AMERCO /NV/
Form 10-K
May 24, 2017

United States Securities and exchange commission

Washington, D.C. 20549

Form 10-K

(Mark One)

[X]Annual Report Pursuant to Section 13 or 15(d) of the securities exchange act of 1934.

For the fiscal year ended March 31, 2017

or

[ ]Transition report pursuant to section 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from __________________ to _________________

Commission File Number	Registrant, State of Incorporation Address and Telephone Number	I.R.S. Employer Identification No.
1-11255	AMERCO (A Nevada Corporation) 5555 Kietzke Lane, Ste. 100 Reno, Nevada 89511 Telephone (775) 688-6300	88-0106815

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

Title of each class	Name of each exchange on which registered
Common stock, $0.25 par value	NASDAQ Global Select Market

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

Large accelerated filer [X]   Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a smaller reporting company)   Smaller reporting company [ ]

Emerging growth company [ ]

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of AMERCO common stock held by non-affiliates on September 30, 2016 was $2,221,500,104. The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on such date. Shares held by executive officers, directors and persons owning directly or indirectly more than 5% of the outstanding common stock have been excluded from the preceding number because such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

19,607,788 shares of AMERCO Common Stock, $0.25 par value, were outstanding at May 19, 2017.

Documents incorporated by reference: portions of AMERCO’s definitive proxy statement for the 2017 annual meeting of stockholders, to be filed within 120 days after AMERCO’s fiscal year ended March 31, 2017, are incorporated by reference into Part III of this report.

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Item 1. Business

Company Overview

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

We were founded in 1945 as a sole proprietorship under the name "U-Haul Trailer Rental Company" and have rented trailers ever since. Starting in 1959, we rented trucks on a one-way and in-town basis exclusively through independent U-Haul dealers. In 1974, we began developing our network of U-Haul managed retail stores, through which we rent our trucks and trailers, self-storage rooms and portable moving and storage units and sell moving and self-storage products and services to complement our independent dealer network.

We rent our distinctive orange and white U-Haul trucks and trailers as well as offer self-storage rooms through a network of over 1,750 Company operated retail moving stores and approximately 20,000 independent U-Haul dealers. We also sell U-Haul brand boxes, tape and other moving and self-storage products and services to "do-it-yourself" moving and storage customers at all of our distribution outlets and through our uhaul.com® and eMove® websites.

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

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

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

Available Information

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

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Products and Rental Equipment

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

As of March 31, 2017, our rental fleet consisted of approximately 150,000 trucks, 112,000 trailers and 40,000 towing devices. This equipment and our U-Haul brand of self-moving products and services are available through our network of managed retail moving stores and independent U-Haul dealers. Independent U-Haul dealers receive rental equipment from the Company, act as rental agents and are paid a commission based on gross revenues generated from their U-Haul rentals.

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

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

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

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

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

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

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

U-Haul has one of North America's largest propane refilling networks, with over 1,100 locations providing this convenient service. We employ trained, certified personnel to refill propane cylinders and alternative fuel vehicles. Our network of propane dispensing locations is one of the largest automobile alternative refueling networks in North America.

Our self-storage business was a natural outgrowth of our self-moving operations. Conveniently located U-Haul self-storage rental facilities provide clean, dry and secure space for storage of household and commercial goods. Storage units range in size from 6 square feet to over 1,000 square feet. As of March 31, 2017, we operate nearly 1,440 self-storage locations in the United States and Canada, with over 581,000 rentable rooms comprising 51.4 million square feet of rentable storage space. Our self-storage centers feature a wide array of security measures, ranging from electronic property access control gates to individually alarmed storage units. At many centers, we offer climate controlled storage rooms to protect temperature sensitive goods such as video tapes, albums, photographs and precious wood furniture.

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

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

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

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

We own numerous trademarks and service marks that contribute to the identity and recognition of our Company and its products and services. Certain of these marks are integral to the conduct of our business, a loss of any of which could have a material adverse affect on our business. We consider the trademark "U-Haul®" to be of material importance to our business. We own the U.S. trademarks and service marks "U-Haul®", "AMERCO®", "In-Town®", "eMove®", "Safemove®", "WebSelfStorage®", "uhaul.com®", "Lowest DecksSM", "Gentle Ride SuspensionSM", "Mom's Attic®", "U-Box®", "Moving Help®", "Safestor®", "Safetow®", "Safemove Plus®", "Safestor Mobile®", "U-Haul Investors Club®", "U-Note®", among others, for use in connection with the moving and storage business. Additionally, applications to register the U-Haul Truck ShareSM, U-Haul Truck Share 24/7SM and Truck Share 24/7SM trademarks are pending in the U.S. Patent and Trademark Office.

Description of Operating Segments

AMERCO's three reportable segments are:

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

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

Moving and Storage Operating Segment

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

Net revenue from Moving and Storage was approximately 90.8%, 91.0% and 91.0% of consolidated net revenue in fiscal 2017, 2016 and 2015, respectively.

During fiscal 2017, the Company placed over 42,000 new trucks in service. These additions and replacements to the fleet were a combination of U-Haul manufactured vehicles and purchases. As new trucks are added to the fleet, the Company typically removes older trucks from the fleet. The total number of rental trucks in the fleet increased during fiscal 2017 as the pace of new additions was greater than those trucks removed for retirement and sale.

Within our truck and trailer rental operation, we are focused on expanding our independent dealer network to provide added convenience for our customers. U-Haul maximizes vehicle utilization by managing distribution of the truck and trailer fleets among the over 1,750 Company operated stores and approximately 20,000 independent dealers. Utilizing its proprietary reservations management system, the Company's centers and dealers electronically report their inventory in real-time, which facilitates matching equipment to customer demand. Approximately 54% of all U-Move® rental revenue originates from the Company operated centers.

At our owned and operated retail stores we are implementing new initiatives to improve customer service. These initