trustees; Release of Shares from Stockholder Agreement." The ESOP Trustee is only required to act as a member of the Inside Stockholder Group if the other members of the Inside Stockholder Group provide the ESOP Trustee with an opinion of counsel satisfactory to the ESOP Trustee that such act shall not result in a violation of the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or the Internal Revenue Code of 1986, as amended (the "IRC"). If the other members of the Inside Stockholder Group are unable to furnish such an opinion, it is unclear whether or not the ESOP Trustee could vote other than as part of the Inside Stockholder Group. After the completion of the offering of the Securities assuming the Underwriters do not exercise their over-allotment option, the Inside Stockholder Group would control approximately 41.3% of the Company's voting stock without counting shares held by the ESOP Trustee. See "Principal Stockholders -- Inside Stockholder Group -- Voting of Shares."

Credit Agreements. Certain of the Company's credit agreements contain provisions that could result in a required prepayment upon a "change in control" of the Company. There can be no assurance that a change in control will not occur if Selling Stockholder or Paul F. Shoen is successful in leaving the Inside Stockholder Group. Approximately \$509 million of the Company's outstanding debt was covered by such credit agreements as of June 30, 1994. The Company does not currently have available sources of financing to fund such prepayments if they became payable in full. In addition, upon such a "change in control," the Company might lose the ability to draw on approximately \$375 million under unutilized lines of credit otherwise available at June 30, 1994. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources -- Credit Agreements."

SHAREHOLDER LITIGATION

As disclosed in "Business -- Litigation," certain current and former members of the Company's Board of Directors are defendants in an action in the Superior Court of the State of Arizona in and for the County of Maricopa initiated by certain members of the Outside Stockholder Group in 1988. Based upon the preliminary rulings by the Court and the fact that the plaintiffs alleged that their stock is virtually worthless, the Company believes that the plaintiffs elected that their remedy in the litigation would be the sale of their stock to the defendants at a price determined by the Court based on the value of their stock in 1988. On October 7, 1994, the jury determined that such value was \$81.12 per share or approximately \$1.48 billion. The defendants intend to file post-trial motions to (i) request a new trial and/or (ii) reduce the amount of consideration to be paid to the plaintiffs for their stock or to obtain judgment in favor of the defendants. The Company is unable to predict the outcome of the post-trial motions and the likelihood of appeal by any party. Upon completion of this litigation and a final determination of the purchase price to be paid to the plaintiffs, the Company believes that the Outside Stockholder Group will cease to exist. The Company has agreed to indemnify the defendants to the fullest extent permitted by law or the Company's Articles of Incorporation or Bylaws, for all expenses and damages, if any, incurred by the defendants in this proceeding, subject to certain exceptions. As of the date of this Prospectus, the extent of the Company's indemnification obligations, if any, cannot be reasonably estimated. If the jury verdict in this case is significantly reduced, the Company believes that it can satisfy its indemnification obligations, if any. The Company believes that it has various means of financing any such indemnification obligations consistent with its existing credit agreements, or, in the alternative, the Company may seek the waiver or amendment of certain of the provisions of one or more of its credit agreements when the indemnification obligations are determined. The Company believes, but no assurance can be given, that it can obtain any necessary waivers or amendments. If the jury verdict is not significantly reduced and any resulting judgment is not stayed by appeal or other proceedings, the Company may be unable to satisfy its indemnification obligations if valid indemnification claims are made. There can be no assurance that the jury verdict will be significantly reduced. See "Business -- Litigation."

DEPENDENCE UPON KEY PERSONNEL

The success and growth of the Company since 1987 has been dependent upon the performance of its senior management team, the loss of whose services could have an adverse effect on the Company. There is no assurance that the senior management will remain employed by the Company. The Company has not entered into employment contracts with anyone on the senior management team and has

not granted restricted stock or stock option awards to any employee pursuant to the Company's Stock Option and Incentive Plan. However, Edward J., Mark V., and James P. Shoen are members of the Company's senior management and have substantial common stock holdings in the Company. See "Risk Factors -- Existing Management -- Potential Change in Control" and "Principal Stockholders."

NO PRIOR PUBLIC MARKET OR PRICE FOR COMMON STOCK

Prior to the initial offering of Securities under this Prospectus, there has been no public market for the Company's common stock. Although the Company has applied to have the Securities offered hereby approved for quotation on the Nasdaq National Market, there can be no assurance that an active trading market will develop or be maintained following such offering. Because no public market for the common stock has existed prior to this offering, the public offering price for the Securities offered hereby will be determined by negotiation between Selling Stockholder and the Underwriters. For information relating to the factors to be considered in determining the offering price, see "Underwriting." For additional information relating to recent sales of Common Stock by Selling Stockholder, see "Selling Security Holder."

OTHER SHARES OF COMMON STOCK -- MARKET OVERHANG

In addition to the Securities, the Company has 38,164,063 other shares of common stock outstanding. Those shares could potentially be sold by the holders thereof, which could adversely affect the market price of the Securities. However, the Company's Bylaws provide for a right of first refusal in favor of the Company with respect to all of the common stock, except for the Securities offered hereby and the common stock held by the ESOP Trust, which has been released from the right of first refusal. In addition, the Company is contractually obligated to lift the right of first refusal on all shares of common stock held by Selling Stockholder and Paul F. Shoen, assuming that such shares are sold in accordance with the limitations of Rule 144. Generally, under Rule 144, each of Selling Stockholder and Paul F. Shoen would be allowed to sell up to at least approximately 380,000 shares of common stock during any three month period.

If holders of common stock subject to the right of first refusal wish to sell any of their shares, they are required to offer such shares to the Company by sending a notice to the Secretary of the Company, designating the terms of any proposed sale. The Company then can accept the offer stated in the notice or permit the stockholder to dispose of all or part of such shares. There is no assurance that the right of first refusal will be exercised by the Company with respect to any sale of common stock or that the Bylaws will continue to provide for a right of first refusal. In addition, the Company has received a stockholder proposal requiring the approval of stockholders holding two-thirds of the Company's voting stock to be acted upon at the Company's Annual Meeting of Stockholders to eliminate the right of first refusal from the Company's Bylaws, and the Selling Stockholder and Paul F. Shoen are asserting in arbitration proceedings described in "Business -- Litigation" that the Company has an obligation to remove the right of first refusal. See "Principal Stockholders -- Inside Stockholder Group -- Registration Rights; Release of Shares from Stockholder Agreement." On September 1, 1994, Paul F. Shoen demanded registration of 500,000 of his shares pursuant to a Share Repurchase and Registration Rights Agreement. Subject to certain limitations, the Company is required to effect registration of those shares on or before March 1, 1995.

ENVIRONMENTAL MATTERS

The Company owns properties that contained approximately 1,500 underground storage tanks as of June 30, 1994 and has been named a "potentially responsible party" with respect to the disposal of hazardous wastes at fifteen federal or state superfund sites. See "Business -- Environmental Matters."

QUARTERLY FLUCTUATIONS -- SEASONALITY

The Company's results of operations have historically fluctuated from period to period, including on a quarterly basis. In particular, the Company's U-Haul business is seasonal and a majority of the Company's revenues and substantially all of its net earnings from its U-Haul business are generated in the first and second quarters of each fiscal year (April through September). In addition, the Company's results of operations have in the past and will continue to be affected by a wide variety of factors, including events that are beyond the control of the Company. For example, the results of operations of RWIC in fiscal 1992 and 1993 were adversely affected due to losses related to Hurricane Andrew. Results of operations in any period should not be considered indicative of the results to be expected for any future periods, and fluctuations in operating results may also result in fluctuations in the price of the Company's common stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

REGULATED INDUSTRIES

The Company's insurance operations are subject to regulation. See

ABILITY TO ISSUE SERIAL COMMON STOCK AND PREFERRED STOCK

The Board of Directors has the authority to issue up to 50,000,000 shares of preferred stock and up to 150,000,000 shares of serial common stock and to fix the rights, preferences, privileges, and restrictions, including voting rights, of those shares without any further vote or action by the stockholders. The rights of the holders of the Securities will be subject to, and may be adversely affected by, the rights of the holders of any serial common stock and preferred stock that may be issued in the future. The issuance of serial common stock and preferred stock, while providing desired flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of the outstanding voting stock of the Company, thereby delaying, deferring, or preventing a change in control of the Company. Furthermore, holders of such serial common stock or preferred stock may have other rights, including economic rights senior to the Securities, and, as a result, the issuance thereof could have a material adverse effect on the market value of the Securities. The Company has in the past issued, and may from time to time in the future issue, preferred stock for financing purposes with rights, preferences, or privileges senior to the Securities offered hereby. Although, as of the date of this Prospectus, the Company's Board of Directors has no present intention to issue shares of either serial common stock or preferred stock with rights, preferences, or privileges senior to the Securities or to modify the rights, preferences, or privileges of currently outstanding common stock or preferred stock, no assurance can be given as to the Company's future plans in this regard. See "Description of Capital Stock."

THE COMPANY

The following chart represents the corporate structure of the major operating subsidiaries of the Company.

[A chart showing the corporate structure of the Company and its major subsidiaries. The chart shows the Company on top, above its three principal subsidiaries; Ponderosa Holdings, Inc., U-Haul International, Inc., and Amerco Real Estate Company situated horizontally beside one another. Directly below Ponderosa Holdings, Inc. are its subsidiaries, Oxford Life Insurance Company and Republic Western Insurance Company, situated horizontally beside one another.]

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company at June 30, 1994:

	June 30, 1994

	(in thousands)
Long-term debt, less current maturities.....	\$ 648,910
Stockholders' equity:	
Serial preferred stock with or without par value, 50,000,000 shares authorized; 6,100,000 shares issued without par value and outstanding.....	--
Serial common stock, with or without par value, 150,000,000 shares authorized.....	--
Series A Common Stock of \$.25 par value, authorized 10,000,000 shares, issued 5,754,334 shares (1).....	1,438
Common Stock of \$.25 par value, authorized 150,000,000 shares, issued 34,245,666 shares (1).....	8,562
Additional paid-in capital.....	165,651
Foreign currency translation.....	(11,461)
Retained earnings.....	540,325
Less:	
Cost of common shares in treasury, 1,335,937 shares.....	10,461
Loan to leveraged employee stock ownership plan.....	20,251

Total stockholders' equity:.....	\$ 673,803
	=====

(1) On August 24, 1994, the Company issued 3,483,681 shares of Series A Common Stock to Edward J. Shoen, Chairman of the Board and President of the Company, in exchange for 3,483,681 shares of Common Stock, \$.25 par value. Giving effect to this transaction, the number of outstanding shares of Series A Common Stock is 9,238,015, and the number of outstanding shares of Common Stock, \$.25 par value, is 29,426,048. See "Certain Transactions."

STOCKHOLDER MATTERS

As of August 31, 1994, there were 157 holders of record of the Company's Common Stock and three holders of record of the Company's Series A Common Stock. No established public trading market exists for the purchase and sale of the Company's common stock, and to the best knowledge and belief of the Company there is no one engaged in making a market for the Company's common stock.

Cash dividends declared on the Company's common stock for the two most recent fiscal years are as follows:

RECORD DATE	CASH DIVIDEND PER COMMON SHARE
August 4, 1992	\$.0258
October 6, 1992	\$.0258
August 3, 1993	\$.0814

The Company does not have a dividend policy with respect to the common stock. The Company's Board of Directors periodically considers the advisability of declaring and paying dividends in light of the existing circumstances. The above dividends on common stock are not indicative of future dividends on common stock. As of the date of this Prospectus no dividends on common stock are currently declared and unpaid and there can be no assurance that dividends on common stock will be declared in the future. The holders of the Series A 8-1/2% Preferred Stock are entitled to receive cumulative dividends prior to and in preference to the holders of common stock at a fixed annual rate. See Note 5 of Notes to Consolidated Financial Statements for a discussion of certain contractual restrictions on the Company's ability to pay dividends. See Note 19 of Notes to Consolidated Financial Statements for a discussion of certain statutory restrictions on Ponderosa's ability to pay dividends to the Company. See Note 15 of Notes to Consolidated Financial Statements for a discussion of the Company's non-cash dividends. See Note 6 of Notes to Consolidated Financial Statements for a discussion of changes to common shares outstanding and per share amounts.

SELECTED CONSOLIDATED FINANCIAL DATA

The following summary financial information was derived from and is qualified by reference to the financial statements and other information and data contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1994, and the Company's unaudited Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, which are incorporated by reference. Oxford and RWIC have been consolidated on the basis of fiscal years ended December 31. To give effect to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," the Company has restated its financial statements to April 1, 1988. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Other." The summaries for the quarters ended June 30, 1993 and 1994 are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of such financial information have been included. The results of operations for the quarter ended June 30, 1994 may not be indicative of the results to be expected for fiscal 1995 because the Company's U-Haul business is seasonal, with a majority of its revenue and substantially all of its net earnings being generated in the first and second quarters of each fiscal year.

<TABLE>
<CAPTION>

	For the Fiscal Years Ended March 31,					For the Quarters Ended June 30,	
	1990	1991	1992	1993	1994	1993	1994
	(in thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS DATA:							
Rental, net sales, and other revenues	\$ 830,998	\$ 860,044	\$ 845,128	\$ 901,446	\$ 972,704	\$ 255,684	\$ 281,509
Premiums and net investment income	119,641	126,620	126,756	139,465	162,151	35,664	42,069
	950,639	986,664	971,884	1,040,911	1,134,855	291,348	323,578
Operating expenses and							

cost of sales....	627,396	668,149	661,229	697,700	735,841	188,138	194,336
Benefits, losses, and amortization of deferred acquisition costs.....	121,602	126,626	99,091	115,969	130,168	26,094	29,496
Depreciation.....	105,437	114,589	109,641	110,105	133,485	30,140	37,282
Interest expense...	74,657	80,815	76,189	67,958	68,859	17,338	16,638
	929,092	990,179	946,150	991,732	1,068,353	261,710	277,752
Pretax earnings (loss) from operations.....	21,547	(3,515)	25,734	49,179	66,502	29,638	45,826
Income tax expense.....	(3,516)	(6,354)	(4,940)	(17,270)	(19,853)	(8,775)	(16,413)
Earnings (loss) before cumulative effect of change in accounting principle and extraordinary item.....	18,031	(9,869)	20,794	31,909	46,649	20,863	29,413
Extraordinary loss on early extinguishment of debt, net....	--	--	--	--	(3,370)	--	--
Cumulative effect of change in accounting principle, net.....	--	--	--	--	(3,095)	(3,504)	--
Net earnings (loss).....	\$ 18,031	\$ (9,869)	\$ 20,794	\$ 31,909	\$ 40,184	\$ 17,359	\$ 29,413
Earnings (loss) from operations before extraordinary loss on early extinguishment of debt and cumulative effect of change in accounting principle per common share....	\$.46	\$ (.25)	\$.53	\$.83	\$ 1.06	\$.56	\$.71
Net earnings (loss) per common share <F1>.....	.46	(.25)	.53	.83	.89	.47	.71
Weighted average common shares outstanding.....	39,483,960	39,312,080	38,880,069	38,664,063	38,664,063	37,158,211	37,107,536
Cash dividends declared -- common shares....	\$ 2,575	\$ 1,176	\$ --	\$ 1,994	\$ 3,147	\$ --	\$ --

MARCH 31,

JUNE 30,

	1990	1991	1992	1993	1994	1993	1994
--	------	------	------	------	------	------	------

(IN THOUSANDS)

BALANCE							
SHEET DATA:							
Total property, plant, and equipment, net...	\$ 975,675	\$ 1,040,342	\$ 987,095	\$ 989,603	\$ 1,174,236	\$ 1,123,541	\$ 1,224,674
Total assets.....	1,725,660	1,822,977	1,979,324	2,024,023	2,344,442	2,169,040	2,411,381
Notes and loans payable....	749,113	804,826	733,322	697,121	723,764	766,946	725,565
Stockholders' equity.....	446,294	435,180	451,888	479,958	651,787	495,458	673,803

<FN>

<F1> For the fiscal year ended March 31, 1994, and the quarter ended June 30, 1994, net earnings per common share amounts were computed after giving effect to the dividend on the Company's Series A 8-1/2% Preferred Stock. See "Description of Capital Stock -- Dividends."

</FN>

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For financial statement preparation, the Company's insurance subsidiaries report on a calendar year basis, while the Company reports on a fiscal year basis ending March 31. Accordingly, with respect to the Company's insurance subsidiaries, any reference to the years 1994, 1993, 1992, and 1991 corresponds to the Company's fiscal years 1995, 1994, 1993, and 1992, respectively. There have been no events as to such subsidiaries between January 1 and March 31 of each of 1994, 1993, and 1992 that would materially affect the Company's consolidated financial position or results of operations as of and for the fiscal years ended March 31, 1994, 1993, and 1992, respectively.

The following discussion should be read in conjunction with Notes 1, 19, and 20 of the Notes to Consolidated Financial Statements, which discuss the principles of consolidation, condensed consolidated financial information, and industry segment and geographic data, respectively. In consolidation, all intersegment premiums are eliminated, and the benefits, losses, and expenses are retained by the insurance companies.

RESULTS OF OPERATIONS (UNAUDITED)

Quarters Ended June 30, 1994 and 1993

The following table shows industry segment data from the Company's three industry segments, rental operations, life insurance, and property and casualty insurance, for the quarters ended June 30, 1994 and 1993. Rental operations is composed of the operations of U-Haul and AREC. Life insurance is composed of the operations of Oxford. Property and casualty insurance is composed of the operations of RWIC.

<TABLE>
<CAPTION>

Table with 6 columns: Rental Operations, Life Insurance, Property/Casualty Insurance, Adjustments and Eliminations, Consolidated. Rows include Revenues (Outside, Intersegment, Total), Operating profit, Interest expense, Pretax earnings from operations, and Identifiable Assets at June 30 for quarters ended June 30, 1994 and 1993.

</TABLE>

RESULTS OF OPERATIONS

Years Ended March 31, 1994, 1993, and 1992

The following table shows industry segment data from the Company's three industry segments, rental operations, life insurance, and property and casualty insurance, for the fiscal years ended March 31, 1994, 1993, and 1992. Rental operations is composed of the operations of U-Haul and AREC. Life insurance is composed of the operations of Oxford. Property and casualty insurance is composed of the operations of RWIC.

<TABLE>
<CAPTION>

	Rental Operations	Life Insurance	Property/ Casualty Insurance	Adjustments and Eliminations	Consolidated
			(in thousands)		
<S>	<C>	<C>	<C>	<C>	<C>
1994					
Revenues:					
Outside.....	\$ 965,839	\$ 31,357	\$ 137,659	\$ --	\$ 1,134,855
Intersegment.....	(357)	2,834	18,862	(21,339)	--
Total Revenue.....	\$ 965,482	\$ 34,191	\$ 156,521	\$ (21,339)	\$ 1,134,855
Operating profit.....	\$ 106,248	\$ 9,106	\$ 20,705	\$ (698)	\$ 135,361
Interest expense.....					68,859
Pretax earnings from operations....					\$ 66,502
Identifiable assets.....	\$ 1,593,044	\$ 461,464	\$ 550,795	\$ (260,861)	\$ 2,344,442
1993					
Revenues:					
Outside.....	\$ 891,599	\$ 33,619	\$ 115,693	\$ --	\$ 1,040,911
Intersegment.....	--	2,630	18,402	(21,032)	--
Total Revenue.....	\$ 891,599	\$ 36,249	\$ 134,095	\$ (21,032)	\$ 1,040,911
Operating profit.....	\$ 88,581	\$ 12,325	\$ 16,231	\$ --	\$ 117,137
Interest expense.....					67,958
Pretax earnings from operations....					\$ 49,179
Identifiable assets.....	\$ 1,377,386	\$ 472,669	\$ 422,079	\$ (248,111)	\$ 2,024,023
1992					
Revenues:					
Outside.....	\$ 844,492	\$ 31,391	\$ 96,001	\$ --	\$ 971,884
Intersegment.....	--	1,158	21,991	(23,149)	--
Total Revenue.....	\$ 844,492	\$ 32,549	\$ 117,992	\$ (23,149)	\$ 971,884
Operating profit.....	\$ 69,628	\$ 11,056	\$ 21,239	\$ --	\$ 101,923
Interest expense.....					76,189
Pretax earnings from operations....					\$ 25,734
Identifiable assets.....	\$ 1,354,758	\$ 457,324	\$ 402,190	\$ (234,948)	\$ 1,979,324

</TABLE>

QUARTER ENDED JUNE 30, 1994 VERSUS QUARTER ENDED JUNE 30, 1993

U-Haul Operations

U-Haul revenues consist of (i) total rental and other revenue and (ii) net sales. Total rental and other revenue increased by \$22.6 million, approximately 11.0%, to \$229.1 million in the first quarter of fiscal 1995. The increase in fiscal 1995 is primarily attributable to a \$23.4 million increase in net revenues from the rental of moving related equipment, which benefited from transactional (volume) growth reflecting higher utilization and rental fleet expansion. Revenues from the rental of self-storage facilities increased by \$2.1 million to \$18.8 million in fiscal 1995, an increase of approximately 12.6%. Storage revenues were positively impacted by additional rentable square footage, higher average occupancy levels, and higher average rental rates.

Net sales were \$51.3 million in the first quarter of fiscal 1995, which represented an increase of approximately 7.8% from fiscal 1994 net sales of \$47.6 million. Revenue growth from the sale of hitches, moving support items (i.e., boxes, etc.), and propane resulted in a \$4.2 million increase during the quarter, which was offset by a \$.4 million decrease in gasoline sales.

Cost of sales was \$27.6 million in the first quarter of fiscal 1995, which represented a decrease of approximately 5.8% from \$29.3 million in fiscal 1994. The reduction in fiscal 1994 reflects a combination of the absence of recreational vehicle part sales, reduced levels of outside repair and a reduction in inventory adjustments which fully offset increased material costs

corresponding to the increase in hitch, moving support and propane sales.

Operating expenses increased to \$162.0 million in the first quarter of fiscal 1995 from \$155.6 million in the first quarter of fiscal 1994, an increase of approximately 4.1%. The change from the prior year primarily reflects higher rental equipment maintenance costs. Efforts to reduce downtime, an increase in fleet size and higher transaction levels are primarily responsible for the increase. Lease expense declined by \$12.5 million to \$15.2 million reflecting lease terminations, lease restructuring, and lower finance costs on new leases originated during the past 15 months. All other operating expense categories increased in the aggregate by \$8.9 million to \$96.3 million.

Depreciation expense for the three month period was \$37.3 million, as compared to \$30.1 million in the same period of the prior year, reflecting an increase in fleet size, the acquisition of trucks that were previously leased and real property acquisitions.

Oxford Life Insurance Company

Premiums from Oxford's reinsurance lines before intercompany eliminations were \$3.8 million for the quarter ended March 31, 1994, an increase of \$.5 million, approximately 15.2% over 1993 and accounted for 89.5% of Oxford's premiums in 1994. These premiums are primarily from term life insurance and single and flexible premium deferred annuities. Increases in premiums are primarily from the anticipated increase in annuitizations as a result of the maturing of deferred annuities.

Premiums from Oxford's direct lines before intercompany eliminations were \$.4 million in 1994, an increase of \$.5 million from 1993. Oxford's direct lines are principally related to the underwriting of group life and disability income. Insurance on the lives of the employees of AMERCO and its subsidiary companies accounted for approximately 10.4% of Oxford's premiums in 1994. Unaffiliated direct lines accounted for approximately .1% of Oxford's premiums in 1994.

Net investment income before intercompany eliminations was \$3.6 million and \$3.4 million for the period ended March 31, 1994 and 1993, respectively. Gains on the disposition of fixed maturity investments were \$.2 million and \$.3 million. Oxford had \$.5 million of other income for both quarters ended March 31, 1994 and 1993.

Benefits and expenses incurred were \$6.6 million for the quarter ended March 31, 1994, an increase of 34.7% over 1993. Comparable benefits and expenses incurred for 1993 were \$4.9 million. This increase is primarily due to the increase in reserve caused by the increase in annuitizations discussed above and an increase in the amortization of deferred acquisition costs.

Operating profit after intercompany eliminations decreased by \$.6 million, or approximately 24%, in 1994 to \$1.9 million, primarily due to an increase in the amortization of deferred acquisition costs.

RWIC -- Property and Casualty

RWIC gross premium writings continued to grow in the first quarter of 1994 to \$47.7 million, compared to \$34.1 million in 1993, an increase of approximately 39.9%. The rental industry market accounted for a significant share of these premiums, approximately 19.7% and 22.6% in 1994 and 1993, respectively. These writings include U-Haul customers, fleetowners and U-Haul, as well as other rental industry insureds with similar characteristics. RWIC continues underwriting reinsurance via broker markets, and premiums in this area increased to \$29.1 million or 61.0% of the total premium in fiscal 1994 from \$10.8 million or 31.6% of the total premium in fiscal 1993.

Net earned premiums increased \$6.5 million, approximately 27%, to \$30.1 million for the first quarter of fiscal 1994. This compares with net earned premiums of \$23.6 million for fiscal 1993. The premium increase was primarily due to increased writings in the reinsurance area.

Underwriting expenses incurred were \$30.7 million for the first quarter of 1994, an increase of \$3.8 million, approximately 14.1% over fiscal 1993. Comparable underwriting expenses incurred for 1993 were \$26.9 million. Higher underwriting expenses are due to larger premium volumes being written in 1994, which increased acquisition costs and commensurate reserves. The ratio of underwriting expenses to net earned premiums decreased from 1.14 in the first quarter of 1993 to 1.02 in the first quarter of 1994. This improvement is primarily attributable to improved loss experience combined with continued rate strength in the Company's assumed reinsurance area. Also contributing to the improvement was better than expected loss ratios on the Company's general agency lines.

Net investment income was \$6.9 million for the first quarter of fiscal 1994, a decrease of approximately 10.4%, as compared to 1993 net investment income of \$7.7 million. The decrease is attributable to a combination of funds invested at lower rates and maturities and calls on bonds during 1993.

RWIC completed the first quarter of 1994 with net after tax income of \$4.9 million, as compared to \$4.3 million for the comparable period ended March 1993. This represents an increase of \$.6 million, or 14.0% over first quarter 1993. The increase is due to better underwriting results.

Interest Expense

Interest expense declined by \$.7 million to \$16.6 million for the quarter ended June 30, 1994, as compared to \$17.3 million for the quarter ended June 30, 1993. This decrease primarily reflects a reduction in the costs of funds.

Consolidated Group

As a result of the foregoing, pretax earnings of \$45.8 million were realized in the three months ended June 30, 1994, as compared to \$29.6 million for the same period in 1993. After providing for income taxes and cumulative effect of change in accounting principle, net earnings for the three months ended June 30, 1994 were \$29.4 million, as compared to \$17.4 million for the same period of the prior year.

FISCAL YEAR ENDED MARCH 31, 1994 VERSUS FISCAL YEAR ENDED MARCH 31, 1993

U-Haul Operations

U-Haul revenues consist of (i) total rental and other revenue and (ii) net sales. Total rental and other revenue increased by \$63.3 million, approximately 8.5%, to \$809.4 million in fiscal 1994. The increase from fiscal 1993 is primarily attributable to a \$52.2 million increase in net revenues from the rental of moving related equipment, which benefited from transactional growth reflecting higher utilization and rental fleet expansion. Revenues from the rental of self-storage facilities increased by \$6.6 million to \$70.5 million in fiscal 1994, an increase of approximately 10.3%. Storage revenues were positively impacted by additional rentable square footage, higher average occupancy levels, and higher average rental rates. All other revenue categories increased in the aggregate by \$8.7 million during the current year, which primarily reflects increases in gains on note sales of approximately \$5.0 million and interest income.

Net Sales were \$156.0 million in fiscal 1994, which represented an increase of approximately 7.2% from fiscal 1993 net sales of \$145.5 million. Revenue growth from the sale of hitches, moving support items (i.e. boxes, etc.), and propane net sales increased \$10.7 million during fiscal 1994.

Cost of sales was \$92.2 million in fiscal 1994, which represented a decrease of approximately 1.0% from fiscal 1993. The reduction in fiscal 1994 reflects a combination of the absence of recreational vehicle sales, reduced levels of outside repair and a reduction in inventory adjustments which fully offset increased material costs corresponding to the increase in hitch, moving support and propane sales.

Operating expenses increased to \$633.6 million in fiscal 1994 from \$599.8 million in fiscal 1993, an increase of approximately 5.6%. The change from the prior year reflects increases in almost all major expense categories with the exception of lease expense for equipment. Rental equipment maintenance costs increased by \$27.4 million reflecting fleet expansion, higher utilization, a marginal increase in the age of the fleet and increased emphasis on maximizing rental equipment available to rent by reducing downtime. Lease expense for equipment declined from \$117.6 million in fiscal 1993 to \$82.9 million in fiscal 1994, a decrease of approximately 29.5%, reflecting lease terminations, lease restructuring and lower finance costs on new leases originated during fiscal 1994. All other operating expense categories increased in the aggregate by \$41.1 million, approximately 12.4%, to \$373.0 million which is primarily attributable to higher levels of rental and sales activity.

Depreciation expense during fiscal 1994 was \$133.5 million as compared to \$110.1 million in the prior year, reflecting the addition of new trucks and trailers and the acquisition of trucks that were previously leased.

Oxford -- Life Insurance

Premiums from Oxford's reinsurance lines before intercompany eliminations were \$15.8 million for the year ended December 31, 1993, an increase of \$0.9 million, approximately 6.0% over 1992 and accounted for 88.7% of Oxford's premiums in 1993. These premiums are primarily from term life insurance and single and flexible premium deferred annuities. Increases in premiums are primarily from the anticipated increase in annuitizations as a result of the maturing of deferred annuities.

Premiums from Oxford's direct lines before intercompany eliminations were \$2.0 million in 1993, a decrease of \$1.0 million (33%) from the prior year. The decrease is primarily attributable to an experience refund incurred on the Company's group life insurance business. Oxford's direct lines are principally related to the underwriting of group life and disability income. Insurance on the lives of the employees of AMERCO and its subsidiary companies accounted for

approximately 6.3% of Oxford's premiums in 1993. Unaffiliated direct lines accounted for approximately 5.0% of Oxford's premiums in 1993.

Net investment income before intercompany eliminations was \$12.6 million and \$11.5 million for the years ended December 31, 1993 and 1992, respectively. The increase was primarily due to a decrease in interest credited to policyholders because of the increase in annuitizations. Gains on the disposition of fixed maturity investments were \$2.1 million and \$4.7 million for the years ended December 31, 1993 and 1992, respectively. Oxford had \$1.8 million and \$2.2 million of other income, for 1993 and 1992, respectively.

Benefits and expenses incurred were \$24.4 million for the year ended December 31, 1993, an increase of 5.2% over 1992. Comparable benefits and expenses incurred for 1992 were \$23.2 million. This increase is primarily due to the increase in annuitizations discussed above.

Operating profit after intercompany eliminations decreased by \$3.4 million, approximately 27.6%, in 1993 to \$8.9 million, primarily due to the decrease in gains on fixed maturity investments.

RWIC -- Property and Casualty

RWIC gross premium writings for the year ended December 31, 1993 were \$175.1 million, compared to \$155.2 million in 1992, an increase of approximately 12.8%. The rental industry market accounted for a significant share of these premiums, approximately 37% and 40% in 1993 and 1992, respectively. These writings include U-Haul customers, fleetowners and U-Haul as well as other rental industry insureds with similar characteristics. Selected general agency lines, principally commercial multiple peril, surety and excess workers' compensation and casualty accounted for 8.1%, 3.2% and 5.4% respectively, of gross premium writings in 1993, compared to approximately 15.4%, 2.8% and 11.9% respectively in 1992. RWIC also underwrites reinsurance via broker markets, and premiums in this area increased from \$47.1 million in 1992 to \$59.5 million in 1993 due to favorable market conditions.

Net earned premiums increased \$24.3 million, approximately 24%, to \$125.4 million for the year ended December 31, 1993. This compares with net earned premiums of \$101.1 million for the year ended December 31, 1992. The premium increase was primarily due to increased writings in the reinsurance area, along with growth in the excess workers' compensation line of RWIC's general agency business. These planned increases are due to strong rates and reduced capacity in the reinsurance market and increased marketing emphasis on the long standing presence in the excess workers compensation market.

Underwriting expenses incurred were \$135.6 million for the year ended December 31, 1993, an increase of \$17.8 million, approximately 15.1% over 1992. Comparable underwriting expenses incurred for 1992 were \$117.8 million. Higher underwriting expenses are due to larger premium volumes being written in 1993 which increased acquisition costs and commensurate reserves. The ratio of underwriting expenses to net premiums improved from 1.17 in 1992 to 1.08 in 1993. This improvement was primarily attributable to improved loss experience in the Company's assumed reinsurance area including the lack of catastrophic losses such as those related to Hurricane Andrew in 1992, as well as the previously mentioned strength in rates.

Net investment income was \$27.4 million in 1993, a decrease of approximately 6.5%, as compared to 1992 net investment income of \$29.3 million. This decrease is due primarily to lower rates available in the high quality fixed income market. RWIC's net realized gain on the sale of investments was \$2.1 million and \$0.7 million in 1993 and 1992, respectively, while other income totaled \$1.4 million and \$2.9 million.

RWIC completed 1993 with net after tax income of \$14.8 million as compared to \$11.8 million for the comparable period ended December 1992. This represents an increase of \$3.0 million, or 25.4% over 1992. The increase is due to a combination of better underwriting results and unplanned gains on bond calls. Net income at December 31, 1992 of \$11.8 million includes the effect of adopting SFAS 109 (Accounting for Income Taxes), previously reported December 31, 1992 net income was \$12.8 million.

Interest Expense

Interest expense was \$68.8 million in fiscal 1994, as compared to \$68.0 million in fiscal 1993. The increase reflects higher average levels of debt outstanding (see "Liquidity and Capital Resources"), a higher proportion of fixed rate debt, and a lengthening of maturities offset by lower cost of funds.

Extraordinary Loss on Extinguishment of Debt

During the first and third quarters of fiscal 1994, the Company extinguished \$25.2 million of its medium-term notes originally due in fiscal 1995 through 2000. The weighted average rate of the notes purchased is 9.34%. The purchase resulted in an extraordinary charge of \$1,897,000 net of \$1,021,000 of tax benefit.

During the fourth quarter of fiscal 1994, the Company terminated swaps with a notional value of \$77 million originally due in fiscal 1995. The terminations resulted in an extraordinary charge of \$1,473,000 net of \$793,000 of tax benefit.

FISCAL YEAR ENDED MARCH 31, 1993 VERSUS FISCAL YEAR ENDED MARCH 31, 1992

U-Haul Operations

U-Haul revenues consist of (i) total rental and other revenue and (ii) net sales. Total rental and other revenue increased by \$57.6 million, approximately 8.4%, to \$746.1 million in fiscal 1993. The increase from fiscal 1992 is primarily attributable to a \$54.7 million increase in net revenues from the rental of moving related equipment, which rose to \$684.1 million, as compared to \$629.4 million, in fiscal 1992. Improved utilization within the truck rental fleet accounted for the majority of the revenue growth, with one-way rental transactions increasing by 6.1% and local rental transactions increasing by 16.5%. Also contributing to the increased revenues was an increase in the number of available rental trailers and trucks. Revenues from the rental of self-storage facilities increased \$5.3 million to \$63.9 million in fiscal 1993, an increase of approximately 9.2%. Storage revenues were positively impacted by additional rentable square footage, higher average occupancy levels, and higher average rental rates. The increases in revenues from the rental of moving-related equipment and self-storage facilities were partially offset by an aggregate decrease of \$2.4 million in general rental item revenues, gains on the sale of property, plant, and equipment, and other miscellaneous revenues.

Net sales were \$145.5 million in fiscal 1993, which represented a decrease of approximately 6.7% from fiscal 1992 net sales of \$156.0 million. Moderate revenue growth from the sale of hitches, moving support items (i.e. boxes, etc.), and propane was offset by reduced sales of recreational vehicles due to the liquidation of inventory as well as a reduction in outside repair income due to a reduction in rental trucks owned by a third party, which were previously under a managed equipment agreement.

Cost of sales was \$93.1 million in fiscal 1993, which represented a decrease of approximately 9.5% from fiscal 1992. The reduction in fiscal 1993 reflects reductions in recreational vehicle sales and outside repair income.

Operating expenses increased to \$599.8 million in fiscal 1993 from \$562.3 million in fiscal 1992, an increase of approximately 6.7%. The change from the prior year primarily reflects increased rental equipment maintenance costs and higher personnel costs. The higher maintenance costs reflect a slight increase in the age of the truck fleet due to no new units being added in fiscal 1992 and a relatively small number of new units being added in fiscal 1993. Also contributing to higher maintenance costs were U-Haul's repurchase of rental trucks owned by a third party, which were previously under a managed equipment agreement, and higher utilization. Lease expense for the fleet replacement cycle initiated in 1987 peaked in fiscal 1992 at \$121.9 million and subsequently declined to \$117.6 million in fiscal 1993, a decrease of approximately 3.5%.

Oxford -- Life Insurance

Premiums from Oxford's reinsurance lines before intercompany eliminations were \$14.9 million for the year ended December 31, 1992, a decrease of \$4.1 million, approximately 21.6% from 1991 and accounted for 83.3% of Oxford's premiums in 1992. These premiums are primarily from term life insurance and single and flexible premium deferred annuities. Reductions in premiums reflect the anticipated decrease in renewal premiums as a result of normal attrition and mortality, combined with the fact that during 1992 Oxford reduced its activities in the reinsurance market compared to 1991 because of unfavorable market conditions.

Premiums from Oxford's direct lines before intercompany eliminations were \$3.0 million in 1992, an increase of \$1.5 million (100%) over the prior year. The increase is primarily due to the issuance of a single premium immediate annuity of \$0.8 million. Oxford's other direct lines are principally related to the underwriting of group life and disability income. Insurance on the lives of the employees of AMERCO and its subsidiary companies accounted for approximately 10.8% of Oxford's premiums in 1992. Unaffiliated direct lines accounted for approximately 5.9% of Oxford's premiums in 1992.

Net investment income before intercompany eliminations was \$11.5 million and \$10.2 million for the years ended December 31, 1992 and 1991, respectively. The increase is due to increased margins on interest-sensitive business. Gains on the disposition of fixed maturity investments were \$4.7 million and \$0.1 million. Oxford had \$2.2 million and \$1.6 million of other income, for 1992 and 1991, respectively. Other income consists of administration fees and income on the surrender of annuities.

Benefits and expenses incurred were \$23.2 million for the year ended December 31, 1992, an increase of 7.9% over 1991. Comparable benefits and expenses incurred for 1991 were \$21.5 million. This increase is primarily due to

the increase in deferred acquisition cost amortization discussed below.

Operating profit increased by \$1.3 million, approximately 11.5%, in 1992 to \$12.3 million, primarily due to increased margins on interest-sensitive business and gains on disposition or prepayments of fixed maturity investments. As required by generally accepted accounting principles, the amortization of deferred policy acquisition costs was accelerated due to gains on the fixed maturity investments associated with interest-sensitive products, resulting in a charge of approximately \$2.0 million.

RWIC -- Property and Casualty

RWIC gross premium writings for the year ended December 31, 1992 were \$155.2 million, compared to \$133.7 million in 1991, an increase of approximately 16.1%. The rental industry market accounted for a significant share of these premiums, approximately 40% and 53% in 1992 and 1991, respectively. These writings include U-Haul customers, fleetowners, and U-Haul, as well as other rental industry insureds with similar characteristics. Selected general agency lines, principally commercial multiple peril, surety and excess workers compensation and casualty accounted for approximately 15.4%, 2.8%, and 11.9% respectively, of gross premium writings in 1992, compared to approximately 12.8%, 1.8%, and 14.8% respectively, in 1991. RWIC also underwrites reinsurance via broker markets, and premiums in this area increased from \$23.1 million in 1991 to \$47.1 million in 1992 due to favorable market conditions.

Net earned premiums increased \$12.3 million, approximately 13.9%, to \$101.1 million for the year ended December 31, 1992. This compares with net earned premiums of \$88.8 million for the year ended December 31, 1991. The premium increase was primarily due to increased writings in the reinsurance area, along with growth in the commercial multiple peril lines of RWIC's general agency business.

Underwriting expenses incurred were \$117.8 million for the year ended December 31, 1992, an increase of \$21.1 million, approximately 21.8%, over 1991. Comparable underwriting expenses incurred for 1991 were \$96.7 million. The ratio of underwriting expenses to net earned premiums increased from 1.09 in 1991 to 1.17 in 1992. This increase was primarily attributable to losses related to Hurricane Andrew (approximately \$12 million on a pre-tax basis). The majority of these losses were experienced in the Company's assumed reinsurance area.

Net investment income was \$29.3 million in 1992, a decrease of approximately 0.7%, as compared to 1991 net investment income of \$29.5 million. The slight decrease in net investment income is due largely to the lower rates available in the high quality fixed income market. RWIC's gain on the sale of investments was \$0.7 million and \$0.6 million, and RWIC had \$2.9 million of other income for 1992 and other expense of \$0.9 million for 1991.

RWIC's operating profit in 1992 decreased \$5.0 million, approximately 23.6%, to \$16.2 million from \$21.2 million for the year ended December 31, 1991.

Interest Expense

Interest expense was \$68.0 million in fiscal 1993, as compared to \$76.2 million in fiscal 1992. The decline in interest expense reflects lower average debt levels outstanding and favorable refinance costs on maturing debt.

Result of Operations -- Consolidated Group

As a result of the foregoing, pre-tax earnings of \$66.5 million were realized in fiscal 1994 as compared to \$49.2 million in fiscal 1993 and \$25.7 million in fiscal 1992. After providing for income taxes, extraordinary costs associated with the early retirement of debt and the cumulative effect of a change in accounting principle, net earnings for fiscal 1994 were \$40.2 million as compared to \$31.9 million in fiscal 1993 and \$20.8 million in fiscal 1992. Income tax as a percentage of pretax earnings from operations was 35.1% in 1993 compared to 19.2% in 1992, due to the Company's increased taxable earnings and the relative impact of tax-exempt interest.

QUARTERLY RESULTS

The following table presents unaudited quarterly results for the nine quarters in the period beginning April 1, 1992 and ending June 30, 1994. The Company 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 included elsewhere herein. The Company's results of operations have historically fluctuated from period to period, including on a quarterly basis. In particular, the Company's U-Haul business is seasonal and a majority of the Company's revenues and substantially all of its net earnings from its U-Haul business 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.

<TABLE>
<CAPTION>

	Quarters Ended (in thousands, except per share data)									
	June 30, 1992	Sept. 30, 1992	Dec. 31, 1992	March 31, 1993	June 30, 1993	Sept. 30, 1993	Dec. 31, 1993	March 31, 1994	June 30, 1994	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total Revenues.....	\$ 274,744	\$ 303,871	\$ 242,921	\$ 219,375	\$ 291,348	\$ 324,968	\$ 267,448	\$ 251,091	\$ 323,578	
Net Earnings (loss).....	24,982	26,736	(6,843)	(12,966)	17,359	30,601	1,799	(9,575)	29,413	
Net Earnings per common share <F1>....	.65	.69	(.18)	(.34)	.47	.79	.01	(.33)	.71	

<FN>										
<F1>	For the quarters ended December 31, 1993, March 31, 1994 and June 30, 1994 net earnings per common share amounts were computed after giving effect to the dividend on the Company's Series A 8-1/2% Preferred Stock. See "Description of Capital Stock -- Dividends."									
</FN>										
</TABLE>										

LIQUIDITY AND CAPITAL RESOURCES

U-Haul Operations

To meet the needs of its customers, U-Haul must maintain a large inventory of fixed asset rental items. At June 30, 1994, net property, plant and equipment represented approximately 73.8% of total U-Haul assets and approximately 50.8% of consolidated assets. In the first quarter of fiscal 1995, capital expenditures were \$144.8 million, as compared to \$226.8 million in the first quarter of fiscal 1994. These expenditures reflect expansion of the rental truck fleet, purchase of trucks previously leased, and real property acquisitions. The capital needs required to fund these acquisitions were funded with internally generated funds from operations, debt, and lease financings.

Cash flows from operations was \$113.2 million in the first quarter of fiscal 1995, as compared to \$61.6 million in the first quarter of fiscal 1994. The increase results from an increase in net earnings, depreciation and amortization and net change in other operating assets and liabilities, specifically receivables, accounts payable and accrued liabilities, and deferred credits.

At June 30, 1994, total notes and loans payable outstanding was \$725.6 million as compared to \$723.8 million at March 31, 1994 and \$766.9 million at June 30, 1993.

During each of the fiscal years ending March 31, 1995, 1996, and 1997, U-Haul estimates gross capital expenditures will average approximately \$360 million as a result of the expansion of the rental truck fleet and self-storage segment. This level of capital expenditures, combined with an average of approximately \$100 million in annual long-term debt maturities during this same period, are expected to create annual average funding needs of approximately \$460 million. Management estimates that U-Haul will fund approximately 55% of these requirements with internally generated funds, including proceeds from the disposition of older trucks and other asset sales. The remainder of the required capital expenditures are expected to be financed through existing credit facilities, new debt placements, lease fundings, and equity offerings.

Oxford Life Insurance Company

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) provided by operations and financing was (\$3.5) million and \$3.0 million for the three month period ended March 31, 1994 and 1993, respectively. During 1994 and 1993 there were no cash flows from new reinsurance agreements. In addition to cash flow from operations and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. At March 31, 1994 and 1993, short-term investments amounted to \$18.5 million and \$9.8 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

Stockholder's equity of Oxford, excluding investment in RWIC, decreased to \$88.2 million in 1994 from \$92.5 million in 1993. In May 1993, Oxford paid dividends of \$10.0 million to Ponderosa.

Applicable laws and regulations of the State of Arizona require the Company's insurance subsidiaries to maintain minimum capital determined in accordance with statutory accounting practices in the amount of \$600,000. 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 approval of the Insurance Commissioner. Statutory surplus that can be distributed as dividends is \$17,619,000 at March 31, 1993. These restrictions are not expected to have a material adverse effect on the ability of the Company to meet its cash obligations.

RWIC -- Property and Casualty

RWIC's short-term investment portfolio was \$6.6 million at March 31, 1994. This level of liquid assets, combined with budgeted cash flow, is believed by management to be adequate to meet periodic needs. The structure of the long-term portfolio is designed to match future cash needs. Through capital and operating budgets, RWIC seeks to schedule cash needs in accordance with investment and underwriting proceeds. RWIC does not have plans for any near-term large capital outlays.

RWIC maintains a diversified investment portfolio, primarily in bonds at varying maturity levels. Approximately 98.2% of the portfolio consists of investment grade securities. The maturity distribution is designed to provide sufficient liquidity to meet future cash needs. Current liquidity is adequate, with current invested assets equal to 98.7% of total liabilities.

The liability for unpaid losses is based on the estimated ultimate cost of settling claims reported prior to the end of the accounting period, estimates received from ceding reinsurers and estimates for unreported losses based on the historical experience of RWIC, supplemented by insurance industry historical experience. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expenses paid to losses paid. Unpaid loss and loss expenses are not discounted.

Stockholder equity increased 2.3% from \$165.1 million at December 31, 1993 to \$168.9 million at March 31, 1994. RWIC considers current stockholders' equity to be adequate to support future growth and absorb unforeseen risk events. RWIC does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions. During the first quarter of 1994, RWIC paid no stockholder dividends.

Credit Agreements

The Company'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. Principally to finance its fleet of trucks and trailers, the Company routinely enters into sale and leaseback transactions. As of June 30, 1994, the Company had \$725.6 million in total notes and loans payable outstanding and unutilized lines of credit of approximately \$375 million.

Certain of the Company's credit agreements contain restrictive financial and other covenants, including, among others, covenants with respect to incurring additional indebtedness, maintaining certain financial ratios, and placing certain additional liens on its properties and assets. At June 30, 1994, the Company was in compliance with these covenants. In addition, these credit agreements contain provisions that could result in a required prepayment upon a "change in control" of the Company. Approximately \$509 million of the Company's outstanding debt was covered by such credit agreements as of June 30, 1994.

Under certain of the Company's credit agreements, a "change in control" is deemed to occur if (a) any transfer of any shares of any class of capital stock results in the Company's ESOP and members of the Shoen family owning in the aggregate less than the amount of capital stock as may be necessary to enable them to cast in excess of 50% of the votes for the election of directors of the Company or (b) during any period for two consecutive years, persons who at the beginning of such period constituted the Board of Directors of the Company (including any director approved by a vote of not less than 662/3% of such board) cease for any reason to constitute greater than 50% of the then acting Board.

OTHER

Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," was issued by the Financial Accounting Standards Board in December 1990. The statement requires that the expected costs of health care and life insurance provided to retired employees be recognized as expense during the years employees render service. The Company adopted the provisions of this statement effective April 1, 1993. The accumulated postretirement benefit obligation recognized by the Company at April 1, 1993 was \$5.0 million. Net of income taxes, the cumulative effect of adoption at April 1, 1993 was \$3.1 million.

Further, during the first quarter of fiscal 1994 the Company adopted the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." This statement requires a change from the deferred to the liability method of computing deferred income taxes. The adoption of the provisions of this statement resulted in a \$11.1 million net increase in deferred income taxes

payable. The Company adopted this change retroactively to April 1, 1988. For additional information, see Note 7 of Notes to Consolidated Financial Statements.

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." The statement applies to employers who provide certain benefits to former or inactive employees after employment but before retirement. It requires that the cost of such benefits be recognized over the service period of employees as these benefits vest or accumulate. The provisions of this statement must be adopted for fiscal years beginning after December 15, 1993. The effect of this statement on the Company's financial position or results of operations will not be material.

In December 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 113, "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts." Effective January 1, 1993, the Company adopted the standard. The primary impact on the Company's financial statements is the requirement to report assets and liabilities relating to reinsured contracts gross of the effects of reinsurance. Previously, such effects were reported on a net basis. As a result of adoption of the standard, unpaid losses and loss expenses as of March 31, 1994 have been increased by approximately \$76 million to reflect the Company's policy liabilities without regard to reinsurance. A corresponding amount due from reinsurers on unpaid losses, including amounts related to claims incurred but not reported, has also been reflected. Additionally, unearned premiums have been increased by approximately \$12 million for policy premiums ceded to reinsurers for which the coverage period has not yet expired. Prepaid insurance premiums of a corresponding amount have also been reflected in the consolidated balance sheet. The consolidated balance sheet as of March 31, 1993 has not been restated to reflect the adoption of the standard.

Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan," was issued by the Financial Accounting Standards Board in May 1993. This standard is effective for years beginning after December 15, 1994. The standard requires that an impaired loan's fair value be measured and compared to the recorded investment in the loan. If the fair value of the loan is less than the recorded investment in the loan, a valuation allowance is established. The Company has not completed an evaluation of the effect of this standard.

Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," was issued by the Financial Accounting Standards Board in May 1993. This standard requires classification of debt securities into one of the following three categories based on management's intention with regard to such securities: held-to-maturity, available-for-sale and trading. Securities classified as held-to-maturity are recorded at cost adjusted for the amortization of premiums or accretion of discounts while those classified as available-for-sale are recorded at fair value with unrealized gains or losses reported on a net basis in a separate component of stockholders' equity. Securities classified as trading are recorded at fair value with unrealized gains or losses reported on a net basis in income. Effective December 31, 1993, RWIC adopted the standard. RWIC does not currently maintain a trading portfolio. Oxford and U-Haul have not completed an evaluation of this standard.

Statement of Position 93-7, "Reporting on Advertising Costs," was issued by the Accounting Standards Executive Committee in December 1993. This statement of position provides guidance on financial reporting on advertising costs in annual financial statements. The statement of position requires reporting advertising costs as expenses when incurred or when the advertising takes place, reporting the costs of direct-response advertising, and amortizing the amount of direct-response advertising reported as assets. This statement of position is effective for financial statements for years beginning after June 15, 1994. The Company currently matches certain advertising costs with revenue generated in future periods, and at March 31, 1994, \$8.2 million in advertising costs are deferred and included in prepaid expenses. The Company has completed an evaluation of the effect of this statement of position but has not determined the timing of adoption.

IMPACT OF INFLATION

Inflation has had no material financial effect on the Company's results of operations in the years discussed.

BUSINESS

HISTORY

The Company was founded in 1945 under the name "U-Haul Trailer Rental Company." From 1945 to 1975, the Company rented trailers and trucks on a one-way and local round-trip basis through independent dealers (at that time principally independent gasoline service stations). Since 1974, the Company has developed a

network of Company-owned rental centers ("U-Haul Centers") (through which U-Haul rents its trucks and trailers and provides a number of other related products and services) and has expanded the number and geographic diversity of its independent dealers. At June 30, 1994, the Company's distribution network included approximately 1,000 U-Haul Centers and approximately 11,600 independent dealers.

In March 1974, in conjunction with the acquisition and construction of U-Haul Centers, the Company entered the self-storage business. As of June 30, 1994, such self-storage facilities were located at or near approximately 64% of the Company's U-Haul Centers. Beginning in 1974, the Company introduced the sale and installation of hitches and towing systems, as well as the sale of support items such as packing and moving aids. During 1983, the Company expanded its range of do-it-yourself rental products to include tools and equipment for the homeowner and small contractor and other general rental items.

In 1969, the Company acquired Oxford to provide employee health and life insurance for the Company in a cost-effective manner. In 1973, the Company formed RWIC to provide automobile liability insurance for the U-Haul truck and trailer rental customers.

Commencing in 1987, the Company began the implementation of a strategic plan designed to emphasize reinvestment in its core do-it-yourself rental, moving, and storage business. The plan included a fleet renewal program (see "Business - -- U-Haul Operations -- Rental Equipment Fleet"), and provided for the discontinuation of certain unprofitable and unrelated operations. As part of its plan, the Company discontinued the operation of its full-service moving van lines, initiated the phase out of its recreational vehicle rental operations, and began the disposition of its recreational vehicle rental fleet. The disposition of the moving van lines' assets and the recreational vehicle rental fleet were completed in 1988 and 1992, respectively. The Company also eliminated various types of rental equipment and closed certain warehouses and repair facilities. The Company believes that its refocused business strategy enabled U-Haul to generate higher revenues and to achieve significant cost savings. This plan has been and continues to be vigorously opposed by the Outside Stockholder Group and would in all likelihood not be pursued in the event of a change in control. See "Risk Factors -- Existing Management -- Potential Change in Control."

Since 1987, the Company has sold surplus real estate assets with a book value of approximately \$38.2 million for total proceeds of approximately \$76.7 million. At June 30, 1994, the book value of the Company's real estate assets deemed to be surplus was approximately \$18.3 million.

In 1990, the Company reorganized its operations into separate legal entities, each with its own operating, financial, and investment strategies. The reorganization separated the Company into three parts: U-Haul rental operations, insurance, and real estate. The purpose of the reorganization was to increase management accountability and to allow the allocation of capital based on defined performance measurements.

BUSINESS STRATEGY

U-HAUL OPERATIONS

The Company's present business strategy remains focused on the do-it-yourself moving customer. The objective of this strategy is to offer, in an integrated manner over a diverse geographical area, a wide range of products and services to the do-it-yourself moving customer.

Through its "Moving Made Easier(R)" program, the Company strives to offer its customers a high quality, reliable, and convenient fleet of trucks and trailers at reasonable prices while simultaneously offering other related products and services, including moving accessories, self-storage facilities, and other items often desired by the do-it-yourself mover. The rental trucks purchased in the fleet renewal program have been designed with the do-it-yourself customer in mind to include features such as low decks, air conditioning, power steering, automatic transmissions, soft suspensions, AM/FM cassette stereo systems, and over-the-cab storage. The Company has introduced certain insurance products, including "Safemove(R)" and "Safestor(R)," to provide the do-it-yourself mover with certain moving-related insurance coverage. In addition, the Company provides rental customers the option of storing their possessions at either their points of departure or destination.

The Company believes that customer access, in terms of truck or trailer availability and proximity of rental location, is critical to its success. Since 1987, the Company has more than doubled the number of U-Haul rental locations, with a net addition of approximately 6,000 independent dealers.

To effectively service the U-Haul customer at these additional rental locations with equipment commensurate with the Company's commitment to product excellence, the Company, as part of the fleet renewal program, purchased approximately 67,000 new trucks between March 1987 and June 1994 and reduced the overall average age of its truck fleet from approximately 11 years at March 1987

to approximately 5 years at June 1994. During this period, approximately 61,000 trucks were retired or sold.

Since 1990, U-Haul has replaced approximately 49% of its trailer fleet with new, more aerodynamically designed trailers better suited to the low height profile of many newly manufactured automobiles. Given the mechanical simplicity of a trailer relative to a truck and a trailer's longer useful life, the Company expects to replace trailers only as necessary.

Beginning in 1983, the Company implemented a point-of-sale computer system for all of its Company-owned locations. The system was designed primarily to handle the Company's reservations, traffic, and reporting of rental transactions. The Company believes that the implementation of the system has been a significant factor in allowing the Company to increase its fleet utilization. Since the initial implementation, the Company has added several additional enhancements to the system, including full budgeting and financial reporting systems.

INSURANCE OPERATIONS

Oxford's business strategy emphasizes long-term capital growth funded through earnings from reinsurance and investment activities. In the past, Oxford has selectively reinsured life, health, and annuity-type insurance products. Oxford anticipates pursuing its growth strategy by providing reinsurance facilities to well-managed insurance or reinsurance companies offering similar type products who are desirous of additional capital either as a result of rapid growth or regulatory demands or who are divesting non-core business lines.

RWIC's principal business strategy is to capitalize on its knowledge of insurance products aimed at the moving and rental markets. RWIC believes that providing U-Haul and U-Haul customers with property and casualty insurance coverage has enabled it to develop expertise in the areas of rental vehicle lessee insurance, self-storage property coverage, motorhome insurance coverage, and general rental equipment coverage. RWIC has used and plans to continue to use this knowledge to expand its customer base by offering similar products to customers other than U-Haul. In addition, RWIC plans to expand its involvement in specialized areas by offering commercial multi-peril and surety coverage and by assuming reinsurance business.

U-HAUL OPERATIONS

GENERAL

The Company's do-it-yourself moving business operates under the U-Haul name through an extensive and geographically diverse distribution network of Company-owned U-Haul Centers and independent dealers throughout the United States and Canada.

Substantially all of the Company's rental revenue is derived from do-it-yourself moving customers. The remaining business comes from commercial/ industrial customers. Moving rentals include: (i) local (round-trip) rentals, where the equipment is returned to the originating U-Haul Center or independent dealer and (ii) one-way rentals, where the equipment is returned to a U-Haul Center or independent dealer in another city. Typically, the number of local rental transactions in any given year is substantially greater than the number of one-way rental transactions. However, total revenues generated by one-way transactions in any given year typically exceed total revenues from local rental transactions.

As part of the Company's integrated approach to the do-it-yourself moving market, U-Haul has a variety of product offerings. U-Haul's "Moving Made Easier(R)" program is designed to offer safe, well-equipped rental trucks and trailers at a reasonable price and to provide support items such as furniture pads, hand trucks, appliance and utility dollies, mirrors, tow bars, tow dollies, and bumper hitches. The Company also sells boxes, tape, and packaging materials and rents additional items such as floor polishers and carpet cleaning equipment at its U-Haul Center locations. U-Haul Centers also install hitches and sell propane, and some of them sell gasoline. U-Haul sells insurance 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 insurance coverages.

The U-Haul truck and trailer rental business tends to be seasonal with more transactions and revenues generated in the spring and summer months than during the balance of the year. The Company attributes this seasonality to the preference of do-it-yourself movers to move during this time. Also, consistent with do-it-yourself mover preferences, the number of rental transactions tends to be higher on weekends than on weekdays.

RENTAL EQUIPMENT FLEET

As of June 30, 1994, U-Haul's rental equipment fleet consisted of approximately 76,000 trucks and approximately 90,000 trailers. Rental trucks are

offered in five sizes and range in size from the ten-foot "Mini-Mover(R)" to the twenty-six-foot "Super-Mover(R)." In addition, U-Haul offers pick-up trucks and cargo vans at many of its locations. Trailers range between six feet and twelve feet in length and are offered in both open and closed box configurations.

DISTRIBUTION NETWORK

The Company's U-Haul products and services are marketed across the United States and Canada through, as of June 30, 1994, approximately 1,000 Company-owned U-Haul Centers and approximately 11,600 independent dealers. The independent dealers, which include gasoline station operators, general equipment rental operators, and others, rent U-Haul trucks and trailers in addition to carrying on their principal lines of business. U-Haul Centers, however, are dedicated to the U-Haul line of products and services and offer those and related products and services. Independent dealers are commonly located in suburban and rural markets, while U-Haul Centers are concentrated in urban and suburban markets.

Independent dealers receive U-Haul equipment on a consignment basis and are paid a commission on gross revenues generated from their rentals. Independent dealers also may earn referral commissions on U-Haul products and services provided at other U-Haul locations. The Company maintains contracts with its independent dealers that can be cancelled upon thirty days' written notice by either party.

In addition, the Company has sought to improve the productivity of its rental locations by installing computerized reservations and network management systems in each U-Haul Center and a limited number of independent dealers. The Company believes that these systems have been a major factor in enabling the Company to deploy equipment more effectively throughout its network of locations and anticipates expanding these systems to cover additional independent dealers.

The Company's U-Haul Center and independent dealer network in the United States and Canada is divided into 12 districts, each supervised by an area district vice president. Within the districts, the Company has established local marketing companies, each of which, guided by a marketing company president, is responsible for retail marketing at all U-Haul Centers and independent dealers within its respective geographic area.

Although rental dealers are independent, U-Haul area field managers oversee the dealer network by inspecting each independent dealer's facilities and auditing their activities on a regular basis. In addition, the area field managers recruit new independent dealers for expansion or replacement purposes. U-Haul has instituted performance compensation programs that focus on accomplishment and reward strong performers.

SELF-STORAGE BUSINESS

U-Haul entered the self-storage business in 1974 and since that time has increased the rentable square footage of its storage locations through the acquisition of existing facilities and new construction. In addition, the Company has entered into management agreements to manage self-storage properties owned by other companies and is exploring the possibility of expanding this type of operation as well as expanding its ownership of self-storage facilities. The Company also provides financing and management services for independent self-storage businesses.

Through approximately 650 Company-owned locations in the United States and Canada, the Company offers for rent more than 13.0 million square feet of self-storage space. The Company's self-storage facility locations have an average of 20,000 square feet of storage space, with individual storage spaces ranging in size from 16 square feet to 200 square feet.

Units are rented to individuals and businesses for temporary storage on a monthly basis. In fiscal 1994, occupancy rates increased to approximately 91% from approximately 85% in the prior year. During fiscal 1994 and fiscal 1993, delinquent rentals as a percentage of total storage rentals were approximately 5% in each year, which rate the Company considers to be satisfactory.

EQUIPMENT DESIGN, MANUFACTURE AND MAINTENANCE

The Company designs and manufactures its truck van boxes, trailers, and various other support rental equipment items. With the needs of the do-it-yourself moving customer in mind, the Company's equipment is designed to achieve high safety standards, simplicity of operation, reliability, convenience, durability, and fuel economy. Truck chassis are manufactured to Company specifications by both foreign and domestic truck manufacturers. These chassis receive certain post-delivery modifications and are joined with van boxes at 7 Company-owned manufacturing and assembly facilities in the United States.

The Company services and maintains its trucks and trailers through a periodic maintenance program. Regular vehicle maintenance is generally performed at Company-owned facilities located throughout the United States and Canada.

Major repairs are performed either by the chassis manufacturers' dealers or by Company-owned repair shops. To the extent available, the Company takes advantage of manufacturers' warranties.

Since the fleet renewal program began in fiscal 1987, the number of repair locations has been reduced significantly. Maintenance costs declined from a high of \$163.0 million in fiscal 1987 to a low of \$80.5 million in fiscal 1989. However, due to a reduction both in new truck purchases and older truck retirements in fiscal 1992 and fiscal 1993, maintenance expense increased to \$150.3 million in fiscal 1993 and \$177.7 million in fiscal 1994. During fiscal 1994, the Company, as part of its fleet renewal program, resumed the purchase and manufacture of new trucks with the objective of increasing the size of the truck fleet.

COMPETITION

The do-it-yourself moving truck and trailer rental market is highly competitive and dominated by national operators in both the local and one-way markets. These competitors include the truck rental divisions of Ryder System, Penske Truck Leasing, and Budget Rent-A-Car. Management believes that there are two distinct users of rental trucks: commercial users and do-it-yourself users. As noted above, the Company focuses on the do-it-yourself mover. The Company believes that the principal competitive factors are price, convenience of rental locations, and availability of quality rental equipment.

The self-storage industry is also highly competitive. In addition to the Company, there are two other national firms, Public Storage and Shurgard, and numerous regional and local operators. Efficient management of occupancy and delinquency rates, as well as price and convenience, are key competitive factors.

EMPLOYEES

For the period ending June 30, 1994, the Company's non-seasonal workforce consisted of approximately 11,300 employees comprised of approximately 46% part-time and 54% full-time employees. During the summer months, the Company increases its workforce by approximately 1,000 employees. The percentage of part-time employees was approximately 46% of the total workforce on June 30, 1994. The Company's employees are non-unionized, and management believes that its relations with its employees are satisfactory.

INSURANCE OPERATIONS

OXFORD -- LIFE INSURANCE

Oxford underwrites life, health and annuity insurance, both as a direct writer and as an assuming reinsurer. Oxford's direct lines are primarily related to group life and disability coverage issued to employees of AMERCO and its subsidiaries. For the year ended December 31, 1993, approximately 6.3% of Oxford's premium revenues resulted from business with AMERCO and its subsidiaries. Oxford's other direct writings include individual life insurance acquired from other insurers and a small volume of individual annuity products written through independent agents, which together accounted for approximately 5.0% of Oxford's premium revenues for the year ended December 31, 1993. Oxford administers AMERCO's self-insured group health and dental plans.

Oxford's reinsurance assumed lines, which accounted for approximately 88.7% of Oxford's premium revenues for the year ended December 31, 1993, include individual life insurance coverage, annuity coverages, excess loss health insurance coverage, and short-term travel accident coverage. These reinsurance arrangements are entered into with unaffiliated insurers, except for travel accident products reinsured from RWIC.

RWIC -- PROPERTY AND CASUALTY

RWIC's underwriting activities consist of three basic areas: U-Haul and U-Haul affiliated underwriting; direct underwriting; and assumed reinsurance underwriting. U-Haul underwritings include coverage for U-Haul and U-Haul employees, and U-Haul affiliated underwritings consist primarily of coverage for U-Haul customers. For the year ended December 31, 1993, approximately 38% of RWIC's written premiums resulted from U-Haul and U-Haul affiliated underwriting activities. RWIC's direct underwriting is done through home office underwriters and selected general agents. The products provided include liability coverage for rental vehicle lessees and storage rental properties, and coverage for commercial multiple peril, surety, and excess workers' compensation. RWIC's assumed reinsurance underwriting is done via broker markets and includes, among other things, reinsurance of municipal bond insurance written through MBIA, Inc.

RWIC provides a liability for unpaid losses that is based on the estimated ultimate cost of settling claims reported prior to the end of the accounting period, estimates received from ceding reinsurers and estimates for incurred but unreported losses based on RWIC's historical experience supplemented by insurance industry historical experience. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expense paid to losses paid.

The liabilities are estimates necessary to settle all claims as of the date of the stated reserves and all incurred but not reported claims. RWIC updates the reserves as additional facts regarding claims become apparent. In addition, court decisions, economic conditions and public attitudes impact the estimation of reserves and also the ultimate cost of claims. In estimating reserves, no attempt is made to isolate inflation from the combined effect of numerous factors including inflation. Unpaid losses and unpaid loss expenses are not discounted.

RWIC's unpaid loss and loss expenses are certified annually by an independent actuarial consulting firm as required by state regulation.

The following table is a reconciliation in summary form, for each of the last three years, of the beginning and end of year unpaid loss and loss expenses:

	For the Years Ended December 31		
	1993	1992	1991
	(in thousands)		
Unpaid loss and loss expenses, beginning of year.....	\$ 238,762	\$ 236,019	\$ 226,324
Losses and loss adjustment expenses:			
attributable to the current year.....	91,044	96,451	74,510
Increase (Decrease) attributable to prior years.....	12,688	(4,241)	3,124
Total.....	103,732	92,210	77,634
Payments:			
Loss and loss adjustment expenses attributable to current year.....	20,200	23,936	12,810
Payments attributable to prior years.....	83,923	65,531	55,129
Total.....	104,123	89,467	67,939
Increase due to adoption of FAS113.....	76,111	--	--
Unpaid loss and loss expenses, end of year...	\$ 314,482	\$ 238,762	\$ 236,019

Effective December 31, 1993, RWIC adopted Statement of Financial Accounting Standards (SFAS) No. 113, "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts." The primary impact of SFAS No. 113 is the requirement to report assets and liabilities relating to reinsured contracts gross of the effects of reinsurance. Previously, RWIC reported such effects on a net basis. As a result of adoption of SFAS No. 113, the liability for unpaid losses and loss adjustment expenses as of December 31, 1993 has been increased approximately \$76 million to reflect policy liabilities without regard to reinsurance. A corresponding amount due from reinsurers on unpaid losses, including amounts related to claims incurred but not reported, has also been reflected.

The table on the next page illustrates the change in unpaid loss and loss expenses. The first line shows the reserves as originally reported at the end of the stated year. The second section, reading down, shows the cumulative amounts paid as of the end of successive years with respect to that reserve. The third section, reading down, shows reestimates of the original recorded reserve as of the end of successive years. The last section compares the latest reestimated reserve amount to the reserve amount as originally established. This last section is cumulative and should not be summed.

<TABLE>
<CAPTION>

Unpaid Loss and Loss Expenses

December 31

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
	(in thousands)										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Reserve for Unpaid Loss and Loss Adjustment Expenses:	\$ 67,129	90,315	123,342	146,391	168,688	199,380	207,939	226,324	236,019	238,762	314,482

PAID (CUMULATIVE)

AS OF:										
One year later	21,140	24,602	41,170	54,627	49,681	59,111	50,992	55,128	65,532	83,923
Two years later	35,340	50,628	77,697	92,748	91,597	89,850	87,850	97,014	105,432	
Three years later	47,544	70,719	105,160	124,278	110,834	114,979	116,043	120,994		
Four years later	56,197	84,936	126,734	137,744	129,261	133,466	132,703			
Five years later	61,826	95,583	133,421	151,354	142,618	145,864				
Six years later	68,722	98,018	142,909	161,447	152,579					
Seven years later	68,496	102,805	151,379	169,601						
Eight years later	70,822	109,055	158,728							
Nine years later	74,809	114,334								
Ten years later	77,700									

RESERVE REESTIMATED

AS OF:										
One year later	72,462	101,097	138,287	167,211	187,663	200,888	206,701	229,447	231,779	251,450
Two years later	74,850	107,111	147,968	192,272	190,715	202,687	206,219	221,450	224,783	
Three years later	76,811	115,746	168,096	192,670	194,280	203,343	199,925	211,988		
Four years later	80,453	119,977	168,040	199,576	195,917	199,304	198,986			
Five years later	82,823	119,513	175,283	201,303	195,203	200,050				
Six years later	82,209	122,791	178,232	202,020	196,176					
Seven years later	81,894	125,863	182,257	202,984						
Eight years later	83,943	128,815	184,266							
Nine years later	85,816	132,207								
Ten years later	86,856									

INITIAL RESERVE IN

EXCESS OF (LESS THAN) REESTIMATED RESERVE:										
Amount										
(cumulative)	\$ (19,727)	(41,892)	(60,924)	(56,593)	(27,488)	(670)	8,953	14,336	11,236	(12,688)

The operating results of the property and casualty insurance industry, including RWIC, are subject to significant fluctuations due to numerous factors, including premium rate competition, catastrophic and unpredictable events (including man-made and natural disasters), general economic and social conditions, interest rates, investment returns, changes in tax laws, regulatory developments, and the ability to accurately estimate liabilities for unpaid losses and loss expenses.

INVESTMENTS

Oxford's and RWIC's investments must comply with the insurance laws of the State of Arizona where the companies are domiciled. These laws prescribe the type, quality, and concentration of investments that may be made. In general, these laws permit investments in federal, state, and municipal obligations, corporate bonds, preferred and common stocks, real estate mortgages, and real estate, within specified limits and subject to certain qualifications. 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 Oxford and RWIC emphasize protection of principal through the purchase of investment grade fixed income securities. Approximately 99% of their respective portfolios consist of investment grade securities. The maturity distributions are designed to provide sufficient liquidity to meet future cash needs.

REINSURANCE

The Company's insurance operations 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 on large risks. However, the original insurer remains liable should the assuming insurer not be able to meet its obligations under the reinsurance agreements.

REGULATION

The Company's insurance subsidiaries are subject to considerable regulation and supervision in the states in which they transact business. The purpose of such regulation and supervision is primarily to provide safeguards for policyholders. As a result of federal legislation, the primary regulation of the insurance industry is performed by the states. State regulation extends to such matters as licensing companies; restricting the types or quality of investments; regulating capital and surplus and actuarial reserve maintenance; setting solvency standards; requiring triennial financial examinations, market conduct surveys, and the filing of reports on financial condition; licensing agents; regulating aspects of the insurance companies' relationship with their agents; restricting expenses, commissions, and new business issued; imposing requirements relating to policy contents; restricting use of some underwriting criteria; regulating rates, forms, and advertising; limiting the grounds for cancellations or non-renewal of policies; regulating solicitation and

replacement practices; and specifying what might constitute unfair 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.

In the past few years, the insurance and reinsurance regulatory framework has been subjected to increased scrutiny by the National Association of Insurance Commissioners (the "NAIC"), state legislatures, insurance regulators, and the United States Congress. State legislatures have considered or enacted legislative proposals that alter, and in many cases increase, state authority to regulate insurance companies and holding company systems. The NAIC and state insurance regulators have been examining existing laws and regulations with an emphasis on insurance company investment and solvency issues. Legislation has been introduced in Congress that could result in the federal government assuming some role in the regulation of the insurance industry. It is not possible to predict the future impact of changing state and federal regulation on the operations of Oxford and RWIC.

Beginning in 1993, the NAIC adopted and implemented minimum risk-based capitalization requirements for life insurance companies, including Oxford. As of the date of this report, Oxford is in compliance with these requirements. The NAIC has adopted a model for establishing minimum risk-based capitalization requirements for property and casualty insurance and reinsurance companies. The NAIC's stated objective in developing such risk-based capital standards is to improve solvency monitoring. RWIC will adopt the minimum risk-based capitalization requirements in fiscal 1995. Adoption will have no material effect on RWIC.

COMPETITION

The insurance industry is competitive. Competitors include a large number of life insurance companies and property and casualty insurance companies, some of which are owned by stockholders and others of which are owned by policyholders (mutual). Many companies in competition with Oxford and RWIC have been in business for a longer period of time or possess substantially greater financial resources. Competition in the insurance business is based upon price, product design, and services rendered to producers and policyholders.

AMERCO REAL ESTATE COMPANY

AREC owns and manages most of the Company's real estate assets, including the Company's U-Haul Center locations. AREC has responsibility for acquiring and developing properties suitable for new U-Haul Centers and self-storage locations. In addition to the U-Haul operations, AREC actively seeks to lease or dispose of surplus properties. See "Business -- History."

LITIGATION

Certain members of the Company's Board of Directors are defendants in an action in the Superior Court of the State of Arizona in and for the County of Maricopa entitled Samuel W. Shoen, M.D., et al. v. Edward J. Shoen, et al., No. CV88-20139, instituted August 2, 1988. The Company was also a defendant in the action as originally filed, but the Company was dismissed from the action on August 15, 1994, subject only to the right, to the extent that any exists, of the plaintiffs to appeal such dismissal. The plaintiffs, who are all members of the Outside Stockholder Group that is currently opposed to existing Company management (see "Principal Stockholders"), filed a Fourth Amended Complaint in February 1992 and have alleged, among other things, that certain of the individual plaintiffs were wrongfully excluded from sitting on the Company's Board of Directors in 1988 through the sale of Company common stock to certain key employees. That sale allegedly prevented the Outside Stockholder Group from gaining a majority position in the Company's voting stock and control of the Company's Board of Directors. The plaintiffs alleged various breaches of fiduciary duty and other unlawful conduct by the individual defendants and sought equitable relief, compensatory damages, and punitive damages. The Court dismissed all claims for equitable relief that would have allowed the plaintiffs to sit on the Board of Directors, subject only to the right, to the extent that any exists, of the plaintiffs to appeal such dismissal. Based upon the preliminary rulings by the Court and the fact that the plaintiffs alleged that their stock is virtually worthless, the Company believes that the plaintiffs elected as their remedy in this lawsuit to sell their shares of stock to the defendants. The price was to be determined based on the value of the Plaintiffs' stock in 1988. On October 7, 1994, the jury determined that (i) the defendants breached their fiduciary duties, and (ii) such breach diminished the value of the plaintiffs' stock. The jury also determined the value of the plaintiffs' stock in 1988 to be \$81.12 per share or \$1.48 billion. The jury also awarded the plaintiffs \$70 million in punitive damages against Edward J. Shoen. Edward J. Shoen plans to file a motion to set aside in its entirety or in the alternative to reduce this award. No assurance can be given as to the ruling of the Court on this motion. The defendants intend to file post-trial motions to (i) request a new trial

and/or (ii) reduce the amount of consideration to be paid to the plaintiffs for their stock or to obtain judgment in favor of the defendants. The Company is unable to predict the outcome of the post-trial motions and the likelihood of appeal by any party. Pursuant to separate indemnification agreements, the Company has agreed to advance litigation expenses to the defendants and has agreed to indemnify the defendants to the fullest extent permitted by law or the Company's Articles of Incorporation or Bylaws, for all expenses and damages, if any, incurred by the defendants in this proceeding, subject to certain exceptions. The Company has no indemnification obligation, other than to advance litigation expenses, until a final judgment is entered or a settlement is reached. At this time, the extent of the Company's indemnification obligation, if any, cannot be reasonably estimated. If the jury verdict in this case is significantly reduced, the Company believes that it can satisfy its indemnification obligations, if any. The Company believes that it has various means of financing any such indemnification obligations consistent with its existing credit agreements, or, in the alternative, the Company may seek the waiver or amendment of certain of the provisions of one or more of its credit agreements when the indemnification obligations are determined. The Company believes, but no assurance can be given, that it can obtain any necessary waivers or amendments. If the jury verdict is not significantly reduced and any resulting judgment is not stayed by appeal or other proceedings, the Company may be unable to satisfy its indemnification obligations if valid indemnification claims are made. There can be no assurance that the jury verdict will be significantly reduced. With respect to the Company's obligation to advance litigation expenses, a dispute exists between the Company and Paul F. Shoen wherein Paul F. Shoen alleges that the Company has refused to fully advance his expenses in connection with the above litigation. The Company disagrees with his contention. Paul F. Shoen advised that he intends to file a lawsuit against the Company seeking an unspecified amount of money as litigation expense advancements. The Company is unable to predict whether a lawsuit will be filed or if filed, the outcome of such lawsuit.

Selling Stockholder, Paul F. Shoen and the Company are parties to separate Share Repurchase and Registration Rights Agreements which require all disputes relating thereto to be resolved by arbitration. On April 8, 1994, Selling Stockholder and Paul F. Shoen commenced the dispute resolution process. Private arbitration proceedings pursuant to these agreements were convened on June 19, 1994. In the arbitration, the Selling Stockholder asserts that the Company has breached its obligations to her by failing to timely register the sale of her shares pursuant to this Prospectus and by failing to remove the right of first refusal on all Company common stock. Paul F. Shoen asserts that the Company has breached its obligations to him by failing to timely consummate the purchase from him of 58,823 shares of Company common stock for an aggregate purchase price of \$1,000,000 and, on an anticipatory basis, by failing to remove the right of first refusal on all of the Company's outstanding common stock. The ESOP Trust purchased 58,823 shares from Paul F. Shoen on June 30, 1994. Selling Stockholder and Paul F. Shoen assert that, as a consequence of these alleged breaches, they are entitled to give notice of termination of the Stockholder Agreement described under "Principal Stockholders." The Company disagrees with the above assertions. Selling Stockholder gave such notice of termination on July 11, 1994. The arbitration hearings concluded on August 21, 1994 and the arbitration panel is expected to render a decision on or before November 3, 1994. See "Risk Factors -- Existing Management -- Potential Change in Control."

The Company, the Company's Board of Directors, the ESOP, and the ESOP Trustee are defendants in an action currently pending in United States District Court for the District of Nevada entitled Paul F. Shoen v. AMERCO, et al., No. CV-N-94-475-DWH, instituted July 19, 1994. Paul F. Shoen alleges among other things that the defendants have solicited proxies in connection with the Company's annual meeting by means of false and misleading proxy materials, that the Company has violated the proxy rules, and that the ESOP Trustee has prevented him from communicating with participants in the ESOP. The Court on July 20, 1994 issued a temporary restraining order enjoining the Company's Annual Meeting of Stockholders, scheduled for July 21, 1994. On October 6, 1994, the Court issued a Memorandum and Order entering a preliminary injunction in this case. In the Order entering the preliminary injunction, the Court stated that it found it overwhelmingly likely that Paul F. Shoen would prevail on the merits of the case since it appeared likely to the Court that the Company's Board of Directors had breached its fiduciary duties by advancing the annual meeting date, the Company and the ESOP Trustee had violated certain Commission Proxy Rules, and the ESOP Trustee had breached its fiduciary duties under ERISA. The Court ordered that the current ESOP Trustee be replaced with three neutral trustees and that the new trustees immediately send a "curative" letter to all ESOP participants telling them to disregard any materials sent to them thus far, that any voting directions they may have given to the former trustee are void, and that the election process will begin anew. The Court enjoined the Company's Annual Meeting of Stockholders for a period of at least 45 days from the date neutral trustees are

appointed and enjoined the Company, the Board of Directors, the ESOP, and the ESOP Trustee from committing further violations of the federal securities laws. Additionally, the Court ordered the Company to comply with the Commission's filing requirements, to re-solicit proxies, to re-start the annual meeting process, and to appoint an independent firm to tabulate proxies. The Company has joined in motions filed by the ESOP Trustee to appeal the Court's order to the Ninth Circuit.

The Company and its subsidiaries are defendants in a number of suits and claims incident to the type of business conducted and several administrative proceedings arising from state and local provisions that regulate the removal and/or clean up of underground fuel storage tanks. It is the opinion of management that none of the suits, claims or proceedings involving the Company, individually or in the aggregate, are expected to result in any material loss and, accordingly, no provision has been made in the financial statements included herein.

ENVIRONMENTAL MATTERS

UNDERGROUND STORAGE TANKS

The Company owns properties that, as of June 30, 1994, contained a total of approximately 1,500 underground storage tanks ("USTs"). The USTs are used to store various petroleum products, including gasoline, fuel oil, and waste oil. The USTs are subject to various federal, state, and local laws and regulations that require testing and removal of leaking USTs, and remediation of polluted soils and groundwater under certain circumstances. In addition, if leakage from USTs has migrated, the Company may be subject to civil liability to third parties. In fiscal years 1990 through 1994, the Company incurred expenditures totaling approximately \$16.5 million for removal and remediation of approximately 1,229 USTs, a portion of which may be recovered from insurance and certain states' funds for the removal of USTs. Expenditures incurred through the end of fiscal 1994 may not be representative of future experience. Although the Company believes that compliance with laws and regulations, and cleanup and liability costs related to USTs will not have a material adverse effect on the Company's financial condition or operating results, there can be no assurance that this will be the case.

In fiscal 1989, the Company instituted a program to test its USTs for leakage and to remove all but approximately 100 of the approximately 2,755 USTs then existing by the year 2000. The approximately 100 USTs expected to remain at the conclusion of the Company's testing and removal program are currently anticipated to consist primarily of waste oil tanks not required to be removed under current laws and regulations and gasoline tanks located at its remote rental locations where their use is deemed necessary to service the Company's moving customers. The Company currently budgets \$3 million annually for UST testing, removal, and remediation. The Company treats these costs as capital costs to the extent that they improve the safety or efficiency of the associated properties as compared to when the properties were originally acquired or if the costs are incurred in preparing the properties for sale.

FEDERAL SUPERFUND SITES

The Company has been named as a "potentially responsible party" ("PRP") with respect to the disposal of hazardous wastes at fifteen federal or state superfund hazardous waste sites located in twelve states. Under applicable laws and regulations the Company could be held jointly and severally liable for the costs to clean-up these sites. Currently, the Company has entered into buyout agreement settlements for seven of the sites and one site is under negotiation for settlement. Four of the sites have been inactive for more than two years and two of the sites have been disputed by the Company with no response for more than two years. One site is under state clean-up direction. Based upon the information currently available to the Company regarding these fifteen sites, the current anticipated magnitude of the clean-up, the number of PRPs, and the volumes of hazardous waste currently anticipated to be attributed to the Company and other PRPs, the Company believes its share of the cost of investigation and clean-up at the fifteen superfund sites will not have a material adverse effect on the Company's financial condition or operating results. In addition, the Company believes that insurance coverage may be available to cover all or some of the cost with respect to these sites.

WASHINGTON STATE HAZARDOUS WASTE SITES

The Company owns property within two state hazardous waste sites in the State of Washington. The Company owns a parcel of property in Yakima, Washington that is believed to contain elevated levels of pesticide and other contaminant residue as a result of onsite operations conducted by one or more former owners. The State of Washington has designated the property as a state hazardous waste site known as the "Yakima Valley Spray Site." The Company has been named by the State of Washington as a "potentially liable party" ("PLP") under state law with respect to this site. The Company, together with eight other companies and persons, has formed a committee that has retained an environmental consultant. The process of site assessment on the Yakima Valley Spray Site is in its early stages and, based upon the information currently available to the Company

regarding the volume and nature of wastes present, the Company is unable to reasonably assess the potential investigation and clean-up costs, but the costs could be substantial. Although the Company has entered into an agreement with such other companies and persons under which the Company has assumed responsibility for 20% of the costs to investigate the site, no agreement among the parties with respect to clean-up costs has been entered into at the date of this Prospectus.

In addition, the Company has been named by the State of Washington as a PLP along with 12 other PLPs with respect to another state-listed hazardous waste site known as the "Yakima Railroad Site." The Yakima Valley Spray Site is located within the Yakima Railroad Site. The Company has been notified that the Yakima Railroad Site involves potential groundwater contamination in an area of approximately two square miles. The Company has contested its designation as a PLP at this site, but, at the date of this Prospectus, no formal ruling has been issued in this matter.

In February 1992, the State of Washington issued an enforcement order to the Company and eight other parties requiring conduct of an interim remedial action involving the provision of bottled water to households that obtain drinking water from wells within the Yakima Railroad Site. Without conceding any liability, the Company and several of the other PLPs have implemented the bottled water program. The State of Washington has stated its intention to expand the existing municipal water system to supply municipal water to those households currently receiving bottled water, and it is estimated that the cost thereof will be approximately \$6 million, with such cost being allocated among the PLPs.

In addition, there will be costs associated with remedial measures to address the regional groundwater contamination issue. The process of site assessment on the Yakima Railroad Site is in its early stages and, based upon the information currently available to the Company regarding the volume and nature of wastes present, the Company is unable to reasonably assess the potential investigation and clean-up costs, but the costs could be substantial. Moreover, the investigative and remedial costs incurred by the State can be imposed upon the Company and any other PLP as a joint and several liability. At the date of this Prospectus, other than the indication of the expansion of the municipal water system, there has been no formal indication from the State of Washington of its intentions regarding future cost recoveries at the Yakima Railroad Site.

OTHER

The Company owns 7 facilities that manufacture and assemble various components of the Company's equipment. In addition, the Company owns various facilities engaged in the maintenance and servicing of its equipment. Various individual properties owned and operated by the Company are subject to various state and local laws and regulations relating to the methods of disposal of solvents, tires, batteries, antifreeze, waste oils and other materials. Compliance with these requirements is monitored and enforced at the local level. Based upon information currently available to the Company, compliance with these local laws and regulations has not had, and is not expected to have, a material adverse effect on the Company's financial condition or operating results.

The Company currently leases approximately 179 properties to various businesses. The Company has a policy of leasing properties subject to an environmental indemnification from the lessee for operations conducted by the lessee. It should be recognized, however, that such indemnifications do not cover pre-existing conditions and may be limited by the lessee's financial capabilities. In any event, to the extent that any lessee does not perform any of its obligations under applicable environmental laws and regulations, the Company may remain potentially liable to governmental authorities and other third parties for environmental conditions at the leased properties. Furthermore, as between the Company and its lessees, disputes may arise as to allocations of liability with respect to environmental conditions at the leased properties.

Finally, it should be recognized that the Company's present and past facilities have been in operation for many years and, over that time in the course of those operations, some of the Company's facilities have generated, used, stored, or disposed of substances or wastes that are or might be considered hazardous. Therefore, it is possible that additional environmental issues may arise in the future, the precise nature of which the Company cannot now predict.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information about the current directors and executive officers of the Company effective August 31, 1994.

Name	Age	Office
Edward J. Shoen (1) (2)	45	Chairman of the Board and President
Mark V. Shoen	43	Director
James P. Shoen	34	Director and Vice President
William E. Carty (1)	67	Director
John M. Dodds	57	Director
Charles J. Bayer (2)	54	Director
Richard J. Herrera	40	Director
Aubrey K. Johnson (1) (2)	72	Director
Gary B. Horton	51	Treasurer
Gary V. Klinefelter	46	Secretary
John A. Lorentz	67	Assistant Secretary
Rocky D. Wardrip	36	Assistant Treasurer
George R. Olds	52	Assistant Secretary

(1) Member of the Audit Committee

(2) Member of Executive Finance Committee

Edward J. Shoen has served as a Director and Chairman of the Board of the Company since December 1986, as President since June 1987, as a Director of U-Haul since June 1990, and as the President of U-Haul since March 1991. Mr. Shoen has been associated with the Company since May 1971.

Mark V. Shoen has served as a Director of the Company since April 1990. He is a Director of U-Haul, and served as President of U-Haul from June 1990 to March 1991. From June to August 1987, he was Assistant to the President of the Company with responsibilities relating to product. He served from August 1987 to December 1990 as President of A&M Associates, Inc., a wholly-owned subsidiary of U-Haul. He served from December 1990 to the present as Executive Vice President of Product for U-Haul.

James P. Shoen, a Director of the Company since December 1986, Vice President of the Company since May 1989, and a Director of U-Haul since June 1990, has been associated with the Company since July 1976. He was employed as a Center General Manager with U-Haul Co. of San Francisco from 1981 to 1989. From March 1989 to March 1990 he served as the Director of the U-Haul Technical Services Center. He has served from April 1990 to present as Executive Vice President of U-Haul.

William E. Carty, a Director of the Company since May 1987 and a Director of U-Haul since June 1990, has been associated with the Company since 1946. He has served in various executive positions in all areas of the Company. He served most recently as product director. Mr. Carty retired from the Company in December 1987.

John M. Dodds, a Director of the Company since September 1987, Vice President of U-Haul from June 1990 until July 1994, and Director of U-Haul since June 1990, has been associated with the Company since 1963. He served in regional field operations until December 1986. Mr. Dodds retired from the Company in May 1994.

Charles J. Bayer has been associated with the Company since 1967. He has served in various executive positions and has served as President of Amerco Real Estate since September 1990. He also served as a Director of U-Haul from July 1988 until June 1990, Product Director for U-Haul from January 1988 to August 1990, the Director of Finance and Administration for the U-Haul Technical Center from 1986 to 1988, and the Manager of Repair and Maintenance of the Company from 1984 to 1986.

Richard J. Herrera, a Director of the Company since September 1991, has been a Director of U-Haul since June 1990, and has been associated with the Company since April 1988. He is presently the Vice President of Marketing, Retail Sales, for U-Haul.

Aubrey K. Johnson was a director of the Company from 1987 until 1991. From 1991 until his re-election to the Board in August 1993, he served as a consultant and advisor to various organizations and individuals.

Gary B. Horton has been associated with the Company since October 1969. He has served as Treasurer since 1982. His previous positions include Treasurer of U-Haul.

Gary V. Klinefelter, Secretary of the Company since July 1988, and Secretary of U-Haul since June 1990, is licensed as an Attorney at Law in the State of Arizona and has served as General Counsel for the Company since June 1988.

John A. Lorentz, Assistant Secretary of the Company since July 1988, and Assistant Secretary of U-Haul since June 1990, is licensed as an Attorney at Law in the State of Oregon and has been associated with the Company since September 1953. His previous positions include Secretary of the Company and of U-Haul.

Rocky D. Wardrip, Assistant Treasurer of the Company since September 1990,

has been associated with the Company since 1978 in various capacities within accounting and treasury operations. Mr. Wardrip was previously Assistant Treasurer of U-Haul from 1988 to 1990.

George R. Olds, Assistant Secretary of the Company and U-Haul since February 1993, has been associated with the Company since 1975 as a member of the U-Haul legal department specializing in taxation.

OTHER KEY EMPLOYEES

Donald W. Murney has been Treasurer of U-Haul since June 1990. He was previously employed as the Senior Vice President and Chief Financial Officer of Conry Financial Services.

Henry E. Martin joined the Company in 1973 and has served in various capacities in the insurance subsidiaries since 1975. He is currently President of Ponderosa.

The Company does not have a compensation committee. Compensation decisions are made by the full Board of Directors. The Audit Committee makes recommendations to the Board of Directors regarding the selection of independent auditors, reviews the Company's financial statements for each interim period and reviews and evaluates the Company's internal audit and control functions. The Executive Finance Committee supervises the financial affairs of the Company and, among other things, has the power to give final approval for the borrowing of funds on behalf of the Company without further action or approval of the Board of Directors.

PRINCIPAL STOCKHOLDERS

INSIDE STOCKHOLDER GROUP

Three of the Company's eight directors, Edward J. Shoen, Mark V. Shoen, and James P. Shoen, as well as the Selling Stockholder, Paul F. Shoen, Oxford (as trustee) and the ESOP Trustee, are members of the Inside Stockholder Group that on the date of this Prospectus votes approximately 47.6% of the Company's outstanding voting stock. If Selling Stockholder and Paul F. Shoen are successful in leaving the Inside Stockholder Group, then the other current members of the Inside Stockholder Group will control approximately 33.0% of the Company's outstanding voting stock. See "Security Ownership of Certain Beneficial Owners and Management" in the Company's definitive Notice and Proxy Statement filed with the Commission on July 8, 1994. See "Risk Factors -- Existing Management -- Potential Change in Control."

The number of shares controlled by the Inside Stockholder Group includes shares beneficially owned by Edward J. Shoen (3,483,681); Mark V. Shoen (3,475,520); James P. Shoen (2,278,814); Paul F. Shoen (3,419,690); Sophia M. Shoen (2,213,472); certain Irrevocable Trusts for which Oxford Life Insurance Company acts as trustee (1,605,340); and The ESOP Trust (1,907,714).

Term

The members of the Inside Stockholder Group are parties to a stockholder agreement, dated as of May 1, 1992, as amended (the "Stockholder Agreement"), that restricts the disposition of the parties' shares of common stock to certain types of permitted dispositions. The Stockholder Agreement will expire on March 5, 1999, unless earlier terminated.

Voting of Shares

All of the shares subject to the Stockholder Agreement are voted as agreed upon by the members holding a majority of the shares subject to the Stockholder Agreement. As of the date of this Prospectus, Edward J. Shoen, Mark V. Shoen, and James P. Shoen, each of whom is a director of the Company, collectively hold a majority of the shares subject to the Stockholder Agreement and, therefore, have the ability, if they so agree, to control the vote of the Company's common stock that is subject to the Stockholder Agreement. However, one member of the Inside Stockholder Group, the ESOP Trustee, is required to act as a member of the Inside Stockholder Group only if the other members of the Inside Stockholder Group provide the ESOP Trustee with an opinion of counsel satisfactory to the ESOP Trustee that such act shall not result in a violation of ERISA or the IRC. If the other members of the Inside Stockholder Group are unable to furnish such an opinion, it is unclear whether or not the ESOP Trustee could vote other than as part of the Inside Stockholder Group. Assuming the Underwriters do not exercise their over-allotment option, the Inside Stockholder Group upon completion of the offering of the Securities would control approximately 41.3% of the Company's voting stock without counting shares held by the ESOP Trustee. See "Risk Factors -- Existing Management -- Potential Change in Control -- Replacement of ESOP Trustee" and "Business -- Litigation."

ESOP

On March 16, 1973, the Company established the AMERCO Profit Sharing

Retirement Trust (the "Profit Sharing Plan") for certain of its employees. The Profit Sharing Plan was subsequently amended from time to time. Effective April 1, 1984, the Company established the AMERCO Employee Savings and Protection Plan (the "Savings Plan") to permit employee contributions to be made on a favorable tax basis through utilization of the provisions of Section 401(k) of the Internal Revenue Code. The Savings Plan was subsequently amended from time to time. Effective January 1, 1988, the Profit Sharing Plan and the Savings Plan were merged to form a single plan called the AMERCO Retirement Savings and Profit Sharing Plan.

The AMERCO Retirement Savings and Profit Sharing Plan was amended and restated in its entirety to form the ESOP, effective as of July 24, 1988, by adding an "employee stock ownership plan" (as defined in Section 407(d)(6) of ERISA and Section 4975(e)(7) of the IRC component, which component is designed to invest primarily in "qualifying employer securities" of the Company. The ESOP Trust holds shares of the Company's common stock. As of August 25, 1994, shares of the Company's common stock held by the ESOP Trust were allocated to 5,460 Company employees and as of such date 6,364 Company employees were eligible to participate in the ESOP. The Company makes periodic contributions to the ESOP Trust, which contributions are used to purchase Company common stock. Under the terms of the ESOP, the Company's common stock is appraised annually. The most recent such appraisal, dated as of December 31, 1993, was conducted by American Appraisal Associates. As of December 31, 1993, the Company's common stock was valued at \$20 per share and was discounted 15% because of a lack of marketability for a value of \$17 per share.

ESOP Trust; Release of Shares from Stockholder Agreement

Prior to the issuance of the Series A 8-1/2% Preferred Stock in October 1993 the ESOP Trustee had the power to vote all common stock held in the ESOP Trust in its discretion (other than with respect to certain significant corporate transactions such as mergers or consolidations, recapitalizations, and sales of all or substantially all of the assets of the Company). Under the ESOP, if the Company has outstanding a "registration-type class of securities," which includes the Series A 8-1/2% Preferred Stock, each participant (or such participant's beneficiary) in the ESOP may direct the ESOP Trustee with respect to the voting of all common stock allocated to the participant's account. All shares in the ESOP Trust not allocated to participants continue to be voted by the ESOP Trustee in accordance with the Stockholder Agreement. See "Principal Stockholders -- Inside Stockholders Group -- Voting of Shares." As of August 31, 1994, of the 2,994,655 shares of Company common stock held by the ESOP Trust, 1,086,941 shares were allocated to participants and 1,907,714 shares remained unallocated. Of the 1,086,941 allocated shares, approximately 6,643 shares are allocated to members of the Inside Stockholder Group, which shares shall be voted together with the unallocated shares and the other shares held by the members of the Inside Stockholder Group in accordance with the terms of the Stockholder Agreement. Therefore, as of the date of this Prospectus, without giving effect to the matters discussed in the succeeding subsection, the Inside Stockholder Group controls approximately 47.6% of the Company's outstanding common stock. Additional shares of common stock not presently allocated to participants' accounts in the ESOP Trust will be allocated as certain debt obligations of the ESOP Trust are repaid, resulting in a further reduction in the number of common shares subject to the Stockholder Agreement. As a result of the foregoing, there can be no assurance that the Inside Stockholder Group will be able to continue to elect directors acceptable to it to the Company's Board of Directors or that the Company's current management will remain in place; however, the Company's four-class Board of Directors may delay the effectiveness of any change in management. See "Certain Provisions That May Limit Changes in Control."

Registration Rights; Release of Shares from Stockholder Agreement

Subject to certain limitations and restrictions, Paul F. Shoen and Selling Stockholder, who are currently members of the Inside Stockholder Group, may elect to cause the Company to effect a registration under the Securities Act and applicable state securities laws of all or a part (but not less than 100,000 shares) of the shares of common stock held by each of them. Selling Stockholder has elected to require the Company to register 500,000 shares of Company's common stock for public sale pursuant to this registration statement. On September 1, 1994, Paul F. Shoen demanded such registration. Subject to certain limitations, the Company is required to effect registration of those shares on or before March 1, 1995, unless certain conditions specified in the Share Repurchase and Registration Rights Agreement occur. No more than two such registrations may be demanded by either Paul F. Shoen or Selling Stockholder. The Stockholder Agreement permits the disposition of any shares pursuant to a registered public offering under the Securities Act. All registered shares, when sold, will be released from the Stockholder Agreement. As of the date of this Prospectus, upon the sale of the Securities offered hereby and assuming the Underwriters to not exercise their over-allotment option, the Inside Stockholder Group would control the vote of approximately 46.3% of the Company's common stock. Assuming that Paul F. Shoen and Selling Stockholder sold all of their respective shares pursuant to this and subsequent registration requests, the Inside Stockholder Group would control the vote of approximately 33.0% of

the Company's common stock. As a result, there can be no assurance that the shares of common stock held by Paul F. Shoen and Selling Stockholder will remain subject to the Stockholder Agreement. For this reason, there can be no assurance that the Company's current management will remain in place. See "Business -- Litigation" for a description of arbitration proceedings whereby Selling Stockholder and Paul F. Shoen have asserted claims, which are disputed by the Company, that the Stockholder Agreement is terminated because of the Company's alleged failure to timely register their shares of common stock.

OUTSIDE STOCKHOLDER GROUP

Certain other stockholders are members of the Outside Stockholder Group that votes approximately 49.1% of the Company's outstanding voting stock. See "Security Ownership of Certain Beneficial Owners and Management" in the Company's definitive Notice and Proxy Statement filed with the Commission on July 8, 1994.

Members

The Outside Stockholder Group controls 18,254,596 shares of the Company's common stock pursuant to the stockholder agreement described below and 734,376 shares of the Company's common stock pursuant to several trusts described below. The number of shares controlled by the Outside Stockholder Group includes shares beneficially owned by Samuel W. Shoen (4,041,924); Michael L. Shoen (4,035,924); Mary Anna Shoen-Eaton (3,343,076); Cecilia M. Shoen-Hanlon (2,331,984); Katrina M. Carlson (2,016,624); Theresa M. Shoen (1,651,644); and Leonard S. Shoen (833,420).

Term

The members of the Outside Stockholder Group are parties to a fourth amended stockholder agreement, dated June 20, 1994, that provides for the voting of the subject shares. The original agreement was dated July 17, 1988. Unless earlier terminated by a majority of the stockholders, the agreement will terminate on January 1, 2001.

Voting of Shares

All of the shares subject to the agreement are voted at the direction of a majority of the stockholders (on the basis of one vote per stockholder) party to the agreement. Leonard S. Shoen, Michael L. Shoen, and Theresa M. Shoen have each been granted a proxy to vote the shares as agreed upon by a majority of the stockholders.

Control of Trust for Minor Children

The Company has been advised that four trusts for the benefit of Leonard S. Shoen's minor children are the record owners of an aggregate of 734,376 shares of the Company's voting stock representing 1.9% of the Company's voting stock. Samuel W. Shoen and Michael L. Shoen, who are members of the Outside Stockholder Group, are co-trustees for the trusts and vote such shares in their discretion.

Director Nominations

The Outside Stockholder Group has nominated Samuel W. Shoen, Theresa M. Shoen, and Ronald Belec to replace Edward J. Shoen, Mark V. Shoen, and Aubrey K. Johnson on the Company's Board of Directors. The following information about the director nominees is based upon information furnished to the Company by such nominees.

Samuel W. Shoen, age 49, has been engaged in the occupation of private investor since March 1, 1993 and served in the capacities of employee, officer, and director of the Company at various times from 1973 to 1987.

Theresa M. Shoen, age 30, has been employed for the past 5 years as manager, waitress, and general help at Baby Kay's restaurant in Scottsdale, Arizona and served as a director of the Company from 1982 to 1984.

Ronald Belec, age 47, is currently employed by ABC, Inc., a courier service in Seattle, Washington.

CERTAIN PROVISIONS THAT MAY LIMIT CHANGES IN CONTROL

Certain provisions summarized below may have the effect of delaying, deferring, or preventing a change in control of the Company.

The Articles of Incorporation of the Company (the "Articles") provide for the Board of Directors to be divided into four classes of directors serving staggered four-year terms. As a result, approximately one-fourth of the Board of Directors will be elected each year. Moreover, under the Nevada General Corporation Law, an affirmative vote of holders of two-thirds of the then outstanding stock entitled to vote is required to remove a director. This provision, when coupled with the provision of the Articles authorizing only the Board of Directors to fill vacant directorships, may hinder the removal of

incumbent directors by stockholders entitled to vote and the simultaneous election of new directors by such stockholders to fill the vacancies created by such removal unless Selling Stockholder and Paul F. Shoen are successful in leaving the Inside Stockholder Group.

Moreover, (i) the Company's Bylaws grant the Company a right of first refusal exercisable in connection with any sale of outstanding shares of the Company's common stock (however, the Company has received a stockholder proposal to be acted upon at the Company's Annual Meeting of Stockholders to eliminate the right of first refusal from the Company's Bylaws. See "Risk Factors -- Existing Management -- Potential Change in Control."), (ii) the Articles require holders of two-thirds of the then outstanding shares of common stock to amend certain provisions of the Articles, including the classified board provision, to amend the Bylaws, and to approve certain transactions with, among others, holders of five percent of any class of voting stock of the Company, (iii) the Articles prohibit stockholder action by written consent, and (iv) certain of the Company's credit agreements contain provisions that could require the prepayment of all monies outstanding thereunder upon a "change in control." With the exception of (iv) above, each of these provisions could be amended if Selling Stockholder and Paul F. Shoen are successful in leaving the Inside Stockholder Group. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources -- Credit Agreements."

See "Risk Factors -- Ability to Issue Serial Common Stock and Preferred Stock" regarding the potential anti-takeover effects of the Board of Directors' ability to issue serial common stock and preferred stock and to fix the rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders.

The Board of Directors has adopted a stockholder rights plan. Pursuant to the plan, rights have been distributed to the holders of the common stock of the Company that entitle such holders to purchase from the Company one one-hundredth of a share of the Company's Series C Preferred Stock at an exercise price of \$15,000 per share (the price per share and the exercise price are subject to adjustment). See Note 15 to Notes to Consolidated Financial Statements. The rights become exercisable if any person or group of affiliated or associated persons becomes the beneficial owner of fifty percent or more of the Company's common stock without approval of a majority of the disinterested members of the Board of Directors (as defined in the plan); such person being defined as an "acquiring person." Upon the occurrence of an Affiliate Merger or Triggering Event (certain transactions defined in the plan involving an acquiring person), each right entitles its holder to purchase, for the exercise price, that number of shares of common stock of the Company having a value equal to twice the exercise price. Upon the occurrence of a Business Combination (as defined in the plan), each right entitles its holder to purchase, for the exercise price, that number of shares of common stock of the acquiring or surviving company having a value equal to twice the exercise price. The rights will expire on July 29, 1998, unless earlier redeemed by the Company pursuant to authorization by a majority of the disinterested Board.

CERTAIN TRANSACTIONS

On August 24, 1994, the Company entered into an Exchange Agreement with Edward J. Shoen, the Company's Chairman of the Board and President. In exchange for 3,483,681 shares of Common Stock owned by Edward J. Shoen, the Company issued 3,483,681 shares of Series A Common Stock to him. See "Description of Capital Stock -- Common Stock."

Through the second quarter of fiscal 1995, a subsidiary of the Company loaned SAC Self-Storage Corporation a total of approximately \$32.5 million for the purchase of self-storage properties, which are being operated by the Company pursuant to management agreements. SAC Self-Storage Corporation is owned by Edward J. Shoen, Mark V. Shoen, and James P. Shoen who are all major stockholders and directors of the Company. The terms of these loans are comparable to similar loans made to unaffiliated parties. Accordingly, the Company believes that these loans were consummated with security and on terms substantially equivalent to those that prevail in arm's-length transactions. The Company expects to make additional similar loans to SAC Self-Storage Corporation, but the Company does not expect aggregate loans to SAC Self-Storage Corporation to exceed \$50 million.

SELLING SECURITY HOLDER

The common stock offered hereunder is held by Selling Stockholder. Selling Stockholder currently owns 2,213,472 shares of common stock directly and 108,891 shares of common stock indirectly through Oxford Life Insurance Company, Trustee under that certain Irrevocable Trust dated December 20, 1982 (Sophia M. Shoen, Grantor) (the "Irrevocable Trust"). Five hundred thousand shares of common stock are offered hereunder. After the sale of the Securities, assuming the Underwriters do not exercise their over-allotment option, Selling Stockholder will own 1,713,472 shares directly (4.43%) and 108,891 shares indirectly (0.28%).

The Selling Stockholder opposes the current management of the Company. On

May 4, 1994 Selling Stockholder nominated herself for election to the Company's Board of Directors.

In recent years, Selling Stockholder has been involved in several transactions with the Company, both individually and through affiliates. A tow dolly fleet owned by Samlo, a partnership in which Selling Stockholder is a partner, generated net operating revenues from the Company of \$65,000, \$78,000, and \$109,000 for the years ended March 31, 1994, 1993, and 1992, respectively.

On September 1, 1993, the Company, Sophmar, Inc., a corporation controlled by Selling Stockholder, and Sophmar Acquisition, Inc., a subsidiary of the Company ("S.A.") entered into an Agreement and Plan of Merger pursuant to which S.A. merged into Sophmar, Inc., and Sophmar, Inc. became a wholly-owned subsidiary of the Company. In exchange for Sophmar, Inc.'s capital stock, the stockholders of Sophmar, Inc. (Selling Stockholder and the Irrevocable Trust) collectively received 2,500,920 shares of common stock, the same number of shares of common stock held by Sophmar, Inc. Selling Stockholder received 2,392,029 of these shares and the Irrevocable Trust received 108,891 of the shares.

The merger described in the preceding paragraph was effected in accordance with the terms of a Merger Option Agreement, dated as of May 1, 1992, among Selling Stockholder, Sophmar, Inc., and the Company (the "Sophmar Merger Option Agreement"). The Sophmar Merger Option Agreement required the Company to cause a subsidiary of the Company to be merged with or into Sophmar, Inc. at its request. The Company conditioned these merger rights on Selling Stockholder and Sophmar, Inc. entering into an agreement that, among other things, prohibits Selling Stockholder and Sophmar, Inc. directly or indirectly from offering, selling, pledging, or otherwise disposing of any shares of common stock or securities convertible into or exchangeable for common stock prior to March 1, 1999. This prohibition does not apply, however, to sales of securities pursuant to a registered offering and limited sales of securities that are designed not to disrupt a public offering of securities by the Company, including sales pursuant to Rule 144. With certain limitations, the Company has agreed to indemnify Sophmar, Inc. and Selling Stockholder for liabilities arising out of the merger.

Pursuant to a Share Repurchase and Registration Rights Agreement, dated as of May 1, 1992 (the "Registration Rights Agreement"), among Selling Stockholder, Sophmar, Inc., and the Company, Selling Stockholder was given the right to require the Company to repurchase, with certain limitations, up to \$3,000,000 of common stock owned by her. The Registration Rights Agreement provides that the Company's obligations to repurchase any shares from Selling Stockholder shall be satisfied if such shares are purchased by the ESOP Trust. The Registration Rights Agreement restricts the disposition of common stock held by Selling Stockholder. Pursuant to the Registration Rights Agreement (i) on May 15, 1992 Sophmar, Inc. sold 9,260 shares of common stock to the ESOP Trust at the then appraised value of \$10.80 per share for an aggregate sales price of approximately \$100,000, (ii) on September 29, 1993, Selling Stockholder sold 90,322 shares of common stock to the ESOP Trust at the then appraised value of \$15.50 per share for an aggregate sales price of approximately \$1,400,000, and (iii) on June 30, 1994, Selling Stockholder sold 88,235 shares of common stock to the ESOP Trust at the most recent (December 31, 1993) appraised value of \$17.00 per share for an aggregate sales price of approximately \$1,500,000. Selling Stockholder, subject to certain limitations and restrictions, may elect to cause the Company to effect a registration under the Securities Act and applicable state securities laws of shares of common stock held by her. Selling Stockholder gave notice of exercise of her registration right to register the 500,000 of the shares of common stock registered hereunder in October, 1993.

Pursuant to a Management Consulting Agreement, dated as of May 1, 1992, Selling Stockholder agreed to provide environmental and other consulting services to the Company. In consideration for these services, the Company paid Selling Stockholder a yearly fee of \$100,000. The Management Consulting Agreement was scheduled to expire on May 1, 1994. However, Selling Stockholder has asserted that the Management Consulting Agreement, according to its terms, may be extended for up to an additional year because of the Company's alleged failure to timely register the sale of her shares pursuant to this Prospectus. The Company disputes Selling Stockholder's allegation and the matter is the subject of the arbitration proceedings described in "Business -- Litigation."

DESCRIPTION OF CAPITAL STOCK

COMMON STOCK

The Company's Restated Articles of Incorporation authorize the issuance of 150,000,000 shares of Common Stock with a par value of \$0.25 per share and 150,000,000 shares of serial common stock, in one or more series, and with such voting powers, designations, preferences, limitations, restrictions, and relative rights as the Board of Directors of the Company may determine. As of the date of this Prospectus, there are 29,426,048 issued and outstanding shares of the Company's Common Stock and 9,238,015 issued and outstanding shares of Series A Common Stock. All of the Series A Common Stock is held by Mark V. Shoen, Executive Vice-President of Product for U-Haul International, Inc. and a

Director of the Company, James P. Shoen, a Vice-President and Director of the Company, and Edward J. Shoen, Chairman of the Board and President of the Company. The Series A Common Stock is not convertible into Common Stock and votes together as a single class with the Common Stock on all matters. See "Risk Factors -- Ability to Issue Serial Common Stock and Preferred Stock" for a discussion of the potential anti-takeover effects of the Board's ability to issue serial common stock and preferred stock.

Dividends

Holders of shares of the common stock are entitled to receive dividends payable when and as declared by the Board of Directors out of funds legally available therefor. The Company does not have a formal dividend policy. The Company's Board of Directors periodically considers the advisability of declaring and paying dividends in light of existing circumstances. See "Stockholder Matters."

The Company is restricted in the amount of dividends that it may issue or pay pursuant to covenants contained in its credit agreements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources -- Credit Agreements." At the date of this Prospectus, the most restrictive of such covenants provides that the Company may pay cash dividends on its capital stock only in an amount not exceeding, in the aggregate, computed on a cumulative basis, the sum of (i) \$15 million and (ii) 50% of consolidated net income computed on a cumulative basis for the entire period subsequent to March 31, 1993 (or if such consolidated net income is a deficit figure, then minus 100% of such deficit); provided such dividend is paid within 60 days of being declared. At June 30, 1994, the aggregate amount available for dividends on common stock after providing for dividends on the Series A 8-1/2% Preferred Stock was approximately \$38.7 million.

Voting

Each share of common stock entitles the holder to one vote in the election of directors and other corporate matters. The Company's Board of Directors is classified into four (4) classes. Voting rights are non-cumulative. For a description of articles of incorporation and bylaw provisions that would have the effect of delaying, deferring or preventing a change in control of the Company see "Certain Provisions that May Limit Changes in Control."

No Prior Public Market for Company's Common Stock

Prior to this offering, there has been no public market for any of the Company's common stock. The Company expects the Securities to be approved for quotation on the Nasdaq National Market but there is no assurance that an active trading market will develop or be maintained following this offering. The initial public offering price will be determined by negotiations among Selling Stockholder and the Underwriters. There can be no assurance as to the stability of the market price for the Securities. See "Underwriting."

PREFERRED STOCK

The Company's Restated Articles of Incorporation authorize the issuance of 50,000,000 shares of preferred stock, with or without par value, in one or more series, and with such voting powers, designations, preferences, limitations, restrictions, and relative rights as the Board of Directors of the Company may determine. As of the date of this Prospectus, 6,100,000 shares of Series A 8-1/2% Preferred Stock (the "Preferred Stock") are outstanding and 5,000 shares of Series C Preferred Stock have been reserved for issuance pursuant to a stockholder rights plan. See "Risk Factors -- Ability to Issue Serial Common Stock and Preferred Stock" for a discussion of the potential anti-takeover effects of the Board's ability to issue Serial Common Stock and Preferred Stock.

The Preferred Stock is non-voting and is not convertible into, or exchangeable for, shares of any other class or classes of stock of the Company. The Preferred Stock has priority as to dividends over the Company's common stock. Holders of the Preferred Stock are entitled to receive cumulative dividends at a fixed annual rate of \$2.125 per share. The Preferred Stock is not redeemable prior to December 1, 2000. On and after such date, the Company, at its option may redeem the Preferred Stock at any time or from time to time at a redemption price of \$25 per share, plus accrued and unpaid dividends thereon to the date of redemption. Holders of the Preferred Stock are entitled to liquidation preference of \$25 per share. Holders of the Preferred Stock have no voting rights unless, among other things, the Company shall have failed to declare and pay in full dividends for six quarterly periods, in which case holders of the Preferred Stock will be entitled to elect two directors until the full dividends accumulated on all outstanding shares of Preferred Stock shall have been declared and paid in full.

TRANSFER AGENT

The transfer agent and registrar for the common stock is Chemical Trust Company of California.

UNDERWRITING

The Underwriters named below (the "Underwriters"), represented by Cruttenden & Company (the "Representative"), have severally agreed, subject to the terms and conditions contained in the Underwriting Agreement, to purchase from the Selling Stockholder the number of shares of common stock indicated below opposite their respective names at the initial public offering price less the underwriting discounts and commissions set forth on the cover of this Prospectus. The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters shall purchase the total number of shares of common stock shown above if any such shares are purchased.

Underwriter - -----	Number of Shares -----
Cruttenden & Company.....	
Total.....	500,000 =====

The Underwriting Agreement contains covenants of indemnity and contribution among the Underwriters, the Company and the Selling Stockholder with respect to certain civil liabilities, including liabilities under the Securities Act. The Company and the Selling Stockholder have been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

The Company and the Selling Stockholder have been advised by the Representative that the Underwriters propose to offer the common stock purchased by them directly to the public at the initial public offering price set forth on the cover of this Prospectus and to certain dealers at a price that represents a concession within the discretion of the Representative. The Representative has advised the Company that less than 1% of the Securities will be sold on a discretionary basis. The Underwriters may allow, and such dealers may reallow, a concession within the discretion of the Representative. After the initial public offering, the offering price and the selling terms may be changed by the Underwriters.

The Underwriters will purchase the common stock from the Selling Stockholder at a price per share representing a discount of 8% of the public offering price. In addition, the Selling Stockholder has agreed to pay the Representative a nonaccountable expense allowance of 2.5% of the aggregate public offering price of the common stock. To the extent that the expenses of the Representative are less than the nonaccountable expense allowance, the excess shall be deemed to be compensation to the Representative.

Prior to this offering, there has been no public market for the common stock. Consequently, the initial public offering price for the common stock will be determined by negotiation between Selling Stockholder and the Underwriters. Factors considered in determining such price will be prevailing market conditions, the net revenues and results of operations of the Company in recent periods, market valuations of publicly traded companies that the Company, the Selling Stockholder and the Representative believe to be comparable to the Company, estimates of the business potential of the Company and the current state of the industry and the economy as a whole.

The initial public offering price set forth on the cover page of this Prospectus should not be considered an indication of the actual value of the Securities. Such price is subject to change as a result of market conditions and other factors and no assurance can be given that the Securities can be resold at the initial public offering price.

The Selling Stockholder has granted to the Underwriters an option to purchase up to an additional 75,000 shares of Common Stock, exercisable solely to cover over-allotments, at the offering price to the public, less the underwriting discounts and commissions shown on the cover page of this Prospectus. Such option may be exercised at any time until 45 days after the date of the Underwriting Agreement. To the extent that such option is exercised, each Underwriter will be committed, subject to certain conditions, to purchase a number of the additional shares of Common Stock proportionate to such Underwriter's initial commitment as indicated in the preceding table.

Up to 75,000 shares registered herein may be offered and sold to non-U.S. persons in compliance with applicable foreign and U.S. securities law.

The foregoing sets forth the material terms and conditions of the Underwriting Agreement, but does not purport to be a complete statement of the terms and conditions thereof, copies of which are on file at the offices of the Representative, the Company and the Commission. See "Available Information."

LEGAL OPINIONS

The validity of the Securities offered hereunder will be passed upon for the Company by Lionel, Sawyer & Collins, 300 S. 4th Street, Suite 1700, Las Vegas, Nevada 89101 in reliance with respect to matters of law of the State of Arizona upon Snell & Wilmer, One Arizona Center, Phoenix, Arizona 85004. Certain legal matters in connection with this offering will be passed upon for the Underwriters by Cooley Godward Castro Huddleson & Tatum, 5 Palo Alto Square, Palo Alto, California 94306 and for the Selling Stockholder by Grover Wickersham, P.C., 430 Cambridge Avenue, Suite 100, Palo Alto, California 94306.

EXPERTS

The consolidated financial statements of the Company as of March 31, 1994 and 1993 and for each of the years in the three-year period ended March 31, 1994 included herein have been included herein in reliance on the report of Price Waterhouse LLP, independent accountants, appearing elsewhere herein, given on the authority of said firm as experts in auditing and accounting.

INDEX TO FINANCIAL STATEMENTS

	Page

REPORT:	
Report of Independent Accountants -- AMERCO and Consolidated Subsidiaries.....	F-2
AUDITED FINANCIAL STATEMENTS:	
Consolidated Balance Sheets -- March 31, 1994 and 1993.....	F-3
Consolidated Statements of Earnings -- Years ended March 31, 1994, 1993 and 1992.....	F-4
Consolidated Statements of Changes in Stockholders' Equity -- Years ended March 31, 1994, 1993 and 1992.....	F-5
Consolidated Statements of Cash Flows -- Years ended March 31, 1994, 1993 and 1992.....	F-6
Notes to Consolidated Financial Statements -- March 31, 1994, 1993 and 1992.....	F-7
UNAUDITED INTERIM FINANCIAL STATEMENTS:	
Consolidated Balance Sheets -- June 30, 1994 and 1993.....	F-33
Consolidated Statements of Earnings -- Quarters ended June 30, 1994 and 1993.....	F-34
Consolidated Statements of Changes in Stockholders' Equity -- Quarters ended June 30, 1994 and 1993.....	F-35
Consolidated Statements of Cash Flows -- Quarters ended June 30, 1994 and 1993.....	F-36
Notes to Consolidated Financial Statements -- June 30, 1994 and 1993.....	F-37

<AUDIT-REPORT>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of AMERCO

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of AMERCO and its subsidiaries at March 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards 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 the opinion expressed above.

As discussed in Note 21 to the consolidated financial statements, a jury verdict was rendered October 7, 1994 against certain current and former directors of the Company. As a result of existing indemnification agreements, the Company may be liable, wholly or in part, for any damages attributed to the defendants. The ultimate outcome of the litigation cannot be determined at present. No provision for any liability that may result upon final adjudication has been made in the accompanying consolidated financial statements.

As described in Notes 1 and 11 to the consolidated financial statements, the Company changed its method of accounting for ceded reinsurance, certain investments and postretirement benefits in fiscal 1994.

Price Waterhouse LLP

Phoenix, Arizona

June 24, 1994, except as to Notes 14 and 21, which are as of August 15, 1994 and October 7, 1994, respectively.

</AUDIT-REPORT>

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31,
(IN THOUSANDS)

	1994	1993
	-----	-----
ASSETS		
Cash and cash equivalents.....	\$ 18,442	\$ 21,291
Receivables.....	204,814	79,672
Inventories.....	49,012	51,437
Prepaid expenses.....	24,503	26,985
Investments, fixed maturities.....	719,605	647,505
Investments, other.....	84,738	129,535
Deferred policy acquisition costs.....	47,846	49,748
Other assets.....	21,246	28,247
	-----	-----
Property, plant and equipment, at cost:		
Land.....	186,210	180,171
Buildings and improvements.....	676,297	614,343
Furniture and equipment.....	163,495	158,366
Rental trailers and other rental equipment.....	212,187	203,024
Rental trucks.....	820,395	609,306
General rental items.....	57,421	61,699
	-----	-----
	2,116,005	1,826,909
Less accumulated depreciation.....	941,769	837,306
	-----	-----
Total property, plant and equipment.....	1,174,236	989,603
	-----	-----
	\$ 2,344,442	\$ 2,024,023
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Accounts payable and accrued liabilities..	\$ 124,062	\$ 113,653
Notes and loans.....	723,764	697,121
Policy benefits and losses, claims and loss expenses payable.....	439,266	336,838
Liabilities from premium deposits.....	312,708	320,961
Cash Overdraft.....	26,559	24,851
Other policyholders' funds and liabilities.....	9,592	9,200
Deferred income.....	5,913	6,328
Deferred income taxes.....	50,791	35,113
	-----	-----

Stockholders' equity:

Serial preferred stock, with or without par value, 50,000,000 shares authorized; 6,100,000 issued without par value and outstanding as of March 31, 1994 and none issued or outstanding as of March 31, 1993.....	--	--
Serial common stock, with or without par value, 150,000,000 shares authorized....	--	--
Series A common stock of \$.25 par value. Authorized 10,000,000 shares, issued 5,754,334 shares in 1994, none in 1993.....	1,438	--
Common stock of \$.25 par value.		

Authorized 150,000,000 shares, issued 34,245,666 shares in 1994 and 40,000,000 shares in 1993.....	8,562	10,000
Additional paid-in capital.....	165,651	19,331
Foreign currency translation adjustment...	(11,152)	(6,122)
Retained earnings.....	515,200	482,163
	-----	-----
	679,699	505,372
Less:		
Cost of common shares in treasury (1,335,937 shares as of March 31, 1994 and March 31, 1993).....	10,461	10,461
Loan to leveraged employee stock ownership plan.....	17,451	14,953
	-----	-----
Total stockholders' equity.....	651,787	479,958
Contingent liabilities and commitments.....		
	-----	-----
	\$ 2,344,442	\$ 2,024,023
	=====	=====

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
YEARS ENDED MARCH 31,
(IN THOUSANDS EXCEPT PER SHARE DATA)

	1994	1993	1992
	-----	-----	-----
Revenues			
Rental and other revenue.....	\$ 816,666	\$ 755,932	\$ 689,139
Net sales.....	156,038	145,514	155,989
Premiums.....	123,344	98,825	87,126
Net investment income.....	38,807	40,640	39,630
	-----	-----	-----
Total revenues.....	1,134,855	1,040,911	971,884
Costs and expenses			
Operating expense.....	643,662	604,596	558,313
Cost of sales.....	92,179	93,104	102,916
Benefits and losses.....	120,825	106,617	93,652
Amortization of deferred acquisition costs.....	9,343	9,352	5,439
Depreciation.....	133,485	110,105	109,641
Interest expense.....	68,859	67,958	76,189
	-----	-----	-----
Total costs and expenses....	1,068,353	991,732	946,150
Pretax earnings from operations.	66,502	49,179	25,734
Income tax (expense).....	(19,853)	(17,270)	(4,940)
	-----	-----	-----
Earnings from operations before extraordinary loss on early extinguishment of debt and cumulative effect of change in accounting principle.....	46,649	31,909	20,794
Extraordinary loss on early extinguishment of debt, net.....	(3,370)	--	--
Cumulative effect of change in accounting principle, net.....	(3,095)	--	--
	-----	-----	-----
Net earnings.....	\$ 40,184	\$ 31,909	\$ 20,794
	=====	=====	=====
Earnings per common share:			
Earnings from operations before extraordinary loss on early extinguishment of debt and cumulative effect of change in accounting principle.....	\$ 1.06	\$.83	\$.53
Extraordinary loss on early extinguishment of debt, net.	(.09)	--	--
Cumulative effect of change in accounting principle, net.	(.08)	--	--
	-----	-----	-----
Net earnings.....	\$.89	\$.83	\$.53
	=====	=====	=====

Weighted average common shares outstanding.....	38,664,063 =====	38,664,063 =====	38,880,069 =====
--	---------------------	---------------------	---------------------

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

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED MARCH 31,
(IN THOUSANDS)

	1994	1993	1992
	-----	-----	-----
Series A common stock of \$.25 par value: Authorized 10,000,000 shares, issued 5,754,334 in 1994, none in 1993 and 1992			
Beginning of year.....	\$ --	\$ --	\$ --
Exchange for common stock...	1,438	--	--
End of year.....	1,438	--	--
Common stock of \$.25 par value: Authorized 150,000,000 shares in 1994 and 1993 and 65,000,000 shares in 1992, 34,245,666 issued in 1994, 40,000,000 issued in 1993 and 1992			
Beginning of year.....	10,000	10,000	10,000
Exchange for Series A common stock.....	(1,438)	--	--
End of year.....	8,562	10,000	10,000
Additional paid-in capital:			
Beginning of year.....	19,331	19,331	18,158
Interest received on notes receivable -- restricted stock purchase plan.....	--	--	1,173
Issuance of preferred stock.	146,320	--	--
End of year.....	165,651	19,331	19,331
Foreign currency translation:			
Beginning of year.....	(6,122)	(3,551)	(2,378)
Change during year.....	(5,030)	(2,571)	(1,173)
End of year.....	(11,152)	(6,122)	(3,551)
Retained earnings:			
Beginning of year.....	482,163	452,202	431,408
Net earnings.....	40,184	31,909	20,794
Dividends paid to stockholders:			
Preferred stock: (\$.78 per share for 1994).....	(4,753)	--	--
Common stock: (\$.08, \$.05 per share for 1994 and 1993, respectively).....	(3,147)	(1,994)	--
Tax benefits related to ESOP dividends.....	74	46	--
Change in net unrealized gain on investments.....	679	--	--
End of year.....	515,200	482,163	452,202
Treasury stock:			
Beginning of year.....	10,461	10,461	4,500
Net increase (648,017 shares for 1992).....	--	--	5,961
End of year.....	10,461	10,461	10,461

Notes receivable -- restricted

stock purchase plan:			
Beginning of year.....	--	--	4,236
Cancellation of notes.....	--	--	(4,236)
	-----	-----	-----
End of year.....	--	--	--
	-----	-----	-----
Loan to leveraged employee stock ownership plan:			
Beginning of year.....	14,953	15,633	13,272
Increase in loan.....	4,335	1,120	4,078
Proceeds from loan.....	(1,837)	(1,800)	(1,717)
	-----	-----	-----
End of year.....	17,451	14,953	15,633
	-----	-----	-----
Total stockholders' equity.....	\$ 651,787	\$ 479,958	\$ 451,888
	=====	=====	=====

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

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31,
(IN THOUSANDS)

	1994	1993	1992
	-----	-----	-----
Cash flows from operating activities:			
Net earnings.....	\$ 40,184	\$ 31,909	\$ 20,794
Depreciation and amortization.....	148,740	128,530	124,368
Provision for losses on accounts receivable.....	1,938	2,354	1,276
Net gain on sale of real and personal property.....	(2,114)	(2,428)	(3,740)
Gain on sale of investments.....	(4,195)	(5,392)	(691)
Cumulative effect of change in accounting principle.....	3,095	--	--
Changes in policy liabilities and accruals.....	13,330	22,637	10,971
Additions to deferred policy acquisition costs.....	(7,440)	(8,735)	(14,801)
Net change in other operating assets and liabilities.....	8,781	(6,063)	6,674
	-----	-----	-----
Net cash provided by operating activities..	202,319	162,812	144,851
Cash flows from investing activities:			
Purchases of investments:			
Property, plant and equipment.....	(530,520)	(130,841)	(68,754)
Fixed maturities.....	(280,345)	(276,946)	(364,448)
Real estate.....	(176)	(529)	(846)
Mortgage loans.....	(64,467)	(54,346)	(19,591)
Proceeds from sales of investments:			
Property, plant and equipment.....	214,543	20,656	16,241
Fixed maturities.....	211,437	251,808	222,272
Real estate.....	1,552	1,882	195
Mortgage loans.....	81,619	5,984	3,516
Changes in other investments.....	8,539	37,475	(54,096)
	-----	-----	-----
Net cash used by investing activities.....	(357,818)	(144,857)	(265,511)
Cash flows from financing activities:			
Net change in notes payable and commercial paper.....	21,750	2,975	(160,562)
Proceeds from notes.....	186,000	55,000	185,000
Loan to leveraged Employee Stock Ownership Plan.....	(4,335)	(1,120)	(4,078)
Proceeds from leveraged Employee Stock Ownership Plan.....	1,837	1,800	1,717
Principal payments on notes.....	(181,107)	(94,176)	(95,942)
Issuance of preferred stock.....	146,320	--	--
Extraordinary loss on early extinguishment of debt.....	(3,370)	--	--
Net change in cash overdraft.....	1,708	5,307	(1,227)
Treasury stock acquisitions.....	--	--	(552)
Dividends paid.....	(7,900)	(1,994)	--
Investment contract deposits.....	31,932	51,047	200,534
Investment contract withdrawals.....	(40,185)	(27,889)	(10,534)
	-----	-----	-----

Net cash (used) provided by financing activities.....	152,650	(9,050)	114,356
Increase (Decrease) in cash.....	(2,849)	8,905	(6,304)
Cash and cash equivalents at beginning of year.....	21,291	12,386	18,690
Cash and cash equivalents at end of year...	\$ 18,442	\$ 21,291	\$ 12,386

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1994, 1993 AND 1992

AMERCO AND CONSOLIDATED SUBSIDIARIES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of the parent corporation, AMERCO, and its subsidiaries, all of which are wholly-owned. All material intercompany accounts and transactions of AMERCO and its subsidiaries (herein called the "Company" or the "consolidated group") have been eliminated.

The operating results and financial position of AMERCO's consolidated insurance operations are determined as of December 31 of each year. There were no effects related to intervening events which would significantly affect consolidated financial position or results of operations for the financial statements presented herein. See Note 19 of Notes to Consolidated Financial Statements of AMERCO for additional information regarding the subsidiary.

Description of Business: The consolidated group's principal line of business is the rental of various kinds of equipment, principally trucks, automobile-type trailers, auto transports and general rental items, including floor care items, tools for home and garden use, recreational equipment and accessories under the brand name U-Haul and the sale of related products and services. In addition, the consolidated group is engaged in the rental of self-storage facilities for the storage of household goods and other forms of personal property. Through Ponderosa Holdings, Inc., ("Ponderosa"), which serves as the holding company for Oxford Life Insurance Company ("Oxford") and Republic Western Insurance Company ("RWIC"), the Company operates in various life, annuity, group health and property/casualty insurance products. A portion of the insurance subsidiaries' business is conducted with members of the consolidated group.

Foreign Currency: The consolidated financial statements include the accounts of U-Haul Co. (Canada) Ltd., a subsidiary of AMERCO.

Assets (including property, plant and equipment) and liabilities, denominated in currencies other than U.S. dollars, are translated to U.S. dollars at the exchange rate as of the balance sheet date. Income and expense amounts (including depreciation expense) are translated at the average exchange rate during the fiscal year.

Cash and Cash Equivalents: The Company considers liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts: Accounts receivable of Ponderosa include premiums and agents' balances due net of commissions payable and amounts due from ceding reinsurers. Accounts receivable of Ponderosa are reduced by amounts considered to be uncollectable. Accounts receivable of the Company's rental subsidiaries principally include trade accounts receivable and mortgage and other notes receivable. Allowance for doubtful accounts are provided based on historical collection loss experience and a review of the current status of existing receivables by the Company's rental subsidiaries.

Inventories: Inventories are primarily valued at the lower of cost (last-in first-out) (LIFO) or market.

Investments: Fixed maturities consist of bonds and redeemable preferred stock which are carried at cost, adjusted for amortization of premium or accretion of discount. Oxford's intent is to hold these investments until maturity. Mortgage loans on real estate are carried at unpaid balances, less allowance for possible losses and any unamortized premium or discount. Real estate is carried at cost less accumulated depreciation. Policy loans are carried at their unpaid balance. Short-term investments consist of other securities scheduled to mature within one year of their acquisition date. Amounts held by ceding reinsurers represent obligations due to Oxford. These obligations of the ceding company are supported by investments in fixed maturities. See Note 4 of Notes to Consolidated Financial Statements of AMERCO.

Interest on bonds is recognized when earned. Dividends on preferred stocks are recognized on ex-dividend dates. Realized gains and losses on the sale of investments are recognized at the trade date and included in net income using the specific identification method.

Deferred Policy Acquisition Costs: Commissions and other costs incurred in acquiring traditional life insurance, interest sensitive life and annuity policies, group health insurance and property-casualty insurance which vary with and are primarily related to the production of new business, have been deferred.

Traditional life, annuity and group health acquisition costs are amortized over the premium paying period of the related policies in proportion to the ratio of annual premium income to expected total premium income. Such expected premium income is estimated using assumptions as to mortality and withdrawals consistent with those used in calculating the policy benefit reserves.

Acquisition costs for interest sensitive life insurance and annuity policies are being amortized over the lives of the policies in relation to the present value of estimated gross profits from surrender charges and investment, mortality and expense margins.

Property-casualty acquisition costs are amortized over the related contract period which generally does not exceed one year.

Property, Plant and Equipment: Property, plant and equipment are carried at cost and are depreciated on the straight-line and accelerated methods over the estimated useful lives of the assets. Maintenance and repairs are charged to operating expenses as incurred. Major overhaul costs of rental equipment, principally trucks, are amortized over an estimated period benefitted of one year. Renewals and betterments are capitalized. Gains and losses on dispositions of property, plant and equipment are included in other revenue as realized. Interest costs incurred as part of the initial acquisition of assets are capitalized. Interest expense of \$595,000, \$159,000 and \$234,000 was capitalized in the years ended 1994, 1993 and 1992, respectively.

Rental truck extended warranty costs are amortized over a period of 5 or 6 years. The amount amortized is based on an annual percentage provided by the truck manufacturer. Extended warranty costs of \$2,830,000 are deferred as of March 31, 1993 and are included in prepaid expenses. Extended warranty costs deferred as of March 31, 1994 are immaterial.

Certain recoverable environmental costs related to the removal of underground storage tanks or related contamination are capitalized and depreciated over the estimated useful lives of the properties. The capitalized costs improve the safety or efficiency of the property as compared to when the property was originally acquired or are incurred in preparing the property for sale.

Financial Instruments: The Company enters into interest rate swap agreements to reduce its interest rate exposure. Amounts to be paid or received under the agreements are accrued as interest rates change and are recognized as incurred. Although the Company is exposed to credit loss for the interest rate differential in the event of nonperformance by the counterparties to the agreements, it does not anticipate nonperformance by the counterparties.

At March 31, 1994, interest rate swap agreements with an aggregate notional amount of \$193,000,000 were outstanding. At March 31, 1994, a value of \$14,000,000 was determined from treasury rates combined with a swap spread which represents the estimated amount the Company would pay to terminate the agreements. The Company has one additional swap outstanding in the amount of \$15,000,000 which is a component of a note agreement with a bank. The fair value of the swap component of the agreement cannot be separated from the entire note agreement to determine the estimated fair value. The amount of the note outstanding at March 31, 1994 is \$15,000,000 with a fixed yen interest rate of 6.2% and a maturity date of November 30, 1994.

The Company has mortgage loans which potentially expose the Company to credit risk. The portfolio of notes is principally comprised of mini-warehouse storage facilities and other residential and commercial properties. The Company has not experienced losses related to the notes from individual notes or groups of notes in any particular industry or geographic area.

At March 31, 1994, mortgage notes with a book value of \$90,876,000 were outstanding. The estimated fair value of the notes at March 31, 1994 was \$92,778,000. The value was determined using discounted cash flows at a rate of 7.1% for residential and commercial notes and from bids related to the mini-warehouse storage notes. At March 31, 1993, mortgage notes with a book value of \$104,888,000 were outstanding. The estimated fair value of the notes at March 31, 1993 was \$107,367,000. Other financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amounts that approximate fair value.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments and trade

receivables. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers and their dispersion across many different industries and geographic areas.

Policy Benefits and Losses, Claims and Loss Expenses Payable: Liabilities for policy benefits payable on traditional life and annuity policies are established in amounts adequate to meet estimated future obligations on policies in force. These liabilities are computed using the net level premium method and include mortality and withdrawal assumptions which are based upon recognized actuarial tables and contain margins for adverse deviation. At December 31, 1993, interest assumptions used to compute policy benefits payable range from 2-1/2% to 11-1/4%.

With respect to interest sensitive life and annuity policies, the liability for policy benefits and expenses payable consists of policy account balances that accrue to the benefit of the policyholders, excluding surrender charges.

Liabilities for group health 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 consider current claim trends as well as social and economic conditions.

Liabilities for property-casualty losses represent the estimated ultimate unpaid cost of settling claims reported prior to the end of the accounting period, estimates received from ceding reinsurers and estimates for unreported losses based on historical experience supplemented by insurance industry historical experience. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expenses paid to losses paid.

Rental and Other Revenue: AMERCO recognizes its share of rental revenue on the accrual basis pursuant to contractual arrangements between AMERCO, fleet owners, rental dealers and customers. See Note 8 of Notes to Consolidated Financial Statements of AMERCO for further discussion.

Premium Revenue: Group health and property-casualty gross premiums are prorated over the term of the related contracts. Traditional life and annuity premiums are recognized as revenue when due from policyholders. Revenue for interest sensitive life insurance and annuity policies consist of surrender charges that have been assessed against policy account balances during the period. Benefits and expenses are associated with amortization of policy acquisition costs.

Reinsurance: Reinsurance premiums, commissions, expense reimbursements, and reserves related to reinsured business are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded to other companies have been reported as a reduction of premium income. Amounts applicable to reinsurance ceded for future policy benefits, unearned premium reserves, and claim liabilities have been reported as reductions of these items, and expense allowances received in connection with reinsurance ceded have been accounted for as a reduction of the related policy acquisition costs and are deferred and amortized accordingly.

Income Taxes: Deferred income taxes are provided for all items included in the Consolidated Statements of Earnings which are reported in different accounting periods for tax purposes.

Effective fiscal 1991, the Company elected to file a consolidated federal income tax return with its insurance subsidiaries. Previously, federal income tax returns were filed separately by the insurance company subsidiaries. See Note 7 of Notes to Consolidated Financial Statements of AMERCO.

New Accounting Standards: Statement of Financial Accounting Standards No. 112 -- Employers' Accounting for Postemployment Benefits.

Issued in November 1992, this Statement applies to employers who provide certain benefits to former or inactive employees after employment but before retirement. It requires that the cost of such benefits be recognized over the service period of employees as these benefits vest or accumulate. The provisions of this statement must be adopted for fiscal years beginning after December 15, 1993. The impact of adoption of this statement will not be material.

Statement of Financial Accounting Standards No. 113 -- Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts.

Effective January 1, 1993, the Company adopted SFAS 113. The primary impact on the Company's financial statements is the requirement to report assets and liabilities relating to reinsured contracts gross of the effects of reinsurance. Previously, such effects were reported on a net basis. As a result of the adoption of SFAS 113, unpaid losses and loss expenses as of March 31, 1994 have been increased by approximately \$76 million to reflect the Company's policy liabilities without regard to reinsurance. A corresponding amount due from

reinsurers on unpaid losses, including amounts related to claims incurred but not reported, has also been reflected. Additionally, unearned premiums have been increased by approximately \$12 million for policy premiums ceded to reinsurers for which the coverage period has not yet expired. Prepaid reinsurance premiums of a corresponding amount have also been reflected in the accompanying consolidated balance sheet. The consolidated balance sheet as of March 31, 1993 has not been restated to reflect the adoption of SFAS 113 as of that date.

Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan", was issued by the Financial Accounting Standards Board in May 1993. This standard is effective for years beginning after December 15, 1994. The standard requires that an impaired loan's fair value be measured and compared to the recorded investment in the loan. If the fair value of the loan is less than the recorded investment in the loan, a valuation allowance is established. The Company has not completed an evaluation of the effect of this standard.

Statement of Financial Accounting Standards No. 115 -- Accounting for Certain Investments in Debt and Equity Securities.

Effective December 31, 1993, RWIC adopted SFAS 115. This statement requires classification of debt securities into one of the following three categories based on management's intention with regard to such securities: held-to-maturity, available-for-sale and trading. Securities classified as held-to-maturity are recorded at cost adjusted for the amortization of premiums or accretion of discounts while those classified as available-for-sale are recorded at fair value with unrealized gains or losses reported on a net basis as a separate component of stockholders' equity. Securities classified as trading, if any, are recorded at fair value with unrealized gains or losses reported on a net basis in income. RWIC does not currently maintain a trading portfolio. U-Haul and Oxford will adopt this statement in fiscal 1995. An evaluation of this statement has not been completed by U-Haul or Oxford.

Statement of Position 93-7, "Reporting on Advertising Costs", was issued by the Accounting Standards Executive Committee in December 1993. This statement of position provides guidance on financial reporting on advertising costs in annual financial statements. The statement of position requires reporting advertising costs as expenses when incurred or when the advertising takes place, reporting the costs of direct-response advertising, and amortizing the amount of direct-response advertising reported as assets. This statement of position is effective for financial statements for years beginning after June 15, 1994. The Company currently matches certain advertising costs with revenue generated in future periods, and at March 31, 1994, \$8.2 million in advertising costs are deferred and included in prepaid expenses. The Company has completed an evaluation of the effect of this statement of position but has not determined the timing of adoption.

Earnings per share: Earnings per common share are computed based on the weighted average number of shares outstanding and net income reduced for preferred dividends. See Note 6 of Notes to Consolidated Financial Statements of AMERCO for further discussion.

Financial Statement Presentation: Certain reclassifications have been made to the financial statements for the years ended 1993 and 1992 to conform with the current year's presentation.

AMERCO AND CONSOLIDATED SUBSIDIARIES

2. RECEIVABLES

A summary of receivables follows:

	Year ended	
	1994	1993
	(in thousands)	
Trade accounts receivable	\$ 16,073	\$ 8,658
Mortgage and note receivables, net of discount	45,288	23,267
Premiums and agents' balances in course of collection	29,078	11,281
Reinsurance recoverable	81,760	8,945
Accrued investment income	13,565	15,263
Independent dealer receivable	6,870	11,259
Other receivables	14,189	2,547
	206,823	81,220
Less allowance for doubtful accounts	(2,009)	(1,548)
	\$ 204,814	\$ 79,672
	=====	=====

3. INVENTORIES

A summary of inventory components follows:

	Year ended	
	1994	1993
	(in thousands)	
Trailers, truck and recreational vehicle parts and accessories	\$ 31,684	\$ 33,799
Moving aids and promotional items	7,032	6,080
Hitches and towing components	10,236	11,414
Other	60	144
	\$ 49,012	\$ 51,437

Certain general and administrative expenses are allocated to ending inventories. Such costs remaining in inventory at years-ended 1994, 1993 and 1992 are estimated at \$7,679,000, \$7,224,000 and \$7,100,000, respectively. For the years-ended March 31, 1994, 1993 and 1992, aggregate general and administrative costs were \$430,209,000, \$467,390,000 and \$426,021,000, respectively.

LIFO inventories, which represent approximately 98% of total inventories at year-end 1994 (95% at year-end 1993), would have been \$3,591,000 greater at year-end 1994 (\$3,325,000 at year-end 1993) if the consolidated group had used the FIFO method.

4. INVESTMENTS

Major categories of net investment income consists of the following (in thousands):

	December 31,		
	1993	1992	1991
Fixed maturities	\$ 52,903	\$ 54,836	\$ 45,438
Real estate	142	235	111
Policy loans	609	566	418
Mortgage loans	4,669	5,751	4,423
Short-term, amounts held by ceding reinsurers, net and other investments	874	2,481	3,336
Investment revenue	59,197	63,869	53,726
Investment expenses	20,390	23,229	14,096
Net investment income	\$ 38,807	\$ 40,640	\$ 39,630

<TABLE>
<CAPTION>

A comparison of amortized cost to market for fixed maturities is as follows (in thousands):

	Par Value or number of shares	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated market value
December 31, 1993					
<S>	<C>	<C>	<C>	<C>	<C>
OXFORD					
U.S. Treasury securities and government obligations	\$ 10,340	\$ 9,395	\$ 949	\$ --	\$ 10,344
U.S. government agency mortgage backed securities	69,653	69,053	1,626	448	70,231
States, municipalities and political					
Foreign government securities	1,000	1,002	152	--	1,154
Corporate securities	191,177	194,940	11,499	924	205,515
Mortgage-backed securities	41,001	40,252	1,182	282	41,152
Public utility securities	\$ 38,950	\$ 37,844	\$ 2,503	--	\$ 40,347
Total		\$ 353,489	\$ 17,939	\$ 1,654	\$ 369,774

DECEMBER 31, 1993

RWIC
Held-to-Maturity

U.S. Treasury securities and government obligations	\$ 38,213	\$ 39,425	\$ 3,025	\$ 55	\$ 42,395
States, municipalities and political subdivisions	43,625	43,154	4,345	334	47,165
Corporate securities	195,350	202,401	8,444	1,577	209,268
Mortgage-backed securities	\$ 36,085	\$ 36,140	\$ 488	\$ 368	\$ 36,260
Redeemable preferred stock	2,300	2,300	400	--	2,700
		-----	-----	-----	-----
		\$ 323,420	\$ 16,702	\$ 2,334	\$ 337,788

RWIC
Available-for-Sale

U.S. Treasury securities and government obligations	\$ 6,000	\$ 6,125	\$ 1,175	\$ --	\$ 7,300
States, municipalities and political subdivisions	40	40	--	2	38
Corporate securities	19,000	19,233	23	152	19,104
Mortgage-backed securities	\$ 16,098	\$ 16,254	\$ --	\$ --	\$ 16,254
		-----	-----	-----	-----
		41,652	1,198	154	42,696
		-----	-----	-----	-----
Total		\$ 365,072	\$ 17,900	\$ 2,488	\$ 380,484
		=====	=====	=====	=====

</TABLE>
<TABLE>

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

<CAPTION>

December 31, 1992	Par Value or number of shares	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated market value
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Consolidated					
U.S. Treasury securities and government obligations	\$ 80,657	\$ 81,211	\$ 4,193	\$ 28	\$ 85,376
U.S. government agency mortgage backed securities	40,070	38,292	622	285	38,629
States, municipalities and political subdivisions	72,320	70,978	6,782	150	77,610
Foreign government securities	1,000	1,002	97	--	1,099
Corporate securities	322,152	325,610	11,969	606	336,973
Mortgage-backed securities	72,813	71,993	2,513	11	74,495
Public utility securities	\$ 55,041	\$ 53,186	\$ 2,178	\$ 40	\$ 55,324
Redeemable preferred stock	58	5,233	613	156	5,690
		-----	-----	-----	-----
Total		\$ 647,505	\$ 28,967	\$ 1,276	\$ 675,196
		=====	=====	=====	=====

</TABLE>

The fair value of fixed maturities are based on publicly quoted market prices at the close of trading December 31, 1993 or December 31, 1992, as appropriate.

The amortized cost and estimated market value of debt securities by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

December 31, 1993	Amortized cost	Estimated fair value
-----	-----	-----
	(in thousands)	
OXFORD		
Due in one year or less	\$ 15,362	\$ 15,641
Due after one year through five years	118,343	125,274
Due after five years through ten years	108,693	115,402
After ten years	1,786	2,074
	-----	-----
	244,184	258,391
Mortgage-backed securities	109,305	111,383
	-----	-----

Total	\$ 353,489	\$ 369,774
	=====	=====
RWIC		
Held-to-Maturity		
Due in one year or less	\$ 35,997	\$ 32,090
Due after one year through five years	148,894	155,908
Due after five years through ten years	90,443	100,726
After ten years	9,646	10,104
	-----	-----
	284,980	298,828
Mortgage-backed securities	36,140	36,260
Redeemable preferred stock	2,300	2,700
	-----	-----
	323,420	337,788
RWIC		
Available-for-sale		
Due after one year through five years	9,864	9,829
Due after five years through ten years	8,185	8,838
After ten years	7,349	7,775
	-----	-----
	25,398	26,442
Mortgage-backed securities	16,254	16,254
	-----	-----
	41,652	42,696
	-----	-----
Total	\$ 365,072	\$ 380,484
	=====	=====

December 31, 1992

Due in one year or less	\$ 46,930	\$ 49,484
Due after one year through five years	231,130	241,272
Due after five years through ten years	219,678	226,201
After ten years	34,249	39,425
	-----	-----
	531,987	556,382
Mortgage-backed securities	110,285	113,124
Redeemable preferred stock	5,233	5,690
	-----	-----
Totals	\$ 647,505	\$ 675,196
	=====	=====

Proceeds from sales of investments in debt securities during 1993 and 1992 were \$25,409,000 and \$114,229,000, respectively. Gross gains of \$1,665,000 and \$4,872,000 and gross losses of \$91,000 and \$951,000 were realized on those sales during 1993 and 1992, respectively. Proceeds from maturities and early redemptions of investments in debt securities during 1993 and 1992 were \$169,089,000 and \$137,047,000. Gross gains of \$2,326,000 and \$1,463,000 and gross losses of \$254,000 and \$99,000 were realized on these securities during 1993 and 1992, respectively.

At December 31, 1993, 1992 and 1991 fixed maturities include bonds with an amortized cost of \$15,450,000, \$15,461,000 and \$15,456,000, respectively, on deposit with insurance regulatory authorities to meet statutory requirements.

Mortgage loans are reported net of allowance for possible losses of \$525,000 in both 1993 and 1992.

Other investments consist of the following:

	December 31,	
	-----	-----
	1993	1992
	-----	-----
	(in thousands)	
Mortgage loans on real estate	\$ 47,869	\$ 84,361
Real estate, net	1,651	1,793
Policy loans	10,718	9,978
Short-term and other investments	24,500	33,403
	-----	-----
Totals	\$ 84,738	\$ 129,535
	=====	=====

5. NOTES AND LOANS PAYABLE

Notes and loans payable consist of the following:

Year ended

	1994	1993
	-----	-----
	(in thousands)	
Mortgages payable, secured 5.0% to 10.25% interest rates, due through 2016	\$ 1,246	\$ 2,448
Medium-term notes payable, unsecured 8.50% to 11.50% interest rates, due through 2000	198,870	289,670
Notes payable to insurance companies, unsecured 5.89% to 10.27% interest rates, due through 2006	281,000	140,000
Notes payable to banks, unsecured 2.94% to 9.40% interest rates, due through 1999	94,800	138,900
Other notes payable, unsecured 9.50% interest rate, due through 2005	98	103
Notes payable to banks under revolving lines of credit, unsecured 3.81% to 4.06% interest rates,	97,750	106,000
Other short-term promissory notes	50,000	20,000
	-----	-----
	\$ 723,764	\$ 697,121
	=====	=====

Mortgages payable are secured by land and buildings at various locations, which carry a net book value of \$13,900,000 at year-end 1994.

Domestic/Eurodollar revolving credit loans are available from participating banks under an agreement which provides for a total credit line of \$170,500,000 through the expiration date of the revolving term of September 25, 1995. The Company may elect to borrow under the credit agreement in the form of Eurodollar borrowings or domestic dollar borrowings. Depending on the form of borrowing elected, interest will be based on the prime rate, the certificate of deposit rate, the federal funds effective rate or the interbank offering rate and in addition, margin interest rates will be charged. Loans may also be at a fixed rate based upon the discretion of the borrower and lender. At March 31, 1994, the weighted average interest rate on borrowings outstanding was 3.97%. Facility fees, which are based upon the amount of credit line, aggregated \$588,000 and \$381,000 for 1994 and 1993, respectively. Prior to August 1992, the agreement required payment of commitment fees. Commitment fees, which are based upon any unused credit line, aggregated \$230,000 for 1993. As of year-end 1994, loans outstanding under the revolving credit line totaled \$45,000,000. Management intends to refinance the borrowings on a long-term basis by either replacing them with long-term obligations, renewing or extending them.

	Year ended		
	-----	-----	-----
	1994	1993	1992
	-----	-----	-----
	(in thousands)		
A summary of revolving credit activity follows:			
Weighted average interest rate:			
during the year	3.62%	4.36%	6.66%
at year end	3.93%	3.56%	5.55%
Maximum amount outstanding			
during the year	\$ 159,750	\$ 126,000	\$ 278,621
Average amount outstanding			
during the year	\$ 67,354	\$ 96,667	\$ 156,153
A summary of notes payable follows:			
Weighted average interest rate:			
during the year	3.80%	4.09%	6.17%
at year end	4.04%	3.66%	5.20%
Maximum amount outstanding			
during the year	\$ 50,000	\$ 25,000	\$ 33,756
Average amount outstanding			
during the year	\$ 11,380	\$ 14,167	\$ 18,109

AMERCO has lines of credit with various banks totaling \$106,289,000 at March 31, 1994.

The Company has executed interest rate swap agreements ("SWAPS") to potentially mitigate the impact of changes in interest rates on its floating rate debt. These agreements effectively change the Company's interest rate exposure on \$208,000,000 of floating rate notes to a weighted average fixed rate of 8.61%. The SWAP's mature at the time the related notes mature.

Interest rate swap agreements are entered into as a hedge against interest exposure of variable rate debt. The differences to be paid or received on SWAPS are included in interest expense as payments are made or received, as the Company's SWAPS are designated as hedges. Any gains or losses resulting from terminations of SWAPS are recognized over the period that the underlying debt is extinguished.

During fiscal 1994, SWAP's aggregating approximately \$77.0 million were terminated. In addition, the Company exercised existing SWAP agreements aggregating approximately \$50.0 million during fiscal 1994. Incremental interest

expense associated with SWAP activity was \$11,989,000 and \$9,724,000 during 1994 and 1993, respectively.

The notes payable and the loan agreements contain certain restrictive covenants including limits on the incurrence of other indebtedness, restrictions on related party transactions, and restrictions on the aggregate amount of dividends payable to Common stockholders and repurchases of capital stock. Under the most restrictive dividend covenant, AMERCO is prohibited from paying dividends if, at the time of payment, cumulative dividends are in excess of the sum of \$15,000,000 plus 50% of consolidated net income as defined, for the entire period subsequent to March 31, 1993. See also Note 14.

During the first and third quarters of fiscal 1994, the Company extinguished \$25.2 million of its medium-term notes originally due in fiscal 1995 through 2000. The weighted average rate of the notes purchased is 9.34%. The purchase resulted in an extraordinary charge of \$1,897,000 net of \$1,021,000 of tax benefit.

During the fourth quarter of fiscal 1994, the Company terminated swaps with a notional value of \$77 million originally due in fiscal 1995. The terminations resulted in an extraordinary charge of \$1,473,000 net of \$793,000 of tax benefit.

In April 1994, the Company terminated three \$10 million floating-rate notes. The notes were due to mature in fiscal years 1995, 1996 and 1997.

In May 1994, the Company terminated five revolving credit agreements providing committed lines of credit totaling \$259 million; amounts outstanding under these agreements at March 31, total \$118 million. The Company subsequently entered into two revolving credit loans. The agreements provide for lines of credit of \$185 million and \$365 million through the maturity dates of May 1995 and June 1997, respectively. The Company may elect to borrow under the credit agreements in the form of Eurodollar borrowings or domestic dollar borrowings. Depending on the form of borrowing elected, interest will be based on the prime rate, the certificate of deposit rate, the Federal funds effective rate or the London interbank offering rate. Under the three-year agreement, loans may also be at a fixed rate based upon the discretion of the borrower and lender.

In June 1994, the Company entered into a \$10 million uncommitted revolving credit agreement. Interest on the loans is based upon the discretion of the lender.

The aggregate annual maturities of long-term debt for the next five years, as adjusted for the transactions referred to in the immediately preceding paragraph, if the revolving credit lines are converted by the Company to term notes (see the discussion in the preceding paragraphs regarding the revolving credit agreements and the Company's intention to refinance such debt on a long-term basis) are \$187,601,000 in 1995, \$107,168,000 in 1996, \$152,387,000 in 1997, \$61,971,000 in 1998 and \$62,765,000 in 1999.

6. STOCKHOLDERS' EQUITY

In October 1990, the stockholders approved an amendment to the Company's Articles of Incorporation to reduce the par value of the Common Stock from \$100.00 per share to \$0.25 per share and to effect a 400-for-1 stock split whereby each issued share of Common Stock, \$100.00 par value, was converted into 400 shares of Common Stock, \$0.25 par value per share. The number of shares of Common Stock authorized increased from 107,500 to 65,000,000 shares. The amendment also changed the par value of the Company's Preferred Stock from no par value to \$.01 par value per share and increased the number of preferred shares authorized from 100,000 to 5,000,000 shares. All references in the accompanying financial statements to the number of common shares and per-share amounts reflect the above described change in outstanding shares.

In October 1992, the stockholders approved an amendment to the Company's Articles of Incorporation to increase the authorized capital stock of the Company to a total of 350,000,000 shares from 65,000,000 shares of Common Stock and 5,000,000 shares of Preferred Stock. The increased capital stock consists of 150,000,000 shares of Common Stock, 150,000,000 shares of Serial Common Stock and 50,000,000 shares of Preferred Stock. The Board of Directors (the Board) may authorize the Serial Common Stock to be issued in such series and on such terms as the Board shall determine. The amendment also clarifies the voting rights of the Preferred Stock and allows the issuance of Preferred Stock with or without par value.

In October 1993, the Company issued 6,100,000 shares of 8.5% cumulative, no par, non-voting preferred stock. The preferred stock is not convertible into, or exchangeable for, shares of any other class or classes of stock of the Company. Dividends are payable quarterly in arrears and have priority as to dividends over the Company's common stock. The preferred stock is not redeemable prior to December 1, 2000. On or after December 1, 2000, the Company, at its option, may redeem all or part of the preferred stock, for cash at \$25.00 per share plus accrued and unpaid dividends to the redemption date.

7. INCOME TAXES

The components of the consolidated expense (benefit) for income taxes applicable to operations are as follows:

	Year ended		
	1994	1993	1992
	(in thousands)		
Current:			
Federal	\$ 2,112	\$ 1,800	\$ --
State	185	726	346
Deferred:			
Federal	16,365	13,902	4,629
State	1,191	842	(35)
	\$ 19,853	\$ 17,270	\$ 4,940

AMERCO AND CONSOLIDATED SUBSIDIARIES

Deferred tax liabilities (assets) are comprised as follows:

	Year ended		
	1994	1993	1992
	(in thousands)		
Accelerated depreciation of property, plant and equipment	\$ 145,391	\$ 134,466	\$ 125,223
Benefit of tax NOL and credit carryforwards	(74,905)	(85,326)	(94,880)
Rental equipment overhaul costs amortized	751	1,126	2,089
Deferred inventory adjustments	(1,177)	(356)	(736)
Deferred acquisition costs	15,361	15,761	15,781
Deferred gain from intercompany transactions	(894)	(2,780)	(1,376)
Bad debt expense	(1,635)	(1,429)	(1,650)
Accrued expense on future dealer benefits	(3,347)	(2,576)	(2,051)
Accrued vacation and sick-pay	(1,182)	(1,132)	(1,203)
Accelerated retirement deductions	--	860	860
Customer deposit liability	(2,375)	--	--
Deferred revenue from sale/leaseback	(1,357)	(1,779)	(2,396)
Accrued retirement expense	(1,755)	--	--
Policy benefits and losses, claims and loss expenses payable	(24,022)	(24,986)	(23,126)
Other	(283)	1,041	1,611
Total	\$ 48,571	\$ 32,890	\$ 18,146

Actual tax expense reported on earnings from operations differs from the "expected" tax expense amount (computed by applying the United States federal corporate tax rate of 35% in 1994, and 34% in 1993 and 1992) as follows:

	Year ended		
	1994	1993	1992
	(in thousands)		
Computed "expected" tax expense	\$ 23,276	\$ 16,938	\$ 8,749
Increases (reductions) in taxes resulting from:			
Tax-exempt interest income	(1,525)	(2,278)	(2,927)
Dividends received deduction	(101)	(289)	(421)
Net reinsurance effect	120	116	117
Canadian subsidiary income tax (expense) benefit unrealized	(204)	230	909
Net tax settlement	--	--	31
Recognition of provision to return reconciliation(1)	(1,327)	--	--
Federal tax benefit of state			

and local taxes	(482)	(534)	(106)
Other(2)	(1,280)	1,519	(1,723)
	-----	-----	-----
Actual federal tax expense	18,477	15,702	4,629
State and local income tax expense	1,376	1,568	311
	-----	-----	-----
Actual tax expense of operations	\$ 19,853	\$ 17,270	\$ 4,940
	=====	=====	=====

-
- (1) Every year an estimate is made of the current federal and state tax liabilities position at the time the Form 10-K is filed. This reconciliation amount represents the difference between the estimated and actual tax liability based upon the filed return for the preceding fiscal year.
- (2) The amount is comprised of several miscellaneous permanent differences, none of which are individually material.

The 1993 and 1992 financial statements have been restated to give retroactive effect to the adoption of SFAS 109. The impact on previously issued financial statements, income (loss), is as follows (in thousands except per share data):

	Year ended	
	1993	1992
	-----	-----
	(in thousands)	
Earnings:		
Effect of change on income before extraordinary item as originally reported	\$ (2,309)	\$ 1,890
Effect of change on net income as originally reported	(8,687)	(886)
Earnings per common share:		
Effect of change on income before extraordinary item as originally reported	\$ (.06)	\$.05
Effect of change on net income as originally reported	(.22)	(.02)

Under the provisions of the Tax Reform Act of 1984 (the Act), the balance in Oxford's account designated "Policyholders; Surplus Account" is frozen at its December 31, 1983 balance of \$19,251,000. Federal income taxes (Phase III) will be payable thereon at applicable current rates if amounts in this account are distributed to the stockholder or to the extent the account exceeds a prescribed maximum. Oxford did not incur a Phase III liability for the years ended December 31, 1993, 1992 and 1991.

The Internal Revenue Service has examined AMERCO's income tax returns for the years ended 1987 through 1989. All issues have been agreed to and provisions have been made in the financial statements. An examination of years ended 1990 and 1991 is currently underway. The tax effect of the adjustments which have been proposed have been reflected in the current year's tax provision.

At year-end 1994 AMERCO and RWIC have non-life net operating loss carryforwards available to offset taxable income in future years of \$166,955,000 for tax purposes. These carryforwards expire in 2000 through 2007. AMERCO also has investment tax credit and other credit carryforwards of \$7,319,000 for tax purposes which expire in 1999 through 2004. The use of certain carryforwards may be limited or prohibited if a reorganization or other change in corporate ownership were to occur.

Provision for federal income taxes has not been made for the difference between the Company's book and tax bases of its investment in Ponderosa, since the Company believes such difference to be permanent in duration.

8. TRANSACTIONS WITH FLEET OWNERS AND OTHER RENTAL EQUIPMENT OWNERS

Fleet Owners (independent rental equipment owners) own approximately 25% of all U-Haul rental trailers, .07% of all U-Haul rental trucks and certain other rental equipment. There are over 5,600 fleet owners, including certain officers, directors, employees and stockholders of the Company. All rental equipment is operated under contract with U-Haul, a wholly-owned subsidiary of AMERCO, whereby U-Haul administers the operations and marketing of such equipment and in return receives a percentage of rental fees paid by customers. AMERCO guarantees performance of these contracts. Based on the terms of various contracts, rental fees are distributed to the subsidiaries of AMERCO (for services as operators), to the fleet owners (including certain subsidiaries and related parties of AMERCO) and to Rental Dealers (including Company-operated U-Haul Centers).

The Company owns over 99% of all general rental items and the remainder of

the rental equipment is consigned to AMERCO and its consolidated subsidiaries. The equipment is operated under various contracts with subsidiaries of AMERCO, whereby the consolidated group administers the operations and marketing of the equipment. In return the investors receive a percentage of the rental fees paid by customers.

Oxford reinsures short-term accidental death and medical insurance risks for customers who rent vehicles owned by the Company and fleet owners. Premiums earned were \$1,428,000, \$1,399,000 and \$1,917,000 in 1994, 1993 and 1992, respectively.

RWIC insures and reinsures general liability, auto liability, commercial multiple peril and worker's compensation coverage for member companies of the consolidated group. Premiums earned by RWIC on these policies amounted to \$18,800,000, \$18,300,000 and \$21,900,000 in 1994, 1993 and 1992, respectively and were eliminated in consolidation.

RWIC insures and reinsures certain risks of U-Haul customers and independent fleet owners. Premiums earned on these policies amounted to \$32,800,000, \$31,700,000 and \$33,800,000 in 1994, 1993, and 1992, respectively.

9. DEALER FINANCIAL SECURITY PLAN

In September 1984, the Company established a defined contribution plan in the form of an unfunded dealer financial security plan (the Security Plan) for its independent dealers and their key employees who elected to enroll in the plan. Subsequent to the initial enrollment in the Security Plan, the Company suspended the plan to additional enrollees. Under the Security Plan, deductions are made from dealer commissions in return for future benefits including death, disability and retirement benefits. These benefits are paid directly from the general assets of the Company. Life insurance is carried on each Security Plan participant in favor of the Company to indirectly fund future benefit payments. Total deductions withheld from commissions for 1994, 1993, and 1992 were \$613,000, \$714,000 and \$729,000, respectively. Total insurance premium expense for the years ended 1994, 1993 and 1992 amounted to \$1,304,000, \$1,300,000 and \$1,391,000, respectively. Benefits paid under the Security Plan for the years ended 1994, 1993 and 1992 were insignificant.

10. EMPLOYEE BENEFIT PLANS

AMERCO and its subsidiaries participate in the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan (the Plan) which is designed to provide all eligible employees with savings for their retirement and to acquire a proprietary interest in the Company.

The Plan has three separate features: a profit sharing feature (the Profit Sharing Plan) under which the Employer may make contributions on behalf of participants; a savings feature (the Savings Plan) which allows participants to defer income under Section 401k of the Internal Revenue Code of 1986; and an employee stock ownership feature (the ESOP) under which the Company may make contributions of AMERCO common stock or cash to acquire such stock on behalf of participants. Generally, employees of the Company are eligible to participate in the Plan upon completion of a one year service requirement.

At its discretion, profits of such amounts as determined by the Board of Directors (which shall not exceed the amounts that are deductible under the Internal Revenue Code) may be contributed to the Profit Sharing Plan at the end of each Plan year to a designated trustee and administered and applied in accordance with the terms of the trust agreement. The Company did not contribute to the Profit Sharing Plan during the years ended 1994, 1993 and 1992.

Under the Savings Plan, an employee may make pre-tax contributions of up to eighteen percent of base salary. Participants are immediately vested in all contributions plus actual earnings thereon.

The ESOP is designed to enable eligible employees to acquire a proprietary interest in the Company. The Company may, in its sole and absolute discretion, elect to contribute to the trust fund amounts to be used by the ESOP trustee to purchase shares of the \$.25 par value common stock of the Company and/or the Company may contribute stock directly to the trust fund.

To fund the ESOP trust (ESOT), the Company borrowed \$16,000,000 repayable over ten years in annual installments of \$1,600,000 beginning December 1989. Proceeds of this borrowing were loaned to the ESOT on the same terms and are used by the ESOT to purchase shares of AMERCO common stock. Interest payments under this agreement were \$253,000 in 1994, \$402,000 in 1993 and \$566,000 in 1992. With each loan payment, a portion of the stock is allocated to the participating employees' accounts. Contributions to the ESOT charged to expense were \$2,269,000, \$2,255,000 and \$1,023,000 for the years ended 1994, 1993 and 1992, respectively.

To fund additional purchases of the Company stock, the ESOT borrowed \$1,172,000 from the Company repayable over ten years under a stock pledge agreement. The interest rate is based upon the average interest rate paid by the

Company. Interest payments amounted to \$90,000, \$105,000 and \$101,000 for 1994, 1993 and 1992, respectively. As of March 31, 1994, \$820,000 is outstanding under this agreement.

During fiscal year 1991, the Company executed an additional stock pledge agreement with the ESOT to make loans available in an aggregate principal amount equal to \$10,000,000 over a five year commitment period. Borrowings under the agreement are repaid based upon a twenty year amortization period. Interest is based upon the average rate paid by AMERCO under all promissory notes, commercial paper and other evidences of indebtedness issued by AMERCO and outstanding as of the date the rate is to be calculated. Under this agreement, \$9,331,000 is outstanding at March 31, 1994. Interest payments under this agreement were \$474,000 and \$366,000 for 1994 and 1993, respectively. Subsequent to March 31, 1994 borrowings total \$418,000.

The Plan held 1,111,557 shares in trust valued at the appraised value of \$17.00 per share as of March 31, 1994.

In April, 1994 the ESOT modified the 1991 agreement to increase the commitment from \$10,000,000 to \$20,000,000 and extend the commitment period an additional five years.

During fiscal 1989, the Company adopted a Key Employee Stock Purchase Plan (the KESPP) authorizing it to sell to employees and non-employee directors of the Company up to 3,240,000 shares of common stock of the Company at a per share price of \$6.79, the fair market value of such shares on the date such plan was adopted. Pursuant to authorization by the Board of Directors, five key employees purchased 3,239,600 shares under the KESPP for cash and promissory notes at the rate of nine percent per annum. In July 1989, the Plan purchased 1,904,000 shares of the Company's \$.25 par value common stock from four key employees at a per share price of \$8.63, the fair market value of such shares on the date of sale. Principal and interest payments on the promissory notes were received by the Company from the key employees.

Oxford insures various group life and group disability insurance plans covering employees of the consolidated group. As of January 1, 1991, the Company elected to self-fund its group-health and dental plans. Premiums earned were \$1,325,000, \$1,037,000 and \$308,000 for the years ended 1994, 1993 and 1992, respectively and were eliminated in consolidation.

11. POSTRETIREMENT BENEFITS

The Company provides medical and life insurance benefits to retired employees and eligible dependents over age 65 if the employee meets specified age and service requirements.

The Company adopted the provisions of Statement of Financial Accounting Standards No. 106, "Employers; Accounting for Postretirement Benefits Other Than Pensions" effective April 1, 1993. The standard requires that employers use the accrual method of accounting for postretirement benefits. Prior to 1994, the Company recognized these costs, which were not material, as claims were incurred. The Company elected to immediately recognize the cumulative effect of the change in accounting for postretirement benefits of \$5.0 million (\$3.1 million net of income tax benefit) which represents the accumulated postretirement benefit obligation (APBO) existing at April 1, 1993. In addition, the impact of the change in 1994 ongoing operations is an increase in expense of about \$1.1 million (\$672 thousand after income taxes). The Company continues to fund medical and life insurance benefit costs as claims are incurred.

The components of net periodic postretirement benefit cost are as follows (in thousands):

	1994

Service cost for benefits earned during the period	\$ 489
Interest cost on APBO	598

Net periodic postretirement benefit cost	\$ 1,087
	=====

The amounts recognized in the Company's balance sheet at March 31, 1994 were as follows (in thousands):

Accumulated postretirement benefit obligation:

Retirees	\$ 1,848
Eligible active employees	413
Other active employees	3,832

Accrued postretirement benefit cost	\$ 6,093
	=====

The discount rate used in determining the APBO was 7.75%. The assumed health

care cost trend rate used in measuring the accumulated postretirement benefit obligation was 9.3% in 1994, declining annually to an ultimate rate of 3.5% in 2010. The assumed health care cost trend rate reflects a \$20,000 maximum lifetime benefit included in the Company's plan.

If the health care cost trend rate assumptions were increased by 1.0%, the APBO, as of March 31, 1994, would be increased by approximately \$950 thousand. The effect of this change on the sum of the service cost and interest cost components of net periodic postretirement benefit cost for 1994 would be an increase of approximately \$148 thousand.

AMERCO AND CONSOLIDATED SUBSIDIARIES

12. SUPPLEMENTAL INCOME STATEMENT INFORMATION

Supplemental income statement information from operations is as follows:

	Year ended		
	1994	1993	1992
	(in thousands)		
Maintenance and repairs	\$ 205,511	\$ 170,688	\$ 141,267
Depreciation and amortization	\$ 148,740	\$ 128,530	\$ 124,368
Taxes, other than income taxes:			
Payroll	\$ 18,950	\$ 16,302	\$ 15,400
Premiums	2,182	2,429	2,670
Property and other	27,874	25,364	26,398
	\$ 49,006	\$ 44,095	\$ 44,468
Lease expense	\$ 84,359	\$ 119,106	\$ 123,368
Advertising costs	\$ 26,291	\$ 23,180	\$ 23,078

13. REINSURANCE

The Company assumes and cedes reinsurance on both a coinsurance and risk premium basis. The Company obtains reinsurance for that portion of risks exceeding retention limits.

The Company also reinsures a wide range of property-casualty risks with third parties and insures general and auto liability, multiple peril and worker's compensation coverage for the consolidated group, independent fleet owners and customers as a direct writer and as a reinsurer through third party companies.

To the extent that a reinsurer is unable to meet its obligation under the related reinsurance agreements, the Company would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, the Company holds letters of credit in the amount of \$17,000,000 from reinsurers. The Company has issued letters of credit totaling approximately \$2,200,000 in favor of certain ceding companies.

Losses and loss expense recoveries from reinsurers of \$24,300,000 and \$25,400,000 were recognized in 1993 and 1992, respectively.

RWIC is a reinsurer of municipal bond insurance through an agreement with MBIA Inc. Premium generated through this agreement is recognized pro rata over the contract coverage period. The related unearned premium as of December 31, 1993 and 1992 was \$4,400,000 and \$4,700,000, respectively. RWIC's share of case loss reserves related to this coverage is approximately \$41,000 at December 31, 1993. RWIC's aggregate exposure for Class 1 municipal bond insurance was \$686,000,000 as of December 31, 1993.

A summary of reinsurance transactions by business segment follows:

<TABLE>
<CAPTION>

	Direct amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
	(in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Year end 1994					

Life insurance in force	\$ 19,860	\$ 524	\$ 2,979,714	\$ 2,999,050	99%
=====					
Premiums earned:					
Life	\$ 53	\$ 16	\$ 8,876	\$ 8,913	99%
Accident and health	1,120	209	1,455	2,366	61
Annuity	--	--	5,419	5,419	100
Property casualty	81,676	45,122	70,092	106,646	66

Total	\$ 82,849	\$ 45,347	\$ 85,842	\$ 123,344	
=====					
Year end 1993					

Life insurance in force	\$ 20,983	\$ 547	\$ 3,375,548	\$ 3,395,984	99%
=====					
Premiums earned:					
Life	\$ 81	\$ --	9,910	\$ 9,991	99%
Accident and health	996	103	2,111	3,004	70
Annuity	202	--	2,907	3,109	94
Property casualty	73,523	39,016	48,214	82,721	58

Total	\$ 74,802	\$ 39,119	\$ 63,142	\$ 98,825	
=====					
Year end 1992					

Life insurance in force	\$ 21,044	\$ 571	\$ 3,988,265	\$ 4,008,738	99%
=====					
Premiums earned:					
Life	\$ 153	\$ 14	\$ 11,680	\$ 11,819	99%
Accident and health	1,051	16	4,574	5,609	82
Annuity	72	54	2,784	2,802	99
Property casualty	71,786	33,205	28,315	66,896	42

Total	\$ 73,062	\$ 33,289	\$ 47,353	\$ 87,126	
=====					

</TABLE>

14. CONTINGENT LIABILITIES AND COMMITMENTS

The Company and certain members of the Company's Board of Directors are defendants in an action where the plaintiffs, certain stockholders of the Company have alleged, among other things, that certain of the individual plaintiffs were wrongfully excluded from sitting on the Company's Board of Directors in 1988 through the sale of Company common stock to certain key employees. The plaintiffs seek equitable relief, compensatory damages, and punitive damages. All claims for equitable relief that would have allowed the plaintiffs to sit on the Board of Directors have been dismissed, subject only to the right of the plaintiffs to appeal such dismissal. The Company and director-defendants filed a motion for summary judgement that would be dispositive of all remaining claims. On August 15, 1994, the Company was dismissed from the action, subject only to the right, to the extent that any exists, of the plaintiffs to appeal such dismissal.

The Company is a defendant in a number of suits and claims incident to the type of business conducted and several administrative proceedings arising from state and local provisions that regulate the removal and/or clean up of underground fuel storage tanks. The Company owns property within two state hazardous waste sites in the state of Washington. At this time, the remedial cleanup costs or range of costs for such sites cannot be estimated. Management's opinion is that none of the suits or claims involving AMERCO and/or its subsidiaries is expected to result in any material loss.

The Company occupies certain facilities and uses certain equipment under operating lease commitments with terms expiring through 2079. Lease expense was \$84,359,000, \$119,106,000 and \$123,368,000 for the years ended 1994, 1993 and 1992, respectively. During the year ended March 31, 1994, U-Haul Leasing & Sales Co., a wholly-owned subsidiary of U-Haul, entered into twenty-seven transactions, and entered into four additional subsequent transactions whereby the Company sold rental trucks and subsequently leased them back. AMERCO has guaranteed \$39,205,000 of residual values at March 31, 1994 and \$3,109,000 of residual values subsequent to March 31, 1994 on these assets at the end of lease term. Certain leases contain renewal and fair market value purchase options and mileage and other restrictions similar to those disclosed in Note 5 for notes payable and loan agreements. Following are the lease commitments for leases having terms of more than one year (in thousands):

Year end 1994				

Year ended	Property, plant and other equipment	Rental Trucks	Additions Subsequent to year-end	Total

1995	\$ 2,781	\$ 51,014	\$ 6,506	\$ 60,301
1996	1,094	36,099	8,143	45,336
1997	775	29,217	8,143	38,135
1998	598	29,217	8,143	37,958
1999	432	29,217	8,143	37,792
Thereafter	4,873	42,442	17,920	65,235
	-----	-----	-----	-----
	\$ 10,553	\$ 217,206	\$ 56,998	\$284,757
	=====	=====	=====	=====

The Company has reduced future lease commitments during the year ended March 31, 1994 in the amount of \$37,238,000 through the early termination of certain leases. Residual value guarantees were also reduced by \$34,036,000 in connection with the terminations.

Certain of the Company's credit agreements contain provisions that could result in a required prepayment upon a "change in control" of the Company. A "change in control" is deemed to occur if (a) any transfer of any shares of any class of capital stock results in the Company's ESOP and members of the Shoen family owning in the aggregate less than the amount of capital stock as may be necessary to enable them to cast in excess of 50% of the votes for the election of directors of the Company or (b) during any period for two consecutive years, persons who at the beginning of such period constituted the Board of Directors of the Company (including any director approved by a vote of not less than 66-2/3% of such board) cease for any reason to constitute greater than 50% of the then acting Board.

The Company does not currently have available sources of financing to fund such prepayments if they became payable in full. In addition, upon such a "change in control," the Company might lose the ability to draw on certain unutilized lines of credit otherwise available.

15. PREFERRED STOCK PURCHASE RIGHTS

In July 1988, the Company's Board of Directors adopted a stockholder-rights plan, and such rights were distributed as a dividend at the rate of one right for each outstanding share of the Company's common stock to the holders of record of common shares on July 29, 1988. As a result of the 400-for-1 common stock split that occurred on October 1, 1990, each outstanding share of common stock currently has one four-hundredth of a right associated with it. When exercisable, each right will entitle its holder to purchase from the Company one one-hundredth of a share of the new Series C Preferred Stock of the Company at a price of \$15,000. AMERCO has reserved 5,000 shares of authorized but unissued preferred stock for the Series C Preferred Stock authorized in this stockholder-rights plan. The rights will become exercisable if a person or group of affiliated or associated persons acquire or obtain the right to acquire beneficial ownership of 50% or more of the common stock without approval of a majority of the Board of Directors of the Company. The majority approval must be made by members of the Board who were members as of July 25, 1988 (Disinterested Directors) or subsequent members elected to the Board if such persons are recommended or approved by a majority of the Disinterested Directors. The rights will expire on July 29, 1998 unless earlier redeemed by the Company pursuant to authorization by a majority of the Disinterested Directors.

In the event the Company is acquired in a merger or other business combination transaction after the rights become exercisable, provision shall be made so that each holder of a right shall have the right to receive, upon exercise thereof and payment of the exercise price, that number of common shares of such corporation which at the time of such transaction would have a market or book value of two times the exercise price of the right. If the Company is the surviving company, each holder would have the right to receive, upon payment of the exercise price, common shares with a market or book value of two times the exercise price.

16. STOCK OPTION PLAN

In October 1992, the stockholders approved a ten year incentive plan entitled the AMERCO Stock Option and Incentive Plan (the Plan) for officers and key employees of the Company.

Under the Plan, Incentive Stock Options (ISOs), Non-qualified Stock Options, Stock Appreciation Rights (SAR), Restricted Stock Dividend Equivalents and Performance Shares may be awarded. The aggregate numbers of shares of stock subject to award under the Plan may not exceed 3,000,000. The stock subject to the Plan is AMERCO Common Stock unless prior to the date the first award is made under the Plan, a Committee of at least two Board members determines, in its discretion, to utilize another class of the Company's stock. No options or awards have been granted under the Plan.

The Plan provides for the granting of ISOs as defined under the Internal Revenue Code and Non-qualified Stock Options under such terms and conditions as the Committee determines in its discretion. The ISOs may be granted at prices not less than one-hundred percent of the fair market value at the date of grant with a term not exceeding ten years.

The Plan provides for the granting of SARs subject to certain conditions and limitations to holders of options under the Plan. SARs permit the optionee to surrender an exercisable option for an amount equal to the excess of the market price of the common stock over the option price when the right is exercised.

Under the Restricted Stock feature of the Plan, a specified number of common shares may be granted subject to certain restrictions. Restriction violations during a specified period result in forfeiture of the stock. The Committee may, in its discretion, impose any restrictions on a Restricted Stock award.

The Plan authorizes the Committee to grant Dividend Equivalents in connection with options. Dividend Equivalents are rights to receive additional shares of Company stock at the time of exercise of the option to which such Dividend Equivalents apply.

Under the Plan, Performance Share units may be granted. Each unit is deemed to be the equivalent of one share of Company stock and such units are credited to a Performance Share account. The value of the units at the time of award or payment is the fair market value of an equivalent number of shares of stock. At the end of the award period, payment may be made subject to certain predetermined criteria and restrictions.

17. RELATED PARTY TRANSACTIONS

AMERCO and Consolidated Subsidiaries have related party transactions with certain major stockholders, directors and officers of the consolidated group as disclosed in Notes 10 and 19 of Notes to Consolidated Financial Statements of AMERCO.

Additionally, during the years ended 1994, 1993 and 1992, a subsidiary of AMERCO purchased \$2,607,000, \$2,608,000 and \$2,681,000, respectively, of printing from a company wherein an officer is a major stockholder, director and officer of AMERCO.

Management believes that these transactions were consummated on terms equivalent to those that prevail in arm's-length transactions.

AMERCO AND CONSOLIDATED SUBSIDIARIES

18. SUPPLEMENTAL CASH FLOWS INFORMATION

During the year ended March 31, 1992, the Company received 648,000 shares of common stock in exchange for cash and the cancellation of a restricted stock purchase plan note receivable and accrued interest and returned the shares to the treasury. In conjunction with the transaction, non-cash financing activities were recorded as follows (in thousands):

Restricted stock purchase plan notes receivable cancelled	\$ 4,236
Additional paid-in capital recognized	1,173
Common stock exchanged at fair market value	(5,961)

Cash paid on exchange	\$ (552)
	=====

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

	Year ended		
	1994	1993	1992

	(in thousands)		
Receivables	\$ (19,945)	\$ (4,508)	\$ (10,156)
	=====	=====	=====
Inventories	\$ 2,425	\$ (4,664)	\$ 15,211
	=====	=====	=====
Accounts payable and accrued liabilities	\$ 11,538	\$ (1,899)	\$ 2,659
	=====	=====	=====

Cash paid for income taxes amounted to \$3,275,000, \$303,000 and \$1,970,000 for 1994, 1993 and 1992, respectively.

Interest paid in cash amounted to \$71,448,000, \$81,115,000 and \$78,488,000 for 1994, 1993 and 1992, respectively.

19. SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION OF PONDEROSA HOLDINGS, INC. AND ITS SUBSIDIARIES

A summary consolidated balance sheet for Ponderosa Holdings, Inc. and its

subsidiaries is presented below:

	December 31,	
	1993	1992
	(in thousands)	
Investments -- fixed maturities	\$ 719,605	\$647,505
Other investments	84,738	129,535
Receivables	138,049	37,264
Deferred policy acquisition costs	47,846	49,748
Due from affiliate	4,927	12,899
Deferred federal income taxes	8,350	9,305
Other assets	8,744	18,743
	-----	-----
Total assets	\$1,012,259	\$904,999
	=====	=====
Policy liabilities and accruals	\$ 380,424	\$298,162
Unearned premiums	58,842	39,094
Premium deposits	312,708	320,961
Other policyholders' funds and liabilities	13,399	11,570
	-----	-----
Total liabilities	765,373	669,787
Stockholder's equity	246,886	235,212
	-----	-----
Total liabilities and stockholder's equity	\$1,012,259	\$904,999
	=====	=====

Policy liabilities and accruals and unearned premiums by industry segment are as follows:

	1993	1992
	-----	-----
Policy benefits and losses, claims and loss expenses payable		
Life	\$ 46,123	\$ 41,027
Property and Casualty	314,482	238,762 (1)
Other policy claims and benefits payable - Life	15,006	11,278
Reinsurance losses payable - Property and Casualty	4,813	7,095
	-----	-----
	380,424	298,162
Unearned Premiums - Property and Casualty	58,842	39,094
	-----	-----
	\$ 439,266	\$ 337,256
	=====	=====

(1) Reserves of \$418,000 in 1992 are eliminated in consolidation with AMERCO.

A summarized consolidated income statement for Ponderosa Holdings, Inc. and subsidiaries is presented below:

	Year ended December 31,		
	1993	1992	1991
	(in thousands)		
Premiums	\$ 142,347	\$ 118,206	\$ 109,372
Net investment income	40,019	40,817	39,752
Other income (loss)	7,447	10,495	1,381
	-----	-----	-----
Total revenue	189,813	169,518	150,505
Benefits and losses	120,825	106,617	93,652
Amortization of deferred policy acquisition costs	9,343	9,352	5,439
Other expenses	29,834	24,993	19,119
	-----	-----	-----
Income from operations	29,811	28,556	32,295
Federal income tax expense	(8,723)	(7,387)	(12,442)
	-----	-----	-----
Earnings from operations before change in accounting principle	21,088	21,169	19,853
Cumulative effect of a change in accounting principle	(93)	--	--
	-----	-----	-----
Net income	\$ 20,995	\$ 21,169	\$ 19,853
	=====	=====	=====

Applicable laws and regulations of the State of Arizona require maintenance of minimum capital determined in accordance with statutory accounting practices in the amount of \$1,000,000. In addition, the amount of dividends which 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 is \$17,619,000 at December 31, 1993.

The consolidated audited statutory net income for the years ended December 31, 1993, 1992 and 1991 was \$20,644,000, \$19,708,000 and \$20,984,000, respectively; audited statutory capital and surplus was \$176,194,000 and \$170,762,000 at December 31, 1993 and 1992, respectively.

20. INDUSTRY SEGMENT AND GEOGRAPHIC AREA DATA

Industry Segment Data -- AMERCO's three industry segments are Rental operations, Life insurance and Property/Casualty insurance. Rental operations is composed of the operations of U-Haul International, Inc., which is engaged in the rental of various kinds of equipment and sales of related products and services. Life insurance is composed of the operations of Oxford Life Insurance Company which operates in various life, accident and health and annuity lines. Property/Casualty insurance is composed of the operations of Republic Western Insurance Company which operates in various property and casualty lines.

Information concerning operations by industry segment follows:

<TABLE>
<CAPTION>

	Rental Operations	Life Insurance	Property/ Casualty Insurance	Adjustments and Eliminations	Consolidated
	(in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
1994					
- - - - -					
Revenues:					
Outside	\$ 965,839	\$ 31,357	\$ 137,659	\$ --	\$ 1,134,855
Intersegment	(357)	2,834	18,862	(21,339)	--
Total revenue	\$ 965,482	\$ 34,191	\$ 156,521	\$ (21,339)	\$ 1,134,855
Pretax operating profit	\$ 106,248	\$ 9,106	\$ 20,705	\$ (698)	\$ 135,361
Interest expense					68,859
Pretax earnings from operations					\$ 66,502
Identifiable assets	\$1,593,044	\$461,464	\$ 550,795	\$ (260,861)	\$ 2,344,442
Depreciation/amortization	\$ 137,220	\$ 4,277	\$ 7,243	\$ --	\$ 148,740
Capital expenditures	\$ 530,520	\$ --	\$ --	\$ --	\$ 530,520
1993					
- - - - -					
Revenues:					
Outside	\$ 891,599	\$ 33,619	\$ 115,693	\$ --	\$ 1,040,911
Intersegment	--	2,630	18,402	(21,032)	--
Total revenue	\$ 891,599	\$ 36,249	\$ 134,095	\$ (21,032)	\$ 1,040,911
Pretax operating profit	\$ 88,581	\$ 12,325	\$ 16,231	\$ --	\$ 117,137
Interest expense					67,958
Pretax earnings from operations					\$ 49,179
Identifiable assets	\$1,377,386	\$472,669	\$ 422,079	\$ (248,111)	\$ 2,024,023
Depreciation/amortization	\$ 118,438	\$ 5,353	\$ 4,739	--	\$ 128,530
Capital expenditures	\$ 130,841	\$ --	\$ --	\$ --	\$ 130,841
1992					
- - - - -					
Revenues:					
Outside	\$ 844,492	\$ 31,391	\$ 96,001	\$ --	\$ 971,884
Intersegment	--	1,158	21,991	(23,149)	--

Total revenue	\$ 844,492	\$ 32,549	\$ 117,992	\$ (23,149)	\$ 971,884
Pretax operating profit	\$ 69,628	\$ 11,056	\$ 21,239	\$ --	\$ 101,923
Interest expense					76,189
Pretax earnings from operations					\$ 25,734
Identifiable assets	\$1,354,758	\$457,324	\$ 402,190	\$ (234,948)	\$ 1,979,324
Depreciation/amortization	\$ 118,637	\$ 2,712	\$ 3,019	\$ --	\$ 124,368
Capital expenditures	\$ 68,754	\$ --	\$ --	\$ --	\$ 68,754

</TABLE>

Geographic Area Data --	United States	Canada	Consolidated
	(in thousands)		
1994			
Revenues	\$ 1,106,761	\$ 28,094	\$ 1,134,855
Pretax earnings (loss) from operations	\$ 65,919	\$ 583	\$ 66,502
Identifiable assets	\$ 2,298,948	\$ 45,494	\$ 2,344,442
1993			
Revenues	\$ 1,013,884	\$ 27,027	\$ 1,040,911
Pretax earnings (loss) from operations	\$ 49,855	\$ (676)	\$ 49,179
Identifiable assets	\$ 1,983,419	\$ 40,604	\$ 2,024,023
1992			
Revenues	\$ 947,181	\$ 24,703	\$ 971,884
Pretax earnings (loss) from operations	\$ 28,407	\$ (2,673)	\$ 25,734
Identifiable assets	\$ 1,942,361	\$ 36,963	\$ 1,979,324

21. SUBSEQUENT EVENTS

On May 3, 1994, the Company declared a cash dividend of \$3,241,000 (\$.53125 per preferred share) to preferred stockholders of record as of May 13, 1994.

On July 26, 1994, the Company declared a cash dividend of \$3,241,000 (\$.53125 per preferred share) to preferred stockholders of record as of August 12, 1994.

Subsequent to the date of these financial statements, the board of directors of Oxford declared a dividend of its stock in RWIC to Ponderosa.

As discussed in Note 14, certain members of the Company's Board of Directors are defendants in an action whereby the plaintiffs, certain shareholders of the Company, have alleged that certain of the individual plaintiffs were wrongfully excluded from sitting on the Company's Board of Directors in 1988 through the sale of the Company's common stock to certain key employees, various breaches of fiduciary duty and other unlawful conduct by the individual defendants. The plaintiffs seek equitable relief, compensatory damages, and punitive damages. All claims for equitable relief that would have allowed the plaintiffs to sit on the Board of directors have been dismissed, subject only to the right of the plaintiffs to appeal such dismissal. The Company was also a defendant in the action as originally filed, but was dismissed from the action on August 15, 1994, subject only to the right, to the extent that any exists, of the plaintiffs to appeal such dismissal.

Based upon the preliminary rulings by the Court and the fact that the plaintiffs alleged that their stock is virtually worthless, the Company believes that the plaintiffs elected as their remedy in this lawsuit to sell their shares of stock to the defendants. The price was to be determined based on the value of the plaintiffs' stock in 1988. On October 7, 1994, the jury determined that (i) the defendants breached their fiduciary duties, and (ii) such breach diminished the value of the plaintiffs' stock. The jury also determined the value of the plaintiffs' stock in 1988 to be \$81.12 per share or approximately \$1.48 billion. The jury also awarded the plaintiffs \$70 million in punitive damages against Edward J. Shoen, a director and officer of the Company. The defendants intend to file post-trial motions to (i) request a new trial and/or (ii) reduce the amount of consideration to be paid to the plaintiffs for their stock or to obtain judgment in favor of the defendants.

The Company is unable to predict the outcome of the post-trial motions and the likelihood of appeal by any party.

Pursuant to separate indemnification agreements, the Company has agreed to advance litigation expenses to the defendants and has agreed to indemnify the defendants to the fullest extent permitted by law or the Company's Articles of Incorporation or Bylaws, for all expenses and damages, if any, incurred by the defendants in this proceeding, subject to certain exceptions. The Company has no indemnification obligation, other than to advance litigation expenses, until a final judgment is entered or a settlement is reached. At this time, the extent of the Company's indemnification obligation, if any, cannot be reasonably estimated. If the jury verdict in this case is significantly reduced, the Company believes that it can satisfy its indemnification obligations, if any. The Company believes that it has various means of financing any such indemnification obligations consistent with its existing credit agreements, or, in the alternative, the Company may seek the waiver or amendment of certain of the provisions of one or more of its credit agreements when the Company's indemnification obligations are determined. The Company believes, but there can be no assurance, that it can obtain such waivers or amendments. If the jury verdict is not significantly reduced and any resulting judgment is not stayed by appeal or other proceedings, the Company may be unable to satisfy its indemnification obligations if valid indemnification claims are made.

Through the second quarter of fiscal 1995, a subsidiary of the Company loaned SAC Self-Storage Corporation (SAC) a total of \$32.5 million for the purchase of self-storage properties by SAC. Such properties are presently being operated by the Company pursuant to management agreements. SAC is owned by Edward J. Shoen, Mark V. Shoen and James P. Shoen, who are all shareholders and directors of the Company. The underlying notes bear interest at a rate of 9%, due quarterly and are secured by real property.

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
JUNE 30,
(UNAUDITED)
(IN THOUSANDS)

	1994	1993
	-----	-----
ASSETS		
Cash.....	\$ 19,617	\$ 15,459
Receivables.....	208,833	92,735
Inventories.....	41,920	48,240
Prepaid expenses.....	24,307	25,093
Investments, fixed maturities.....	718,438	667,013
Investments, other.....	94,392	121,479
Deferred policy acquisition costs.....	48,917	49,353
Other assets.....	30,283	26,127
	-----	-----
Property, plant and equipment, at cost:		
Land.....	200,720	180,074
Buildings and improvements.....	693,041	621,747
Furniture and equipment.....	166,268	159,711
Rental trailers and other rental equipment.....	218,445	207,848
Rental trucks.....	863,982	753,522
General rental items.....	55,186	59,580
	-----	-----
	2,197,642	1,982,482
Less accumulated depreciation.....	972,968	858,941
	-----	-----
Total property, plant and equipment.....	1,224,674	1,123,541
	-----	-----
	\$ 2,411,381	\$ 2,169,040
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued liabilities...	\$ 158,920	\$ 138,003
Notes and loans.....	725,565	766,946
Policy liabilities and accruals.....	449,986	330,019
Liabilities from premium deposits.....	308,408	321,025
Cash overdraft.....	14,569	59,976
Other policyholders' funds and liabilities.....	6,617	13,429
Deferred income.....	8,714	5,524
Deferred income taxes.....	64,799	38,660
	-----	-----
Stockholders' equity:		
Serial preferred stock, with or without par value, 50,000,000 shares authorized; 6,100,000 issued without		

par value and outstanding as of June 30, 1994 and none issued or outstanding as of June 30, 1993.....	--	--
Serial common stock, with or without par value, 150,000,000 shares authorized.	--	--
Series A common stock of \$.25 par value, authorized 10,000,000 shares, issued 5,754,334 shares as of June 30, 1994 and none as of June 30, 1993.....	1,438	--
Common stock of \$.25 par value, authorized 150,000,000 shares, issued 34,245,666 shares as of June 30, 1994 and 40,000,000 shares as of June 30, 1993.....	8,562	10,000
Additional paid-in capital.....	165,651	19,331
Foreign currency translation.....	(11,461)	(7,102)
Retained earnings.....	540,325	499,522
	-----	-----
	704,515	521,751

Less:		
Cost of common shares in treasury (1,335,937 shares as of June 30, 1994 and June 30, 1993).....	10,461	10,461
Loan to leveraged employee stock ownership plan.....	20,251	15,832
	-----	-----
Total stockholders' equity.....	673,803	495,458
Contingent liabilities and commitments.....		
	-----	-----
	\$ 2,411,381	\$ 2,169,040
	=====	=====

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
QUARTERS ENDED JUNE 30,
(UNAUDITED)
(IN THOUSANDS EXCEPT PER SHARE DATA)

	1994	1993
	-----	-----
Revenues		
Rental and other revenue.....	\$ 230,207	\$ 208,042
Net sales.....	51,302	47,642
Premiums.....	31,559	24,640
Net investment income.....	10,510	11,024
	-----	-----
Total revenues.....	323,578	291,348
Costs and expenses		
Operating expense.....	166,786	158,865
Cost of Sales.....	27,550	29,273
Benefits and losses.....	26,412	23,941
Amortization of deferred acquisition costs.	3,084	2,153
Depreciation.....	37,282	30,140
Interest expense.....	16,638	17,338
	-----	-----
Total costs and expenses.....	277,752	261,710
Pretax earnings from operations.....	45,826	29,638
Income tax expense.....	(16,413)	(8,775)
	-----	-----
Earnings from operations before cumulative effect of change in accounting principle.....	29,413	20,863
Cumulative effect of a change in accounting principle.....	--	(3,504)
	-----	-----
Net earnings.....	29,413	17,359
	=====	=====
Earnings per common share:		
Earnings from operations before cumulative effect of change in accounting principle.....	\$.71	\$.56
Cumulative effect of a change in accounting principle.....	--	(.09)
	-----	-----
Net earnings.....	\$.71	\$.47
	=====	=====
Weighted average common shares outstanding...	37,107,536	37,158,211

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

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 QUARTERS ENDED JUNE 30,
 (UNAUDITED)
 (IN THOUSANDS)

	1994	1993
	-----	-----
Series A common stock of \$.25 par value: Authorized 10,000,000 shares, issued 5,754,334 in 1994, none in 1993		
Beginning and end of quarter.....	\$ 1,438	\$ --
	-----	-----
Common stock of \$.25 par value: Authorized 150,000,000 shares in 1994 and 1993, 34,245,666 issued in 1994, 40,000,000 issued in 1993		
Beginning and end of quarter.....	8,562	10,000
	-----	-----
Additional paid-in capital: Beginning and end of quarter.....	165,651	19,331
	-----	-----
Foreign currency translation: Beginning of quarter.....	(11,152)	(6,122)
Change during quarter.....	(309)	(980)
	-----	-----
End of quarter.....	(11,461)	(7,102)
	-----	-----
Retained earnings: Beginning of quarter.....	515,200	482,163
Net earnings.....	29,413	17,359
Dividends paid to stockholders: Preferred stock: (\$.53 per share 1994)....	(3,241)	--
Change in net unrealized gain on investments	(1,047)	--
	-----	-----
End of quarter.....	540,325	499,522
	-----	-----
Treasury stock: Beginning and end of quarter.....	10,461	10,461
	-----	-----
Loan to leveraged Employee Stock Ownership Plan: Beginning of quarter.....	17,451	14,953
Increase in loan.....	2,919	1,000
Proceeds from loan.....	(119)	(121)
	-----	-----
End of quarter.....	20,251	15,832
	-----	-----
Total stockholders' equity.....	\$ 673,803	\$ 495,458
	=====	=====

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

AMERCO AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
 QUARTERS ENDED JUNE 30,
 (UNAUDITED)
 (IN THOUSANDS)

	1994	1993
	-----	-----
Cash flows from operating activities:		
Net earnings.....	\$ 29,413	\$ 17,359
Depreciation and amortization.....	41,489	32,622
Provision for losses on accounts receivable.....	736	108
Net gain on sale of real and personal property.....	(131)	(1,324)

(Gain) loss on sale of investments.....	30	(411)
Cumulative effect of a change in accounting principle..	--	5,006
Changes in policy liabilities and accruals.....	11,766	(6,819)
Additions to deferred policy acquisition costs.....	(4,155)	(5,790)
Net change in other operating assets and liabilities...	43,182	22,333
	-----	-----
Net cash provided by operating activities.....	122,330	63,084
	-----	-----
Cash flows from investing activities:		
Purchases of investments:		
Property, plant and equipment.....	(144,794)	(226,844)
Fixed maturities.....	(31,098)	(70,438)
Real estate.....	(8)	--
Mortgage loans.....	(5,504)	--
Proceeds from sales of investments:		
Property, plant and equipment.....	58,868	64,657
Fixed maturities.....	30,756	51,305
Real estate.....	220	324
Mortgage loans.....	1,442	2,600
Changes in other investments.....	(10,507)	5,345
	-----	-----
Net cash used by investing activities.....	(100,625)	(173,051)
	-----	-----
Cash flows from financing activities:		
Net change in short-term borrowings.....	46,250	(4,000)
Proceeds from notes.....	--	95,000
Loan to leveraged Employee Stock Ownership Plan.....	(2,919)	(1,000)
Proceeds from leveraged Employee Stock Ownership Plan..	119	121
Principal payments on notes.....	(44,449)	(21,175)
Net change in cash overdraft.....	(11,990)	35,125
Dividends paid.....	(3,241)	--
Investment contract deposits.....	6,966	8,758
Investment contract withdrawals.....	(11,266)	(8,694)
	-----	-----
Net cash provided (used) by financing activities.....	(20,530)	104,135
	-----	-----
Increase (decrease) in cash.....	1,175	(5,832)
Cash at beginning of quarter.....	18,442	21,291
	-----	-----
Cash at end of quarter.....	\$ 19,617	\$ 15,459
	=====	=====

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994 AND 1993
(UNAUDITED)

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

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the parent corporation, AMERCO, and its subsidiaries, all of which are wholly-owned. All material intercompany accounts and transactions of AMERCO and its subsidiaries (herein called the "Company" or the "consolidated group") have been eliminated. The consolidated balance sheets as of June 30, 1994 and 1993, and the related consolidated statements of earnings, changes in stockholders' equity and cash flows for the quarters ended June 30, 1994 and 1993 are unaudited; in the opinion of management, all adjustments necessary for a fair presentation of such 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 financial statements and notes are presented as permitted by Form 10-Q and do not contain information included in the Company's annual financial statements and notes.

Earnings per share are computed based on the weighted average number of shares outstanding, not including ESOP shares that have not been committed to release. Net income is reduced for preferred dividends.

Certain reclassifications have been made to the financial statements for the quarter ended June 30, 1993 to conform with the current year's presentation.

2. SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION OF PONDEROSA HOLDINGS, INC. AND ITS SUBSIDIARIES

A summary consolidated balance sheet (unaudited) for Ponderosa Holdings, Inc. and its subsidiaries is presented below:

	March 31,	
	1994	1993
	(in thousands)	
Investments -- fixed maturities.....	\$ 718,438	\$ 667,013
Other investments.....	94,392	121,479
Receivables.....	132,944	37,409
Deferred policy acquisition costs.....	48,917	49,353
Due from affiliate.....	9,125	1,083
Deferred federal income taxes.....	8,195	8,123
Other assets.....	14,892	11,050
Total assets.....	\$ 1,026,903	\$ 895,510
Policy liabilities and accruals.....	\$ 385,539	\$ 292,801
Unearned premiums.....	64,292	37,636
Premium deposits.....	308,408	321,025
Other policyholders' funds and liabilities.....	11,543	13,266
Total liabilities.....	769,782	664,728
Stockholder's equity.....	257,121	230,782
Total liabilities and stockholder's equity.....	\$ 1,026,903	\$ 895,510

A summarized consolidated income statement (unaudited) for Ponderosa Holdings, Inc. and its subsidiaries is presented below:

	Three Months ended March 31,	
	1994	1993
	(in thousands)	
Premiums	\$ 34,352	\$ 26,875
Net investment income	10,554	11,067
Other income	1,267	1,745
Total revenue	46,173	39,687
Benefits and losses	26,412	23,941
Amortization of deferred policy acquisition costs	3,084	2,153
Other expenses	7,801	5,671
Income from operations	8,876	7,922
Federal income tax expense	(2,742)	(2,267)
Earnings from operations before change in accounting principle	6,134	5,655
Cumulative effect of a change in accounting principle	--	(85)
Net income	\$ 6,134	\$ 5,570

3. CONTINGENT LIABILITIES AND COMMITMENTS

AMERCO and/or its subsidiaries are defendants in a number of suits and claims incident to the type of business conducted. It is the opinion of management that none of the suits or claims involving AMERCO and/or its subsidiaries is expected to result in any material loss and, accordingly, no provision has been made in the accompanying financial statements.

4. SUPPLEMENTAL CASH FLOWS INFORMATION

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

	Three Months ended June 30,	
	1994	1993
	(in thousands)	
Receivables.....	\$ (14,042)	\$ (28,320)
Inventories.....	\$ 7,092	\$ 3,197

Accounts payable and accrued liabilities....	\$	39,141	\$	24,350
--	----	--------	----	--------

Cash paid for income taxes amounted to \$224,000 and \$200,000 for 1994 and 1993, respectively.

Interest paid in cash amounted to \$20,569,000 and \$23,466,000 for 1994 and 1993, respectively.

5. NEW ACCOUNTING STANDARDS

Statement of Financial Accounting Standards No. 112 -- Employers' Accounting for Postemployment Benefits.

Issued in November 1992, this statement applies to employers who provide certain benefits to former or inactive employees after employment but before retirement. It requires that the cost of such benefits be recognized over the service period of employees as these benefits vest or accumulate. The provisions of this statement must be adopted for fiscal years beginning after December 15, 1993. The impact of adoption of this statement will not be material.

Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan", was issued by the Financial Accounting Standards Board in May 1993. This standard is effective for years beginning after December 15, 1994. The standard requires that an impaired loan's fair value be measured and compared to the recorded investment in the loan. If the fair value of the loan is less than the recorded investment in the loan, a valuation allowance is established. The Company has not completed an evaluation of the effect of this standard.

Statement of Financial Accounting Standards No. 115 -- Accounting for Certain Investments in Debt and Equity Securities.

Effective December 31, 1993, RWIC adopted SFAS 115. This statement requires classification of debt securities into one of the following three categories based on management's intention with regard to such securities: held-to-maturity, available-for-sale and trading. Securities classified as held-to-maturity are recorded at cost adjusted for the amortization of premiums or accretion of discounts while those classified as available-for-sale are recorded at fair value with unrealized gains or losses reported on a net basis as a separate component of stockholders' equity. Securities classified as trading, if any, are recorded at fair value with unrealized gains or losses reported on a net basis in income. RWIC does not currently maintain a trading portfolio. U-Haul and Oxford will adopt this statement in fiscal 1995. The effect of adopting SFAS 115 on the Company's results of operations is immaterial.

Statement of Position 93-7, "Reporting on Advertising Costs," was issued by the Accounting Standards Executive Committee in December 1993. This statement of position provides guidance on financial reporting on advertising costs in annual financial statements. The statement of position requires reporting advertising costs as expenses when incurred or when the advertising takes place, reporting the costs of direct-response advertising, and amortizing the amount of direct-response advertising reported as assets. This statement of position is effective for financial statements for years beginning after June 15, 1994. The Company currently matches certain advertising costs with revenue generated in future periods, and at June 30, 1994, \$9.1 million in advertising costs are deferred and included in prepaid expenses. The Company has completed an evaluation of the effect of this statement of position but has not determined the timing of adoption.

6. INVESTMENTS

A comparison of amortized cost to market for fixed maturities is as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
March 31, 1994				
US Treasury securities and government obligations	\$ 45,609	\$ 3,041	\$ --	\$ 48,650
US government agency mortgage backed securities	120,730	1,225	(4,492)	117,463
States, municipalities, and political subdivisions	44,288	3,654	(169)	47,773
Corporate securities	463,491	12,644	(6,463)	469,672
Mortgage-backed securities	42,156	166	(2,158)	40,164
Redeemable preferred stock	2,164	384	--	2,548
	-----	-----	-----	-----
TOTAL	\$718,438	\$ 21,114	\$ (13,282)	\$726,270
	=====	=====	=====	=====

NO DEALER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDER, ANY OF THE UNDERWRITERS, OR ANY OTHER PERSON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

 TABLE OF CONTENTS

Prospectus

	PAGE

Available Information.....	2
Information Incorporated by Reference.....	2
Prospectus Summary.....	3
Risk Factors.....	5
The Company.....	9
Capitalization.....	9
Stockholder Matters.....	10
Selected Consolidated Financial Data.....	11
Management's Discussion and Analysis of Financial Condition and Results of Operations.....	12
Business.....	24
Management.....	37
Principal Stockholders.....	38
Certain Provisions that May Limit Changes in Control.....	41
Certain Transactions.....	42
Selling Security Holder.....	43
Description of Capital Stock.....	44
Underwriting.....	46
Legal Opinions.....	47
Experts.....	47
Index to Financial Statements.....	F-1

500,000 Shares

AMERCO
 Ponderosa Insurance Holdings
 U-Haul
 AMERCO Real Estate Company

COMMON STOCK

PROSPECTUS

CRUTTENDEN & COMPANY
 , 1994

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Securities and Exchange Commission Registration Fee.....	\$8,224
NASD Filing Fee.....	2,750
Printing and Engraving Expenses.....	75,000
Listing Fees.....	7,500
Legal Fees and Expenses.....	300,000
Accounting Fees and Expenses.....	95,000
Blue Sky Fees and Expenses.....	7,500
Transfer Agent Fees.....	2,500
Underwriter's Non-accountable Expense Allowance.....	225,000*
Other Expenses.....	6,526

Total Expenses.....	\$730,000
	=====

* To be paid by Selling Stockholder

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Nevada General Corporation Law requires the Company to indemnify officers and directors for any expenses incurred by any officer or director in connection with any actions or proceedings, whether civil, criminal, administrative, or investigative, brought against such officer or director because of his or her status as an officer or director, to the extent that the director or officer has been successful on the merits or otherwise in defense of the action or proceeding. The Nevada General Corporation Law permits a corporation to indemnify an officer or director, even in the absence of an agreement to do so, for expenses incurred in connection with any action or proceeding if such officer or director acted in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of the corporation and such indemnification is authorized by the stockholders, by a quorum of disinterested directors, by independent legal counsel in a written opinion authorized by a majority vote of a quorum of directors consisting of disinterested directors, or by independent legal counsel in a written opinion if a quorum of disinterested directors cannot be obtained. The Company's Restated Articles of Incorporation eliminate personal liability of directors and officers, to the Corporation or its stockholders, for damages for breach of their fiduciary duties as directors or officers, except for liability (i) for acts or omissions that involve intentional misconduct, fraud, or a knowing violation of law, or (ii) for the unlawful payment of dividends. In addition, the Company's Bylaws provide that the Company shall indemnify, to the fullest extent authorized or permitted by law, any person made, or threatened to be made, a defendant in any threatened, pending, or completed action, suit, or proceeding by reason of the fact that he or she was a director or officer of the Company. The Company has also executed Indemnification Agreements that provide that certain of the Company's directors and officers shall be indemnified and held harmless by the Company to the fullest extent permitted by applicable law or the Restated Articles of Incorporation or Bylaws of the Company. The Company has established a trust fund with Harris Trust and Savings Bank as trustee in order to fund its obligations under the Indemnification Agreements. The Company has agreed to maintain a minimum balance in the trust fund of \$1,000,000. The Nevada General Corporation Law prohibits indemnification of a director or officer if a final adjudication establishes that the officer's or director's acts or omissions involved intentional misconduct, fraud, or a knowing violation of the law and were material to the cause of action. Despite the foregoing limitations on indemnification, the Nevada General Corporation Law may permit an officer or director to apply to the court for approval of indemnification even if the officer or director is adjudged to have committed intentional misconduct, fraud, or a knowing violation of the law. The Nevada General Corporation Law also provides that indemnification of directors is not permitted for the unlawful payment of distributions, except for those directors registering their dissent to the payment of the distribution.

ITEM 16. EXHIBITS

EXHIBIT NUMBER	EXHIBIT
- - - - -	- - - - -
1	Proposed Form of Underwriting Agreement
4(a)	Restated Articles of Incorporation(4)
4(b)	Form of Stock Certificate.*
4(c)	Bylaws*
5	Opinion re Legality
10(a)	AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(2)
10(b)	U-Haul Dealership Contract(2)
10(c)	Share Repurchase and Registration Rights Agreement(2)
10(d)	Share Repurchase and Registration Rights Agreement(2)
10(e)	Management Consulting Agreement(2)
10(f)	Management Consulting Agreement(2)
10(g)	ESOP Loan Credit Agreement(3)
10(h)	ESOP Loan Agreement(3)
10(i)	Trust Agreement for the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(3)
10(j)	Amended Indemnification Agreement(3)
10(k)	Indemnification Trust Agreement(3)
10(l)	W.E. Carty Installment Sales Agreement(3)
10(m)	Exchange Agreement with Mark V. Shoen*
10(n)	Exchange Agreement with James P. Shoen*
10(o)	Exchange Agreement with Edward J. Shoen*
10(p)	W.E. Carty Contract of Purchase and Sale of Land*
23(a)	Consent of Independent Accountants
23(b)	Consent of Lionel, Sawyer & Collins and Snell & Wilmer (included in Exhibit 5)
24	Power of Attorney (included on signature page of Registration Statement).
28	Information from Reports Furnished to State Insurance Regulatory Authorities.(1)
- - - - -	

* Previously filed.

- (1) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended March 31, 1994, file no. 0-7862.
- (2) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended March 31, 1993, file no. 0-7862.
- (3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 0-7862.
- (4) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, file no. 0-7862.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424 (b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on the 21st of October, 1994.

AMERCO

By: /s/ Edward J. Shoen

Edward J. Shoen
Chairman of the Board and President

Pursuant to the requirements of the Securities Act of 1933, this Pre-Effective Amendment No. 5 to this registration statement has been signed by the following persons in the capacities and on the dates indicated.

NAME AND SIGNATURE -----	TITLE -----	DATE -----
/s/ Edward J. Shoen ----- Edward J. Shoen	President and Chairman of the Board (Principal executive officer)	October 21, 1994
* ----- Gary B. Horton	Treasurer (Principal financial and accounting officer)	October 21, 1994
* ----- Mark V. Shoen	Director	October 21, 1994
* ----- James P. Shoen	Director	October __, 1994
* ----- William E. Carty	Director	October 21, 1994
* ----- John M. Dodds	Director	October 21, 1994
* ----- Charles J. Bayer	Director	October 21, 1994
* ----- Richard J. Herrera	Director	October 21, 1994
* ----- Aubrey K. Johnson	Director	October 21, 1994

By /s/ Edward J. Shoen

* Edward J. Shoen
(Attorney-in-fact)

AMERCO
(a Nevada Corporation)

575,000 Shares of Common Stock

UNDERWRITING AGREEMENT

Dated _____, 1994

AMERCO
(a Nevada Corporation)

575,000 Shares of Common Stock

UNDERWRITING AGREEMENT

_____, 1994

Cruttenden & Company, Inc.
As Representative of the several
Underwriters named in Schedule A hereto
18301 Von Karman, Suite 100
Irvine, CA 92715

Ladies and Gentlemen:

AMERCO, a Nevada corporation (the "Company"), and Sophia M. Shoen (the "Selling Stockholder"), confirm their agreements with Cruttenden & Company, Inc., the representative of the several underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10), with respect to the sale by the Selling Stockholder and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares totaling 500,000 shares of Common Stock, par value \$.25 per share (the "Firm Shares"), of the Company set forth in said Schedule A. In addition, for the sole purpose of covering over-allotments in connection with the sale of the Firm Shares, the Selling Stockholder proposes to grant to the Underwriters an option to purchase up to an additional 75,000 shares (the "Option Shares") of

Common Stock. The Firm Shares and any Option Shares are herein called the "Shares."

You have advised us that each of you, acting severally and not jointly, desire to purchase the Shares and that you have been authorized by the other Underwriters to execute this Agreement on their behalf.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-2 (File No. 33-54289) covering the registration of the Shares under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus, and either (A) has prepared and proposes to file, prior to the effective date of such registration statement, one or more amendments to such registration statement, including a final prospectus, or (B) if the Company has elected to rely upon Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"), will prepare and file a prospectus, in accordance with the provisions of Rule 430A and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations, promptly after execution and delivery of this Agreement. The information, if any, included in such prospectus that was omitted from any prospectus included in such registration statement at the time it becomes effective but that is deemed, pursuant to Rule 430A(b), to be part of such registration statement at the time it becomes effective is referred to herein as the "Rule 430A Information." Each form of prospectus used before the time such registration statement becomes effective is herein called a "preliminary prospectus." Such registration statement, including the exhibits thereto, as amended at the time it becomes effective and including, if applicable, the Rule 430A Information, is herein called the "Registration Statement," and the form of prospectus included in the Registration Statement at the time it becomes effective is herein called the "Prospectus" except that, if the final Prospectus first furnished to the Underwriters after the execution of this Agreement in connection with the offering of the Shares differs from the prospectus included in the Registration Statement at the time it becomes effective (whether or not such prospectus is required to be filed pursuant to Rule 424(b)), the term "Prospectus," shall refer to the final Prospectus first furnished to the Underwriters for such use. Any reference herein to the Registration Statement, any preliminary prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-2 under the 1933 Act, as of the date thereof, and any reference herein to the terms "amend," "amendment" or "supplement" with respect to any preliminary prospectus or the Prospectus shall be deemed to refer to and include any documents filed with the Commission after such date under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the rules and regulations of the Commission promulgated thereunder (the "1934 Act Regulations"), and so incorporated by reference (all such incorporated documents being herein called the "Incorporated Documents").

The Company and the Selling Stockholder understand that the Underwriters propose to make a public offering of the Shares as soon as you deem advisable after the Registration Statement becomes effective.

Section 1. Representations and Warranties.

(a) The Company represents and warrants to and agrees with each of the Underwriters that:

(i) When the Registration Statement and any further amendments thereto shall become effective, (A) the Registration Statement and any such amendments will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations; (B) neither the Registration Statement nor any such amendment will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the Prospectus nor any amendment or supplement thereto will, as of their respective issue dates, at the Closing Date referred to below, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, this representation and warranty does not apply to statements or omissions from the Registration Statement or the Prospectus or any amendments or supplements thereto made in reliance upon and in conformity with information furnished or confirmed in writing to the Company by or on behalf of the Selling Stockholder or any Underwriter expressly for use in the Registration Statement or the Prospectus or any amendments or supplements thereto.

(ii) The Incorporated Documents when they became effective or were filed with the Commission, as the case may be, complied in all material respects with the requirements of the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations, as applicable, and any documents so filed and incorporated by reference subsequent to the date of the Prospectus shall, when they are filed with the Commission, conform in all material respects to the requirements of the 1933 Act, 1933 Act Regulations, 1934 Act and the 1934 Act Regulations, as applicable.

(iii) Price Waterhouse, who are reporting upon the audited consolidated financial statements and schedules included in the Registration Statement, are independent public accountants as required by the 1933 Act and the 1933 Act Regulations. The Company and the Subsidiaries (as hereinafter defined) maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general and specific authorizations; (ii) transactions are recorded as necessary to permit preparations of financial statements in conformance with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorizations; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to

any differences.

(iv) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement, and this Agreement has been duly authorized, executed and delivered by the Company and constitutes the valid and binding agreement of the Company, and is enforceable against the Company in accordance with its terms.

(v) The consolidated financial statements included in the Registration Statement present fairly the financial position of the Company and the Subsidiaries (as hereinafter defined) as of the dates indicated and the consolidated statements of operations, stockholders' equity and cash flows of the Company and the Subsidiaries for the periods specified. Such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved. The financial statement schedules, if any, included in the Registration Statement present fairly the information required to be stated therein.

(vi) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada with corporate power under such laws to own lease and operate its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to transact business as a foreign corporation and is in good standing in each other jurisdiction in which it owns or leases property of a nature, or transact business of a type, that would make such qualification necessary, except to the extent that the failure to so qualify or be in good standing would not have a material adverse effect on the business, financial condition or results of operations of the Company and the Subsidiaries (as hereinafter defined), taken as a whole ("Material Adverse Effect").

(vii) The Company's only subsidiaries are listed on Exhibit A hereto (collectively, the "Subsidiaries"). U-Haul International, Inc., Ponderosa Holdings, Inc. (whose Significant Subsidiaries are Oxford Life Insurance Company and Republic Western Insurance Company) and Amerco Real Estate Company are the only subsidiaries that are "significant subsidiaries" of the Company as defined in Section 1-02 of Regulation S-X under the Securities Act (collectively, the "Significant Subsidiaries"). Each Significant Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation with corporate power under such laws to own, lease and operate its properties and conduct its business as described in the Prospectus; and each Subsidiary is duly qualified to transact business as a foreign corporation and is in good standing in each other jurisdiction in which it owns or leases property of a nature, or transacts business of a type, that would make such qualification necessary, except to the extent that the failure to so qualify or be in good standing would not have a Material Adverse Effect. All of the outstanding shares of capital stock of each

Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable (except for the shares of the capital stock of Oxford Life Insurance Company and Republic Western Insurance Company that are further assessable to the extent of their respective par values in accordance with Article 14, Section 11 of the Constitution of the State of Arizona), and are owned by the Company, directly or through one or more Subsidiaries, free and clear of any pledge, lien, security interest, claim or encumbrance of any kind; none of the outstanding shares of capital stock of the Subsidiaries was issued in violation of the preemptive or similar rights of any stockholder of such corporation arising by operation of law, under the charter or bylaws of any Subsidiary or under any agreement to which the Company or any Subsidiary is a party.

(viii) The Company had at the date indicated a duly authorized and outstanding capitalization as set forth in the Prospectus and the Shares conform in all material respects to the description thereof contained in the Prospectus.

(ix) The Shares to be sold by the Selling Stockholder pursuant to this Agreement have been duly authorized and are validly issued, fully paid and non-assessable; no holder thereof shall be subject to personal liability by reason of being such holder; such Shares are not subject to the preemptive or other similar rights of any stockholder of the Company arising by operation of law, under the charter and bylaws of the Company or under any agreement to which the Company is a party, except as have been waived.

(x) Except as disclosed in the Prospectus, there are no outstanding options, warrants or other rights calling for issuance of, and no commitments, plans or arrangements to issue, any shares of capital stock of the Company or any security convertible into, exercisable for, or exchangeable for capital stock of the Company. There is outstanding no security or other instrument which by its terms is convertible into or exchangeable for capital stock of the Company, except as described in the Prospectus. Except as disclosed in the Prospectus, there is no commitment, plan or arrangement to change or alter the rights, preferences or privileges of any outstanding class or series of the capital stock of the Company.

(xi) All of the outstanding shares of capital stock of the Company, including the Shares, have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of Common Stock of the Company was issued in violation of the preemptive or other similar rights of any stockholder of the Company arising by operation of law, under the charter and bylaws of the Company or under any agreement to which the Company or any Subsidiary is a party.

(xii) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise

stated therein or contemplated thereby, there has not been (A) any material adverse change in the business, financial condition or results of operations of the Company and the Subsidiaries, taken as a whole ("Material Adverse Change"), whether or not arising in the ordinary course of business, (B) any transaction entered into by the Company or any of the Subsidiaries, other than in the ordinary course of business that is material to the Company and the Subsidiaries, taken as a whole, or (C) any dividend or distribution of any kind declared, paid or made by the Company, on its capital stock, except for dividends declared and paid on the Series A 8-1/2% Preferred Stock.

(xiii) Neither the Company nor any Significant Subsidiary is in violation of its charter or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject, except for such defaults that would not have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated in this Agreement and compliance by the Company with the terms of this Agreement have been duly authorized by all necessary corporate action on the part of the Company and do not and will not result in any violation of the charter or bylaws of the Company or any Subsidiary, and do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or the Subsidiaries under (A) any indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound or to which any of the Company's or any of the Subsidiaries' properties or assets is subject (except for such conflicts, violations, defaults or breaches as have been waived), or (B) any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court having jurisdiction over the Company or any of the Subsidiaries or any of the Company's or any of the Subsidiaries' properties or assets, in each case, except as disclosed in the Prospectus and except for such conflicts, breaches, violations or defaults or liens, charges or encumbrances that would not have a Material Adverse Effect.

(xiv) The Company is not required to obtain any authorization, approval, consent or license of any government, governmental instrumentality or court (other than under the 1933 Act and the 1933 Act Regulations and the Securities or blue sky laws of the various states) in connection with the due authorization, execution, delivery and performance by the Company of this Agreement and the valid sale and delivery of the Shares.

(xv) Except as disclosed in the Prospectus, there is no action,

suit, or proceeding before or by any government, governmental instrumentality or court, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary that is required to be disclosed in the Prospectus or that could reasonably be expected to result in any Material Adverse Change, or that could reasonably be expected to materially and adversely affect the properties or assets of the Company and the Subsidiaries, taken as a whole, or that could reasonably be expected to materially and adversely affect the consummation of the transactions contemplated in this Agreement.

(xvi) There are no contracts or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described and filed as required.

(xvii) Each of the Company and the Subsidiaries owns, or has valid rights to use in the manner currently used or proposed to be used, all properties and assets described in the Prospectus, except such as do not materially impair or interfere with the current use made of such properties or could not reasonably be expected to have a Material Adverse Effect.

(xviii) Each of the Company and the Subsidiaries owns or possesses all foreign and domestic governmental licenses, permits, certificates, consents, orders, approvals and other authorizations (collectively, "Government Licenses") necessary to own or lease, as the case may be, and to operate its properties and to carry on its business as presently conducted, except where the failure to own or possess such Governmental Licenses could reasonably be expected to not have a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of proceedings relating to revocation or modification of any such Governmental Licenses that, singly or in the aggregate, if the subject of an unfavorable decision, rulings or findings, could reasonably be expected to have a Material Adverse Effect.

(xix) Each of the Company and the Subsidiaries owns or possesses, or has the right to use or can acquire on reasonable terms, trademarks, service marks and trade names (collectively, "intellectual property") necessary to carry on their business as presently operated by them, except where the failure to own or possess or have the right to use or ability to acquire any such intellectual property would not have a Material Adverse Effect, and neither the Company nor any of the Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property or of any facts which would render any intellectual property invalid or inadequate to protect the interest of the Company or any of the Subsidiaries therein and which infringement or conflict, singly or in the aggregate, if the subject of any unfavorable decision, ruling or findings or invalidity or inadequacy, would have a Material Adverse

Effect.

(xx) Except as disclosed in the Prospectus, the Company and the Subsidiaries comply in all material respects with all Environmental Laws (as defined below), except to the extent that failure to comply with such Environmental Laws would not have a Material Adverse Effect. To the knowledge of the Company, other than as disclosed in the Prospectus, none of the Company nor the Subsidiaries (i) is the subject of any pending or threatened federal, state or local investigation evaluating whether any remedial action by the Company or any Subsidiary is needed to respond to a release of any Hazardous Materials (as defined below) into the environment, resulting from the Company's or any of the Subsidiaries' business operations or ownership or possession of any of their properties or assets or (ii) is in contravention of any Environmental Law that, in the case of (i) or (ii), could reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Prospectus, neither the Company nor any Subsidiary has received any notice or claim, nor are there pending or, to the knowledge of the Company, threatened lawsuits against them, with respect to violations of an Environmental Law or in connection with any release of Hazardous Material into the environment that, in the aggregate, if the subject of any unfavorable decision, ruling or finding, could reasonably be expected to have a Material Adverse Effect. As used herein, "Environmental Laws" means any federal, state or local law or regulation applicable to the Company's or any of the Subsidiaries' business operations or ownership or possession of any of their properties or assets relating to environmental matters, and "Hazardous Materials" means those substances that are regulated by or form the basis of liability under any Environmental Laws.

(xxi) No labor dispute exists with the Company's or the Subsidiaries' employees or, to the knowledge of the Company, is imminent that could reasonably be expected to have a Material Adverse Effect; and neither the Company nor the Subsidiaries are aware of any existing or imminent labor disturbance by the employees of its principal suppliers, manufacturers or contractors which might be expected to result in any Material Adverse Change.

(xxii) The Company has not taken and will not take, directly or indirectly, any action designed to cause or result in stabilization or manipulation of the price of the Shares.

(xxiii) Except as disclosed in the Prospectus, all United States federal income tax returns of the Company and the Subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except tax assessments, if any, as are being contested in good faith and as to which adequate reserves have been provided. To the best of the Company's knowledge, the charges, accruals and reserves on the respective books of the Company and the Subsidiaries in respect of any United States federal income tax liability for any years not finally

determined are adequate to meet any assessments or re-assessments for additional United States federal income tax for any years not finally determined, except as disclosed in the Prospectus and except to the extent of any inadequacy that would not have a Material Adverse Effect.

(xxiv) There are no holders of securities (debt or equity) of the Company, or holders of rights (including, without limitation, preemptive rights), warrants or options to obtain securities of the Company or the Subsidiaries, who have the right to request the Company to register securities held by them under the Securities Act, other than as disclosed in the Prospectus.

(xxv) Each of the Company and the Subsidiaries is conducting its business in compliance with all applicable local, state, federal and foreign laws, rules and regulations of the jurisdictions in which it is conducting business except to the extent that such failure to comply would not have a Material Adverse Effect.

(xxvi) The Company is not an investment company within the meaning of the investment Company Act of 1940, as amended.

(xxvii) The Shares are free from any Company-imposed restrictions preventing or limiting their resale as contemplated hereby, including without limitation, the restriction on transfer set forth in Article VII, Section 2 of the Company's Restated Bylaws.

(xxviii) Neither the Company nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company has, directly or indirectly: used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(xxix) The Company has not incurred any liability for a fee, commission or other compensation on account of the employment of a broker or finder in connection with the transactions contemplated by this Agreement.

(xxx) The Company is eligible to use Form S-2 for the registration of the Shares.

(b) The Selling Stockholder represents and warrants to, and agrees with each of the Underwriters as follows:

(i) The Selling Stockholder is not prompted to sell the Shares to be sold by the Selling Stockholder by any information concerning the Company that is not set forth in the Prospectus or other documents

filed by the Company with the Commission pursuant to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(ii) When the Registration Statement and any further amendments thereto shall become effective, neither the Registration Statement nor any such amendment will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading to the extent that such statements or omissions were made in reliance upon and in conformity with information furnished or confirmed in writing to the Company by the Selling Stockholder expressly for use in the Registration Statement or the Prospectus or any amendments or supplements thereto. Without having undertaken to determine independently the accuracy or completeness of either the representations and warranties of the Company contained in Section 1(a) hereof or the information contained in the Registration Statement, including the Prospectus (and any amendment or supplement thereto), the Selling Stockholder (A) does not have any actual knowledge that the representations and warranties of the Company contained in Section 1(a) hereof are not true and correct, and (B) is familiar with the Registration Statement and does not have any knowledge or any reason to believe that the Registration Statement contains any untrue statements of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; except that the foregoing shall not apply to statements in or omissions from any such document in reliance upon, and in conformity with, written information furnished to the Company by the Underwriters specifically for use in the preparation thereof.

(iii) The Selling Stockholder has full right, power and authority to enter into this Agreement and the Custody Agreement (as defined below) and to sell, transfer and deliver the Shares pursuant to this Agreement, and this Agreement has been duly authorized, executed and delivered by the Selling Stockholder.

(iv) Except as set forth in the Prospectus, there is no action, suit, investigation (of which such Selling Stockholder has received written notice) or proceeding before or by any government, governmental instrumentality or court, domestic or foreign, or otherwise now pending or, to the knowledge of the Selling Stockholder, threatened to which the Selling Stockholder is or would be a party or of which the property of the Selling Stockholder is or may be subject, that (i) seeks to restrain, enjoin, prevent the consummation of or otherwise challenge the sale of Shares by the Selling Stockholder or any of the other transactions contemplated hereby or (ii) questions the legality or validity of any such transactions or seeks to recover damages or obtain other relief in connection with any such transactions.

(v) The Selling Stockholder has duly executed and delivered, in the form heretofore furnished to the Underwriters, a custody agreement (the "Custody Agreement") with The Chemical Trust Company of California as custodian (the "Custodian"), and Grover T. Wickersham and Debra K.

Weiner, as attorneys-in-fact for the Selling Stockholder (the "Attorneys-in-Fact"); the Attorneys-in-Fact and the Custodian are each authorized to deliver the Shares to be sold by the Selling Stockholder pursuant to this Agreement and to accept payment therefor and to otherwise act on behalf of the Selling Stockholder as set forth in the Custody Agreement.

(vi) No authorization, approval, consent or license of any government, governmental instrumentality or court (other than under the 1933 Act and the 1933 Act Regulations and the securities or blue sky laws of the various states) is required for the execution and delivery by the Selling Stockholder of the Custody Agreement, the execution and delivery by or on behalf of the Selling Stockholder of this Agreement and the valid sale and delivery of the Shares to be sold by the Selling Stockholder hereunder.

(vii) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not result in a breach by the Selling Stockholder of, or constitute a default by the Selling Stockholder under, any indenture, deed of trust, contract or other agreement or instrument or any decree, judgment or order to which the Selling Stockholder is a party or by which the Selling Stockholder may be bound or the properties of the Selling Stockholder may be subject.

(viii) The Selling Stockholder will at each Closing Date (as hereinafter defined) have good and valid title to the Shares to be sold by the Selling Stockholder pursuant to this Agreement, free and clear of any pledge, lien, security interest, charge, claim, equity or encumbrance of any kind; and, upon delivery of such Shares and payment of the purchase price therefor as contemplated in this Agreement, each of the Underwriters will receive good and valid title to the Shares purchased by it from the Selling Stockholder, free and clear of any pledge, lien, security interest, charge, claim, restriction or transfer, equity or encumbrance of any kind.

(ix) Certificates for all of the Shares to be sold by the Selling Stockholder pursuant to this Agreement, in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures guaranteed, have been placed in custody with the Custodian with irrevocable conditional instructions to deliver the Shares to the Underwriters pursuant to this Agreement.

(x) The Selling Stockholder has not taken and will not take, directly or indirectly, any action designed to cause or result in stabilization or manipulation of the price of the Common Stock.

(xi) Neither the Selling Stockholder nor any of her affiliates directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, or has any other association with (within the meaning of Article I, Section 1(m) of the

Bylaws of the National Association of Securities Dealers, Inc.), any member firm of the National Association of Securities Dealers, Inc.

(xii) The Selling Stockholder has not relied upon any representation by the Underwriters with respect to any tax consequences (federal, state or local) of the transactions contemplated hereby, or otherwise. The Selling Stockholder acknowledges that any tax liability that might arise with respect to the Shares to be sold by the Selling Stockholder shall be solely the responsibility of the Selling Stockholder.

(c) Any certificate signed by any officer of the Company and delivered to you or to Cooley, Godward, Castro, Huddleson & Tatum, as counsel for the Underwriters pursuant to this Agreement or at the Closing contemplated hereby shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of the Selling Stockholder and delivered to you or to counsel for the Underwriters at or prior to any Closing Date pursuant to the terms of this Agreement or the transactions contemplated hereby shall be deemed a representation and warranty by the Selling Stockholder to each Underwriter as to matters covered thereby.

Section 2. Sale and Delivery to the Underwriters; Closing.

(a) On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Selling Stockholder agrees to sell to each Underwriter, severally and not jointly, and each Underwriter agrees, severally and not jointly, to purchase from the Selling Stockholder the number of Firm Shares set forth in Schedule A opposite the name of such Underwriter (plus such additional number of Firm Shares that such Underwriter may become obligated to purchase pursuant to Section 10 hereof).

The purchase price per Share to be paid by the Underwriters shall be \$ _____ . The initial public offering price of the Shares shall be \$ _____ .

(b) The Selling Stockholder hereby grants to the Underwriters an option to purchase from Selling Stockholder solely for the purpose of covering over-allotments in the sale of Firm Shares, all or any portion of the Option Shares for a period of 45 days from the date hereof at the same purchase price per Share as set forth in Section 2(a) above for the Firm Shares. Option Shares shall be purchased from the Selling Shareholder, severally and not jointly, for the accounts of the several Underwriters in proportion to the number of Firm Shares set forth opposite such Underwriter's name in Schedule A hereto, except that the respective purchase obligations of each Underwriter shall be adjusted by the Representative so that no Underwriter shall be obligated to purchase fractional Option Shares.

(c) Payment of the purchase price for, and delivery of certificates for, the Firm Shares and the Option Shares, if the option to purchase the same

is exercised on or before the third business day prior to the First Closing Date, shall be made in a form acceptable to the Selling Stockholder at the offices of Cruttenden & Company, Suite 100, 18301 Von Karman, Irvine, California, or at such other place as shall be agreed upon by the Company, the Selling Stockholder and you, at 10:00 a.m. Pacific Time either (i) on the fifth full business day after the effective date of the Registration Statement, or (ii) at such other time not more than ten full business days thereafter as you, the Company and the Selling Stockholder shall determine (such date and time of payment and delivery being herein called the "First Closing Date"). Payment shall be made to the Selling Stockholder by certified or official bank check or checks in California Clearing House funds or similar next day funds payable to the order of the Selling Stockholder against delivery to you for the respective accounts of the several Underwriters of certificates for the Shares to be purchased by them.

The option to purchase Option Shares granted in Section 2 hereof may be exercised during the term thereof by written notice to the Company and the Selling Stockholder from the Representative. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the time and date, not earlier than either the First Closing Date or the second business day after the date on which the option shall have been exercised not later than the fifth business day after the date of such exercise, as determined by the Representative, when the Option Shares are to be delivered (the "Option Closing Date"). Delivery and payment for such Option Shares is to be at the offices set forth above for delivery and payment of the Firm Shares. (The First Closing Date and the Option Closing Date are herein individually referred to as the "Closing Date" and collectively referred to as the "Closing Dates".)

(d) Certificates for the Shares to be purchased by the Underwriters shall be in such denominations and registered in such names as you may request in writing at least two full business days before the applicable Closing Date. The certificates for the Shares will be made available for examination and packaging by you not later than 10:00 a.m. on the business day prior to such Closing Date.

(e) It is understood that each Underwriter has authorized you, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Shares that it has agreed to purchase. You, individually, may (but shall not be obligated to) make payment of the purchase price for the Shares to be purchased by any Underwriter whose check or checks shall not have been received by the applicable Closing Date.

Section 3. Certain Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) The Company will use its best efforts to cause the Registration Statement to become effective and, if the Company elects to rely upon Rule 430A and subject to Section 3(b), will comply in all material respects with the requirements of Rule 430A and will notify you promptly, (i) when the Registration Statement, or any post-effective amendment to the Registration Statement, shall have become effective, or any supplement to the Prospectus

or any amended Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission to amend the Registration Statement or amend or supplement any Prospectus or for additional information and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes. The Company will make every reasonable effort to prevent the issuance of any such stop order or of any order preventing or suspending such use and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) The Company will not at any time file or make any amendment to the Registration Statement, or any amendment or supplement (i) if the Company has not elected to rely upon Rule 430A to the Prospectus or (ii) if the Company has elected to rely upon Rule 430A, to either the prospectus included in the Registration Statement at the time it becomes effective or to the Prospectus, of which you shall not have previously been advised and furnished a copy or to which you or Cooley, Godward, Castro, Huddleson & Tatum, as counsel for the Underwriters shall have promptly and reasonably objected in writing; provided that such objections shall not prevent the filing of any amendment or supplement which, in the opinion of counsel for the Company, is required by the 1933 Act or the 1933 Act Regulations, in which case the Company shall make such changes in any such document prior to the filing thereof as the Underwriters upon advice of counsel may reasonably request.

(c) The Company has furnished or will furnish to you and your counsel, without charge, two signed copies of the Registration Statement as originally filed and of all amendments thereto, whether filed before or after the Registration Statement becomes effective, copies of all exhibits and documents filed therewith and signed copies of all consents and certificates of experts and has furnished or will furnish to you, for each other Underwriter, one conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits). In addition, the Company has furnished or will furnish to you and your counsel, without charge, such additional conformed copies of the Registration Statement, any amendments or supplements thereto and exhibits as shall be reasonably requested.

(d) The Company will deliver to each Underwriter, without charge, from time to time until the effective date of the Registration Statement as many copies of each preliminary prospectus as such Underwriter may reasonably request, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will deliver to each Underwriter, without charge, as soon as the Registration Statement shall have become effective and thereafter from time to time as requested during the period when the Prospectus is required to be delivered under the 1933 Act and prior to the expiration of ninety days after the effective date of the Registration Statement such number of copies of the Prospectus (as

supplemented or amended) as such Underwriter may reasonably request, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time ninety days or more after the effective date of the Registration Statement upon such Underwriter's request through you, but at the expense of such Underwriter, the Company will prepare and deliver to such Underwriter, as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the 1933 Act.

(e) The Company will comply to the best of its ability with the 1933 Act and the 1933 Act Regulations, and the Exchange Act, as amended, and the rules and regulations of the Commission thereunder so as to permit the completion of the distribution through the Underwriters of the Shares as contemplated in this Agreement and in the Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with Sales by the Underwriters of the Shares any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or counsel for the Company, to amend the Registration Statement or amend or supplement any Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of either such counsel, at any such time to amend the Registration Statement or amend or supplement any Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such untrue statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, provided that the Company shall make such changes in any such document as the Underwriters upon advice of counsel may reasonably request; provided, further, that the Company shall determine the final terms of any such amendment or supplement.

(f) The Company will endeavor, in cooperation with the Underwriters, to qualify the Shares for offering and sale under the applicable securities laws of such states and other jurisdictions as you may designate and to maintain such qualifications in effect for a period of not less than one year from the effective date of the Registration Statement; provided, however, that neither the Company nor any Subsidiary shall be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Shares have been qualified as above provided.

(g) The Company will make generally available (within the meaning of Section 11(a) of the 1933 Act and the 1933 Act Regulations) to its security holders as soon as practicable, but not later than 15 months after the date

of the Prospectus, an earnings statement of the Company (which need not be certified by independent certified public accountants unless required by the 1933 Act or the 1933 Act Regulations, but which shall satisfy the provisions of Section 11(a) of the 1933 Act Regulations), covering a period of 12 months beginning after the effective date of the Registration Statement but beginning not later than the first day of the Company's fiscal quarter next following such effective date.

(h) The Company will cause the Shares to be listed on the Nasdaq National Market and comply with all applicable rules of the Nasdaq National Market in connection with the transactions contemplated hereby.

(i) If the Company has elected to rely upon Rule 430A, it will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus.

(j) Intentionally omitted

(k) The Company will furnish to you as early as practicable prior to the First Closing Date, but not less than two full business days prior thereto, a copy of its latest available unaudited interim financial statements that have been read by the Company's independent certified public accountants, as stated in their letters to be furnished pursuant to Section 5(h) and 5(i).

(l) The Company will comply with all registration, filing and reporting requirements of the Exchange Act, which may from time to time be applicable to the Company.

(m) The Company will comply with all provisions of all undertakings contained in the Registration Statement;

(n) Prior to the First Closing Date, the Company will issue no press release with respect to the offering, without your prior written consent.

(o) The Company will file timely with the Commission and the National Association of Securities Dealers, Inc. (the "NASD"), if required, a report on Form 10-C in accordance with the Rules and Regulations of the Commission under the Exchange Act.

(p) At each Closing Date, the Company will deliver to you true and correct copies of the Articles of Incorporation and all amendments thereto of the Company and the Significant Subsidiaries, all such copies to be certified as of a recent date by the Secretary of State of the State of Nevada or the respective state official of the state of incorporation of such Significant Subsidiaries; true and correct copies of the bylaws of the Company and of the minutes of all meetings of the directors and stockholders of the Company (or Actions by Written Consent in Lieu of Meetings) held prior to such Closing Date which in any way relate to the subject matter of this Agreement; and such other documents and certificates as you or your counsel may reasonably request.

(q) The Company will use all reasonable efforts to comply or cause to be complied with the conditions precedent to the several obligations of the Underwriters in Section 5 hereof.

(r) The Company shall supply to your counsel and the Selling Stockholder's counsel, at the Company's cost, unbound volumes for each such party each containing material documents relating to the offering of the Shares within a reasonable time after each Closing Date, not to exceed 90 days.

Section 4. Payment of Expense. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (a) the printing and filing of the Registration Statement (including financial statements and exhibits), as originally filed and as amended, the preliminary prospectus and the Prospectus and any amendments or supplements thereto, and the cost of furnishing copies thereof to the Underwriters, (b) the printing and distribution of the certificates for the Shares, (c) the delivery of the certificates for the Shares to the Underwriter, including any capital duties, stamp duties and stock transfer taxes payable upon the sale of the Shares to the Underwriters, (d) the fees and disbursements of the Company's counsel and accountants, (e) the filing fees in connection with the filing of the Registration Statement, (f) the qualification of the Shares under the applicable securities laws in accordance with Section 3(f) and any filing for review of the offering with the Corporate Financing Department of the NASD, including filing fees in connection therewith, (g) filing fees and fees and disbursements of counsel for the Company in connection with the Blue Sky Survey, (h) application and listing fees in connection with the approval and inclusion of the Shares for quotation on the Nasdaq National Market and (i) the reasonable fees and disbursements of the Selling Stockholder's counsel. The Selling Stockholder will pay at each Closing Date the Representative's nonaccountable expense allowance equal to 2.5% of the aggregate gross proceeds from the sale of the Shares.

If this Agreement shall not be carried out by reason of any failure on the part of the Company to perform any covenant or agreement or satisfy any condition of this Agreement, or if this Agreement is terminated by you in accordance with the provisions of Sections 5(a), 5(b), 5(c), 5(f), 5(h), 5(i), 5(j) (with respect to the Company), 5(k), or 9(b)(i), the Company shall reimburse the Underwriters for all their out-of-pocket expenses, including the reasonable fees and disbursements of Cooley, Godward, Castro, Huddleson & Tatum, as counsel for the Underwriters, as shall have been incurred in connection with this Agreement or the proposed offer, sale and delivery of the Shares, and upon demand, the Company agrees to pay promptly the full amount thereof to you. The Selling Stockholder shall reimburse the Underwriters for such expenses if the Selling Stockholder fails to satisfy the conditions set forth in Sections 5(d), 5(e) (with respect to the opinion of the counsel for the Selling Stockholder), 5(g), 5(j) (with respect to the Selling Stockholder), Section 11 or any of the representations and warranties of the Selling Stockholder set forth in Section 1(b).

Section 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Shares that they have respectively agreed to purchase hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Stockholder contained herein or in certificates of the Company's officers delivered pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholder of their respective obligations hereunder, and to the following further conditions:

(a) The Registration Statement shall have become effective no later than 6:00 p.m. on the date of this Agreement or, with your consent, at a later time and date not later, however, than 6:00 p.m. on the first business day following the date hereof, or at such later time or on such later date as you may agree to in writing with the approval of a majority in interest of the several Underwriters; and at each Closing Date, no stop orders suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act and no proceedings for that purpose shall have been instituted or shall be pending or, to your knowledge or the knowledge of the Company, shall have been threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Cooley, Godward, Castro, Huddleson & Tatum, as counsel for the Underwriters. If the Company has elected to rely upon Rule 430A, the Prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A).

(b) At each Closing Date, you shall have received signed opinions of Snell & Wilmer and/or Lionel, Sawyer & Collins, counsel for the Company, dated as of such Closing Date, together with reproduced copies of such opinions for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters upon advice of counsel, to the effect that:

(i) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, with full power and authority to own, lease, license and use its properties and assets and to conduct its business in the manner described in the Prospectus. The Company is duly qualified to do business and is in good standing in every jurisdiction in which the failure to register and qualify would have a material adverse effect on the business, financial condition or results of operations of the Company.

(ii) Each of the Company's Significant Subsidiaries incorporated in Nevada or Arizona is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, with full power and authority to own, lease, license and use its properties and assets and to conduct its business in the manner described in the Prospectus. Each Significant Subsidiary is duly qualified to do business and is in good standing in every jurisdiction in which the

failure to register and qualify would have a material adverse effect on the business, financial condition or results of operations of such Significant Subsidiary.

(iii) The authorized, issued and outstanding capital stock of the Company is as set forth under the caption "Capitalization" in the Prospectus as of the date therein and there have been no changes in the authorized and outstanding capital stock of the Company since the date of this Agreement. Each outstanding share of capital stock (including all of the Shares) has been duly authorized, validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof.

(iv) The Shares are not subject to any preemptive right or, to such counsel's knowledge, other rights to purchase shares of capital stock of the Company (except contractual rights which have been waived).

(v) The statements made in the Prospectus under "Description of Capital Stock," insofar as such section purports to constitute a summary of the terms of the Company's capital stock, constitutes an accurate and fair summary thereof in all material respects, and the form of certificate used to evidence the Common Stock is in due and proper form and complies with all applicable requirements of the General Corporation Law of Nevada.

(vi) The Company has the corporate power to enter into and perform its obligations under this Agreement and this Agreement has been duly authorized, executed and delivered by the Company.

(vii) The Company is not required to obtain any authorization, approval, consent or license of any government, governmental instrumentality or court (other than under the 1933 Act and the 1933 Act Regulations and the rules and regulations of the Commission thereunder, and state securities laws) under federal or Nevada or Arizona law for the sale and delivery of the Shares by the Selling Stockholder to the Underwriters.

(viii) The execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated in this Agreement and the compliance by the Company with the terms of this Agreement have been duly authorized by all necessary corporate action on the part of the Company and do not and will not result in any violation of the Restated Articles of Incorporation, as amended (the "Articles of Incorporation"), or the Restated Bylaws, as currently in effect (the "Bylaws"), of the Company or any of the Significant Subsidiaries incorporated in Arizona or Nevada, and do not and will not conflict with, or constitute a breach or violation of, any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Company or any of the Significant

Subsidiaries where such default would have a Material Adverse Effect under (A) any indenture, mortgage, deed of trust, loan or credit agreement, bond, debenture, note agreement or any other agreement or instrument known to us to which the Company or any of its Subsidiaries incorporated in Arizona or Nevada is a party or by which it is bound, (B) any existing applicable federal or Nevada or Arizona corporate laws, rules or regulations, and except to the extent that the indemnification provisions thereof may conflict with any applicable law, rule or regulation or (C) to such counsel's knowledge, any judgment, order, writ or decree of any government agency or body, domestic or foreign, having jurisdiction over the Company, any of its Subsidiaries incorporated in Arizona or Nevada or any of their properties or operations. Such counsel need express no opinion, however, as to whether the execution and delivery of, or the performance by the Company of its obligations under this Agreement will constitute a violation of, or default under, any financial covenant or financial ratios contained in any of the agreements referred to in the preceding sentence.

(ix) Such counsel has been advised by the Division of Corporation Finance of the Commission that the Registration Statement has become effective under the 1933 Act, and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or are contemplated under the 1933 Act; any required filing of the Prospectus or any supplement thereto pursuant to Rule 424(b) of the 1933 Act Regulations have been made in the manner and within the time period required by Rule 424(b).

(x) The Registration Statement (including the Rule 430A Information, if applicable), the Prospectus and each amendment or supplement to the Registration Statement and Prospectus, as of their respective effective or issue dates (other than the financial statements, notes or schedules thereto and other financial or statistical data and supplemental schedules included therein or omitted therefrom, as to which such counsel need express no opinion), complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

(xi) The Company is not an investment company within the meaning of the Investment Company Act of 1940, as amended.

(xii) All descriptions in the Prospectus of contracts and other documents filed as exhibits to the Registration Statement or incorporated by reference to which the Company and the Subsidiaries are parties are accurate in all material respects.

(xiii) To such counsel's knowledge, no holders of the Company's securities have rights to the registration of shares of Common Stock or other securities in connection with the Offering as a result of the filing of the Registration Statement by the Company or the offering

contemplated hereby, except for any such rights which have been waived.

In addition, such opinion shall state that such counsel has participated in the preparation of the Registration Statement and Prospectus and in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company, and your representatives and your counsel at which the contents of the Registration Statement, the Prospectus and related matters were discussed and, although such counsel need not pass upon or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus and although such counsel has not undertaken to verify independently the accuracy or completeness of the statements in the Registration Statement and the Prospectus and, therefore, would not necessarily have become aware of any material misstatement of fact or omission to state a material fact, on the basis of and subject to the foregoing and in reliance as to materiality upon the opinions of officers and other representatives of the Company, no facts have come to such counsel's attention which have caused such counsel to believe that either the Registration Statement or the Prospectus (other than the financial statements, notes or schedules thereto and other financial or statistical data and supplemental schedules included therein or omitted therefrom, as to which such counsel need express no opinion) contained as of its date or contains as of the date of such opinion any untrue statement of a material fact or omitted as of its date or omits as of the date of such opinion to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In giving such opinion, such counsel may rely as to all matters governed by laws of jurisdiction other than the State of Arizona, the General Corporation Law of the State of Nevada or the federal law of the United States, on opinions of other local counsel in such jurisdictions, who shall be counsel satisfactory to Cooley, Godward, Castro, Huddleson & Tatum, as counsel for the Underwriters, in which case the opinion shall state that they believe you and they are entitled to so rely. Such counsel may also state that, insofar as such opinions involve factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and the Subsidiaries and certificates of public officials.

(c) At each Closing Date, you shall have received a signed opinion of Gary V. Klinefelter, General Counsel for the Company, dated as of such Closing Date, together with reproduced copies of such opinion for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters upon advice of counsel, to the effect that:

(i) Such counsel does not know of any pending or threatened legal or governmental actions, suits or proceedings, required to be described in the Prospectus that are not described as required, nor of any contracts or documents of a character required to be described or referred to in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described,

referred to or filed as required.

(ii) To the knowledge of such counsel, no default exists in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, loan agreement, note, lease or other agreement or instrument to which the Company or any of the Subsidiaries is party or to which any of their respective properties are bound, except as disclosed in the Registration Statement and except for such defaults that would not have a material adverse effect on the Company and the Subsidiaries, taken as a whole.

(iii) The descriptions in the Prospectus of the statutes, regulations, legal or governmental proceedings, contracts and other documents therein described, to the extent that they constitute matters of law or legal conclusion, have been reviewed by such counsel and fairly present the information disclosed therein in all material respects.

(iv) The execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated in this Agreement and compliance by the Company with the terms of this Agreement have been duly authorized by all necessary corporate action on the part of the Company and do not and will not result in any violation of the Articles of Incorporation or Bylaws of the Company or any of the Subsidiaries, and do not and will not conflict with, or constitute a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance under any property or assets of the Company or any of the Subsidiaries where such default would have a Material Adverse Effect under (A) any indenture, mortgage, deed of trust, loan or credit agreement, bond, debenture, note agreement or any other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of their respective properties are bound, (B) any existing applicable Arizona or Nevada laws, rules or regulations (other than securities or blue sky laws of the various states, as to which such counsel need express no opinion, and except to the extent that the indemnification provisions thereof may conflict with any applicable Arizona or Nevada law, rule or regulation), or (C) to such counsel's knowledge, any judgment, order, writ or decree of any governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their respective properties or operations.

(v) Each of the Company and its Subsidiaries is duly qualified to do business as a foreign corporation in good standing in all jurisdictions, if any, where it owns or leases real properties and in which the failure so to qualify when taken in the aggregate would have a Material Adverse Effect.

(vi) No authorization, approval, consent or license of any government, governmental instrumentality or court (other than under the

1933 Act and the 1933 Act Regulations and the rules and regulations of the Commission thereunder, and state securities law) is required to be made or obtained by the Company under Arizona or Nevada law for the consummation by the Company of the transactions contemplated in this Agreement.

(vii) The Company has taken all necessary and appropriate action to remove the Company's right of first refusal set forth in Article VII, Section 2 of the Bylaws with respect to the Shares.

In addition, such opinion shall state that such counsel has participated in the preparation of the Registration Statement and Prospectus and in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company, and your representatives and your counsel at which the contents of the Registration Statement, the Prospectus and related matters were discussed and, although such counsel need not pass upon or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus and although such counsel has not undertaken to verify independently the accuracy or completeness of the statements in the Registration Statement and the Prospectus and, therefore, would not necessarily have become aware of any material misstatement of fact or omission to state a material fact, on the basis of and subject to the foregoing, no facts have come to such counsel's attention which have caused such counsel to believe that either the Registration Statement or the Prospectus (other than the financial statements, notes or schedules thereto and other financial or statistical data and supplemental schedules included therein or omitted therefrom, as to which such counsel need express no opinion) contained as of its date or contains as of the date of such opinion any untrue statement of a material fact or omitted as of its date or omits as of the date of such opinion to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and the Subsidiaries and certificates of public officials.

(d) At each Closing Date, you shall have received a signed opinion of Grover T. Wickersham P.C., counsel for the Selling Stockholder, dated as of such Closing Date, together with reproduced copies of such opinion for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters upon advice of counsel, to the effect that:

(i) No authorization, approval, consent or license of any government, governmental instrumentality or court (other than under the 1933 Act and the 1933 Act Regulations and the rules and regulations of the Commission thereunder, and state securities law) is necessary for the valid sale and delivery of the Shares or for the consummation by the Selling Stockholder of the transactions contemplated in this

Agreement.

(ii) The execution and delivery of this Agreement by the Selling Stockholder, the delivery of the Shares sold by the Selling Stockholder to the Underwriters, the consummation by the Selling Stockholder of the transactions contemplated in this Agreement and the compliance by the Selling Stockholder with the terms of this Agreement do not and will not conflict with, or constitute a breach or violation of, any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Selling Stockholder under (A) any indenture, mortgage, deed of trust, loan or credit agreement, bond, debenture, note agreement or any other agreement or instrument known to such counsel to which the Selling Stockholder is a party or by which any of her respective properties are bound, (B) except to the extent that the indemnification provisions thereof may conflict with any applicable law, rule or regulation, any existing applicable laws, rules or regulations, other than the securities or blue sky laws of the various states, as to which such counsel need express no opinion, or (C) to such counsel's knowledge, any judgment, order, writ or decree of any government agency or body, domestic or foreign, having jurisdiction over the Selling Stockholder or any of her properties or operations. Such counsel need express no opinion, however, as to whether the execution and delivery of, or the performance by the Selling Stockholder of her obligations under this Agreement will constitute a violation of, or default under, any financial covenants or financial ratios contained in any of the agreements referred to in the preceding sentence.

(iii) The Custody Agreement has been duly authorized, executed and delivered by the Selling Stockholder and constitutes the valid and binding obligation of the Selling Stockholder enforceable against the Selling Stockholder in accordance with its terms.

(iv) This Agreement has been duly executed and delivered by the Selling Stockholder and constitutes the valid and binding obligation of the Selling Stockholder enforceable against the Selling Stockholder in accordance with its terms.

(v) The Selling Stockholder is the sole registered owner of the Shares to be sold by the Selling Stockholder; upon completion and registration with the transfer agent of the sale of the Shares pursuant to this Agreement, each of the Underwriters will be the registered owner of the Shares purchased by it from the Selling Stockholder and, assuming the Underwriters purchased the Shares in good faith and without prior notice of any adverse claim, the Underwriters will have acquired the Shares free of any adverse claim, any lien in favor of the Company; the owner of the Shares, if other than the Selling Stockholder, is precluded from asserting against the Underwriters the ineffectiveness of any unauthorized endorsement; and the Selling Stockholder has the full right and power (A) to enter into this

Agreement and the Custody Agreement and (B) to sell, transfer and deliver the Shares to be sold by the Selling Stockholder under this Agreement.

Such opinion shall be to such further effect with respect to the legal matters relating to this Agreement and the sale of the Shares pursuant to this Agreement as counsel for the Underwriters may reasonably request. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and the Subsidiaries and certificates of public officials.

(e) At each Closing Date, you shall have received the favorable opinion of Cooley, Godward, Castro, Huddleson & Tatum as counsel for the Underwriters, dated as of such Closing Date, together with reproduced copies of such opinion for each of the other Underwriters, to the effect that the opinions delivered pursuant to Sections 5(b), (c) and (d) appear on their faces to be appropriately responsive to the requirements of this Agreement except, specifying the same, to the extent waived by you, and with respect to the legal existence of the Company, the Shares, this Agreement, the Registration Statement, the Prospectus or such other related matters as you may require. In giving such opinion, such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of California and the federal law of the United States, upon the opinions of counsel satisfactory to you. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and certificates of public officials.

(f) At each Closing Date, (i) the Registration Statement and the Prospectus, as they may then be amended or supplemented, shall conform in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations, the Company shall have complied in all material respects with Rule 430A (if it shall have elected to rely thereon), the Registration Statement, as it may then be amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements in the Registration Statement not misleading, and the Prospectus, as they may then be amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements in the Prospectus, in light of the circumstances under which they were made, not misleading, (ii) there shall not have been, since the date as of which information is given in the Prospectus, any Material Adverse Change, whether or not arising in the ordinary course of business, (iii) no action, suit or proceeding at law or in equity shall be pending or, to the knowledge of the Company, threatened against the Company or the Subsidiaries that would be required to be set forth in the Prospectus other than as set forth therein and no proceedings shall be pending or, to the knowledge of the Company, threatened against the Company or the Subsidiaries or before or by any federal, state or other commission, board or administrative agency that could reasonably be expected

to have a Material Adverse Effect, other than as set forth in the Prospectus, (iv) the Company shall have complied in all material respects with all agreements and satisfied in all material respects all conditions on its part to be performed or satisfied at or prior to such Closing Date and (v) the other representations and warranties of the Company set forth in Section 1(a) shall be accurate as though expressly made at and as of such Closing Date and the condition set forth in clause (j) of this Section shall have been satisfied. At each Closing Date, you shall have received a certificate of the Chairman or the President and the chief financial or chief accounting officer of the Company, dated as of such Closing Date, to such effect. As used in Section 5(f)(ii) and (iii), the term "Prospectus" means the Prospectus in the form first used to confirm sales of the Shares.

(g) At each Closing Date, (i) the representations and warranties of the Selling Stockholder set forth in Section 1(b) and in any certificates by or on behalf of the Selling Stockholder delivered pursuant to the provisions hereof shall be accurate as though expressly made at and as of such Closing Date, (ii) the Selling Stockholder shall have performed her obligations under this Agreement in all material respects and (iii) you shall have received a certificate of the Selling Stockholder, dated as of such Closing Date, to the effect set forth in subsections (i) and (ii) of this Section 5(g).

(h) At the time that this Agreement is executed by the Company, you shall have received from Price Waterhouse, independent certified public accountants, a letter, dated such date and addressed to you, in form and substance satisfactory to you and your counsel, together with signed or reproduced copies of such letter for each of the other Underwriters.

(i) At each Closing Date, you shall have received from Price Waterhouse, independent certified public accountants, a letter, in form and substance satisfactory to you and your counsel, and dated as of such Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to Section 5(h).

(j) At each Closing Date, counsel for the Underwriters shall have been furnished with all such documents, certificates and opinions as they may reasonably request for the purpose of enabling them to pass upon the sale of the Shares as contemplated in this Agreement and the matters referred to in Section 5(e) and in order to evidence the accuracy and completeness of any of the representations, warranties or statements of the Company and the Selling Stockholder, the performance of any of the covenants of the Company and the Selling Stockholder, or the fulfillment of any of the conditions herein contained; and all proceedings taken by the Company and the Selling Stockholder at or prior to such Closing Date in connection with the sale of the Shares as contemplated in this Agreement shall be reasonably satisfactory in form and substance to you upon advice of counsel.

(k) The Shares shall have been included for quotation on the Nasdaq National Market.

(1) The NASD, upon review of the terms of the public offering of the shares, shall not have objected to your participation in such offering.

If any of the conditions specified in this Section 5 shall not have been fulfilled when and as required by this Agreement to be fulfilled, this Agreement may be terminated by you upon notice to the Company and the Selling Stockholder at any time at or prior to each Closing Date, and such termination shall be without liability of any party to any other party except as provided in Section 4 herein. Notwithstanding any such termination, the provisions of Sections 7 and 8 herein shall remain in effect.

Section 6. Indemnification.

(a) Subject to the conditions set forth below, the Company and the Selling Stockholder agree to indemnify and hold harmless the Underwriters, any member of the selling group, and each of such entities' officers, directors, partners, employees, agents, and counsel, and each person, if any, who controls any one of the Underwriters or selling group members within the meaning of Section 15 of the 1933 Act or Section 20(a) of the Exchange Act, against any and all loss, liability, claim, damage, and expense whatsoever (which shall include, for all purposes of this Section 6, but not be limited to, attorneys' fees and any and all expense whatsoever incurred in investigations preparing or defending against any litigation, commenced or threatened, or any claim whatsoever and any and all amounts paid in settlement of any claim or litigation) as and when incurred arising out of, based upon, or in connection with (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any Preliminary Prospectus, the Registration Statement, or the Prospectus (as from time-to time amended and supplemented), or any amendment or supplement thereto (including the 430A Information, if applicable), or (B) in any application or other document or communication (in this Section 6, collectively called an "application") in any jurisdiction in order to qualify the Shares under the "blue sky" or securities laws thereof or filed with the Commission or any securities exchange or national market system; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any breach of any representation, warranty, covenant or agreement of the Company or of the Selling Stockholder contained in this Agreement. The foregoing agreement to indemnify shall be in addition to any liability the Company and the Selling Stockholder may otherwise have, including liabilities arising under this Agreement. However, (i) the Company and the Selling Stockholder shall have no liability under this Section 6 if such statement or omission was made in reliance upon and in conformity with written information furnished to the Company as stated in Section 6(b) with respect to the Underwriters by or on behalf of the Underwriters expressly for inclusion in any Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or in any application, as the case may be, and (ii) the Selling Stockholder shall be liable under this Section 6(a) only if such loss, liability, claim, damage, or expense arises out of or is based upon the representations and warranties of such Selling

Stockholder contained in Section 1(b) hereof. The foregoing notwithstanding, the indemnity provided for in this Section 6(a) with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter or selling group member (or any person controlling such Underwriter or selling group member) from whom the person asserting such loss, claim, damage or liability purchased the Shares that are the subject thereof if such person did not receive a copy of the Prospectus (or the Prospectus, as amended or supplemented) at or prior to confirmation of the sale of the Shares to such person in any case where such delivery is required by the 1933 Act and the true statement or omission or alleged untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the Prospectus (or the Prospectus as amended or supplemented).

If any action is brought against the Underwriters, any members of the selling group or any of their respective officers, directors, partners, employees, agents, or counsel, or any controlling persons of an Underwriter or selling group member (an "indemnified party") in respect of which indemnity may be sought against the Company or the Selling Stockholder (the "indemnifying party") pursuant to the foregoing paragraph, such indemnified party or parties shall promptly notify the indemnifying party or parties in writing of the institution of such action (but the failure so to notify shall not relieve the indemnifying party or parties from any liability they may have other than pursuant to this Section 6(a), and the indemnifying party or parties shall promptly assume the defense of such action, including the employment of counsel (satisfactory to such indemnified party or parties) and payment of expenses. Such indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless the employment of such counsel shall have been authorized in writing by the indemnifying party or parties in connection with the defense of such action or the indemnifying party or parties shall not have promptly employed counsel satisfactory to such indemnified party or parties to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be one or more legal defenses available to it or them or to other indemnified parties which are different from or additional to those available to the indemnifying party or parties, in any of which events such fees and expenses shall be borne by the indemnifying party or parties which shall not have the right to direct the defense of such action on behalf of the indemnified party or parties. Anything in this paragraph to the contrary notwithstanding, the indemnifying party or parties shall not be liable for any settlement of any such claim or action effected without its or their written consent; provided, however, if a settlement is reached with such consent or if there is a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. The Company and the Selling Stockholder each agrees promptly to notify the Underwriters and the Representative of the commencement of any litigation or proceedings against the Company or the Selling Stockholder, respectively, or against any of their officers or directors in connection with the sale of

the Shares, any Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or any application. To the extent any provision of this Section 6(a) entitles the indemnified party to reimbursement of fees and expenses, such obligations may be billed by the indemnified party monthly and shall be due and payable within 10 days of the date thereof.

(b) The Underwriters agree to indemnify and hold harmless the Company, each director of the Company, each officer of the Company who shall have signed the Registration Statement, each other person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20(a) of the Exchange Act, and the Selling Stockholder to the same extent as the foregoing indemnity from the Company to the Underwriters in Section 6(a), but only with respect to statements or omissions, if any, made in any Preliminary Prospectus, the Registration Statement, or the Prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, or in any application, in reliance upon and in conformity with written information furnished to the Company as stated in this Section 6(b) with respect to the Underwriters by or on behalf of the Underwriters expressly for inclusion in any Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or in any application, as the case may be; provided, however, that the obligation of the Underwriters to provide indemnity under the provisions of this Section 6(b) shall be limited to the amount which represents the product of the number of Shares sold hereunder and the initial public offering price per Share set forth on the cover page of the Prospectus. For all purposes of this Agreement, the amounts of the selling concession and reallowance set forth in the Prospectus and the information under "UNDERWRITING" constitute the only information furnished in writing by or on behalf of the Underwriters expressly for inclusion in any Preliminary Prospectus, the Registration Statement, or the Prospectus (as from time to time amended or supplemented), or any amendment or supplement thereto, or in any application, as the case may be. If any action shall be brought against the Company, the Selling Stockholder or any other person so indemnified based on any Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or any application, and in respect of which indemnity may be sought against the Underwriters pursuant to this Section 6(b), the Underwriters shall have the rights and duties given to the Company, and the Company, the Selling Stockholder and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 6(a).

Section 7. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 6 is for any reason held to be unavailable to the Underwriters, the Company or the Selling Stockholder, then the Company and the Selling Stockholder shall contribute to the damages paid by the several Underwriters, and the several Underwriters shall contribute to the damages paid by the Company and the Selling Stockholder; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who

was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Shares (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate in the circumstances. The Company, the Selling Stockholder and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose). No Underwriter or person controlling such Underwriter shall be obligated to make contribution hereunder which in the aggregate exceeds the total public offering price of the Shares purchased by such Underwriter under this Agreement, less the aggregate amount of any damages which such Underwriter and its controlling persons have otherwise been required to pay in respect of the same or any substantially similar claim. The Selling Stockholder shall not be obligated to contribute any amount in excess of the amount by which the product of the purchase price per share of Common stock, as set forth in Section 2 hereof, and the number of shares of common stock being sold by the Selling Stockholder exceeds the amount of damages which the Selling Stockholder has otherwise been required to pay in respect of the same or any substantially similar claim. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint. For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act, shall have the same rights to contribution as the Company. Anything in this Section 7 contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action entered without its written consent; provided however, if a settlement is reached with such consent or if there is a final judgment for the plaintiff, the party liable to make contribution agrees to so contribute b), reason of such settlement or judgment to the extent provided in this Section 7. This Section 7 is intended to supersede any right to contribution under the 1933 Act, the Exchange Act, or otherwise.

Section 8. Representation, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities, agreements and other statements of the Company, its officers and the Selling Stockholder set forth in or made pursuant to this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Company and the Selling Stockholder or any Underwriter or controlling person and will survive delivery of and payment for the Shares.

Section 9. Effective Date of this Agreement and Termination Of Agreement.

(a) This Agreement shall become effective at 6:30 a.m. Pacific Time, on the first full business day following the day on which the Registration Statement becomes effective or at the time of the initial public offering of the Shares, whichever is earlier. The time of the initial public offering shall mean the time, after the Registration Statement becomes effective, of the release by you for publication of the first newspaper advertisement which is subsequently published relating to the Shares or the time, after the Registration Statement becomes effective, when the Shares are first released by you for offering by dealers by letter or telegram, whichever shall first occur. You or the Company may prevent this Agreement from becoming effective without liability of any party to any other party, except as noted below in this Section 9, by giving the notice indicated in Section 9(c) before the time this Agreement becomes effective.

(b) You shall have the right to terminate this Agreement at any time prior to each Closing Date by giving notice to the Company and the Selling Stockholder (i) if there has been, since the date as of which the information is given in the Prospectus, any Material Adverse Change, whether or not arising in the ordinary course of business; (ii) if there has occurred any material adverse change in the financial markets in the United States or internationally or any outbreak of hostilities or escalation of existing hostilities or other calamity or crisis the effect of which is such as to make it, in your reasonable judgment, impracticable to market the Shares or enforce contracts for the sale of the Shares; (iii) if trading in any securities of the Company has been suspended by the Commission, or if trading generally on either the American Stock Exchange or the New York Stock Exchange or in the over-the-counter market has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of such Exchanges or by order of the Commission, any other governmental authority or the NASD; (iv) if a banking moratorium has been declared by either federal, Arizona, Nevada or New York authorities; (v) if there has occurred any change or development involving a prospective change in national or international political financial or economic controls, which in your opinion is likely to have a material adverse effect on the market for the Shares; or (vi) any event occurs affecting the condition of the Company or the Significant Subsidiaries which, in your judgment, renders the sale of the Shares provided for herein undesirable, impractical, or inadvisable. As used in this Section 9(a), the term "Prospectus" means the Prospectus in the form first used to confirm sales of the Shares.

(c) If you elect to prevent this Agreement from becoming effective as provided in this Section 9, or to terminate this Agreement, you shall notify the Company and the Selling Stockholder, promptly by telephone, telex or telegram, confirmed by letter. If, as so provided, the Company elects to prevent this Agreement from becoming effective, the Company shall notify you and the Selling Stockholder by telephone, telex or telegram, confirmed by letter.

(d) Notwithstanding any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the

provisions of Section 3(a), 4, 6, 7, 8 and 9 shall not be in any way affected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.

(e) This Agreement may also terminate pursuant to the provisions of Section 2(c) and Section 5, with the effect stated in such Sections.

Section 10. Default by One or More of the Underwriters. If for any reason one or more Underwriters shall fail or refuse (otherwise than for a reason sufficient to justify the termination of this Agreement under the provisions of Section 9 hereof to purchase and pay for the number of Shares agreed to be purchased by such Underwriter, the Company or the Selling Stockholder shall immediately give notice thereof to you, and the non-defaulting Underwriters shall have the right within 24 hours after the receipt by you of such notice, to purchase or procure one or more other Underwriters to purchase, in such proportions as may be agreed upon among you and such purchasing Underwriter or Underwriters and upon the terms herein set forth, the Shares that such defaulting Underwriter or Underwriters agreed to purchase. If the non-defaulting Underwriters fail so to make such arrangements with respect to all such shares, the number of Shares which each nondefaulting Underwriter is otherwise obligated to purchase under the Agreement shall be automatically increased pro rata to absorb the remaining Shares that the defaulting Underwriter or Underwriters agreed to purchase; provided, however, that the non-defaulting Underwriters shall not be obligated to purchase the Shares that the defaulting Underwriter or Underwriters agreed to purchase in excess of 10% of the total number of Shares that such non-defaulting Underwriter agreed to purchase hereunder, and provided, further, that the non-defaulting Underwriters shall not be obligated to purchase any Shares that the defaulting Underwriter or Underwriters agreed to purchase if such additional purchase would cause the Underwriter to be in violation of the net capital rule of the Commission or other applicable law. If the total number of Shares that the defaulting Underwriter or Underwriters agreed to purchase shall not be purchased or absorbed in accordance with the two preceding sentences, the Selling Stockholder shall have the right, within 24 hours next succeeding the 24-hour period above referred to, to make arrangements with other underwriters or purchasers satisfactory to you for the purchase of such Shares on the terms herein set forth. In any such case, either you or the Selling Stockholder shall have the right to postpone each Closing for not more than seven business days after the date originally fixed as such Closing in order that any necessary changes in the Registration Statement, the Prospectus or any other documents or arrangements may be made. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10. If neither the non-defaulting Underwriters nor the Selling Stockholder shall make arrangements within the 24-hour periods stated above for the purchase of all the Shares that the defaulting Underwriter or Underwriters agreed to purchase hereunder, this Agreement shall be terminated without further act or deed and without any liability on the part of the Company or the Selling Stockholder to any non-defaulting Underwriter.

Nothing contained herein shall relieve any defaulting Underwriter of its liability, if any, to the Selling Stockholder or to the remaining Underwriters for damages occasioned by its default hereunder.

Section 11. Default by the Selling Stockholder. If the Selling Stockholder shall fail at either Closing Date to sell and deliver the number of Shares that she is obligated to sell, then this Agreement shall terminate without any liability on the part of any non-defaulting party except to the extent provided in Section 4 and except that the provisions of Sections 7 and 8 shall remain in effect. No action taken pursuant to this Section shall relieve the Selling Stockholder from liability, if any, in respect of such default.

Section 12. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered, mailed or transmitted by any standard form of telecommunication (notices transmitted by telecopier to be promptly confirmed in writing). Notices to you or the Underwriters shall be directed to you at Suite 100, 18301 Von Karman, Irvine, California 92715, attention of Walter Cruttenden, III; notices to the Company shall be directed to the Company at 2727 North Central Avenue, Phoenix, Arizona 85004, attention of Gary V. Klinefelter; and notices to the Selling Stockholder shall be directed to the Selling Stockholder c/o Grover T. Wickersham, P.C., 430 Cambridge Avenue, Suite 100, Palo Alto, California 94306, attention of Grover T. Wickersham.

Section 13. Parties. This Agreement is made solely for the benefit of the several Underwriters, the Selling Stockholder and the Company and, to the extent expressed, any person controlling the Company, the Selling Stockholder or any of the Underwriters, and directors of the Company, the Selling Stockholder, their officers who have signed the Registration Statement, and their respective executors, administrators, successors and assigns and, subject to the provisions of Section 10, no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include any purchaser, as such purchaser, from any of the several Underwriters of the Shares. All of the obligations of the Underwriters hereunder are several and not joint.

Section 14. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. UNLESS OTHERWISE SPECIFIED, TIMES OF THE DAY REFER TO PACIFIC TIME.

Section 15. Counterparts. This Agreement may be executed in one or more counterparts and, when the counterpart has been executed by each party, all such counterparts taken together shall constitute and the same agreement.

Section 16. Information Furnished by Underwriters and Selling Stockholder. For purposes of this Agreement, the statements set forth in the last paragraph on the cover page and under the caption "Underwriting" in any preliminary prospectus and the Prospectus constitute the written information furnished by or on behalf of any Underwriter, and the statements

set forth under the caption "Selling Security Holder" in any preliminary prospectus and the Prospectus constitute the written information furnished by or on behalf of the Selling Stockholder.

Section 17. Share Repurchase and Registration Rights Agreement. Nothing in this Agreement shall alter in any way the rights and obligations of the Company and the Selling Stockholder pursuant to Section 3.07 of the Share Repurchase and Registration Rights Agreement, dated as of May 1, 1992, among the Company and the Selling Stockholder.

Section 18. Future Sales. The Selling Stockholder agrees to give you the right of first opportunity for the period of six months from the date the Prospectus becomes effective to be the sole broker dealer to effect any sales made under Rule 144 of the 1933 Act Regulations by the Selling Stockholder or, alternatively, the Selling Stockholder agrees not to offer, sell, transfer or otherwise dispose of, directly or indirectly, any shares of Common Stock or other equity securities of the Company now owned or hereafter acquired by the Selling Stockholder, for a period of six months from the time the Prospectus becomes effective, without your prior written consent.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among the Company, the Selling Stockholder and the several Underwriters in accordance with its terms.

Very truly yours,

AMERCO

By:
Name:
Title:

Sophia M. Shoen

Confirmed and accepted as of
the date first above written:

CRUTTENDEN & COMPANY

By:
Name:

Title:

SCHEDULE A

Number of Shares
to be Purchased

Underwriter

Cruttenden & Company

Total 500,000

Exhibit A

AMERCO SUBSIDIARIES

October 21, 1994

AMERCO
1325 Airmotive Way, Suite 100
Reno, Nevada 89502

RE: Registration Statement on Form S-2
(File No. 33-54289).

Gentlemen:

You have requested our opinion as special Nevada counsel for AMERCO, a Nevada corporation ("AMERCO"), in connection with the proposed offer and sale by AMERCO of up to 575,000 shares of Common Stock currently held by Sophia M. Shoen ("Sophia Shoen Common Stock"). The Sophia Shoen Common Stock is the subject of a Registration Statement on Form S-2 (File No. 33-54289) (the "Registration Statement").

In connection with this opinion, we have examined:

1. Registration Statement;
2. the Underwriting Agreement (the "Underwriting Agreement") in the form of Exhibit 1 to the Registration Statement among AMERCO, Sophia M. Shoen, and the parties designated as "Representatives" of the several "Underwriters" named therein;
3. the Articles of Incorporation of AMERCO, as amended, certified by the Nevada Secretary of State;
4. the Bylaws of AMERCO certified by the Secretary of AMERCO;
5. resolutions heretofore adopted by the Board of Directors of AMERCO authorizing the issuance of the Sophia Shoen Common Stock;
6. a copy of the stock certificate for the Sophia Shoen Common Stock; and
7. opinion of Snell & Wilmer, in the form attached hereto as Exhibit A.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of natural

persons and the conformity to originals of all copies of all documents submitted to us. We have relied upon the certificates of all public officials and corporate officers with respect to the accuracy of all matters contained therein.

In rendering the opinion set forth herein, we have further assumed:

1. the Registration Statement being declared effective by the Securities and Exchange Commission (the "Commission");
2. the due execution and delivery by all parties thereto of the proposed form of Underwriting Agreement;
3. the offering and sale of the Sophia Shoen Common Stock in the manner set forth in the Registration Statement in accordance with the Underwriting Agreement.

Based upon the foregoing, we are of the opinion that:

1. The shares of Sophia Shoen Common Stock issued by AMERCO to Sophia Shoen are validly issued, fully paid and nonassessable.
2. Under the laws of the State of Nevada, no personal liability will attach to the holders of any of the Sophia Shoen Common Stock by reason of their ownership thereof.

We disclaim liability as an expert under the securities laws of the United States or any other jurisdiction.

Nothing herein shall be deemed an opinion as to the laws of any jurisdiction other than the State of Nevada.

This opinion is intended solely for the use of AMERCO in connection with the registration of the Sophia Shoen Common Stock. It may not be relied upon by any other person or for any other purpose, or reproduced or filed publicly by any person, without the written consent of this firm; provided, however, we hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the references to this firm contained in the Registration Statement.

Very truly yours,

LIONEL SAWYER & COLLINS

October 21, 1994

AMERCO
1325 Airmotive Way
Suite 100
Reno, Nevada 89502-3239

Gentlemen:

We are familiar with the pleadings and rulings in the action pending in the Superior Court of Arizona in and for the county of Maricopa entitled Samuel W. Shoen, M.D., et al. v. Edward J. Shoen, et al. (No. CV88-20139) (the "Shareholder Litigation") and with the contested issues in the private arbitration proceedings commenced by Sophia M. Shoen and Paul F. Shoen (the "Arbitration"). Based upon our familiarity with the foregoing, it is our opinion that as of the date of this opinion nothing in the Shareholder Litigation or the Arbitration impairs the right, power, and authority of AMERCO, acting through its current officers and directors, to authorize, execute and deliver the Underwriting Agreement by and among AMERCO, Sophia M. Shoen, and Cruttenden & Company, Inc. and to perform the transactions contemplated thereby.

Nothing herein shall be deemed an opinion as to the laws of any jurisdiction other than the State of Arizona.

We hereby consent to the filing of this opinion as an exhibit to Exhibit 5 to the Registration Statement filed by AMERCO with the Securities and Exchange Commission (File No. 33-54289) and to the references to this firm contained in such Registration Statement.

Very truly yours,

SNELL & WILMER

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-2 of our report dated June 24, 1994, except as to Notes 14 and 21, which are as of August 15, 1994 and October 7, 1994, respectively, appearing on page 37 of AMERCO's Annual Report on Form 10-K for the year ended March 31, 1994. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Price Waterhouse LLP

Phoenix, Arizona
October 21, 1994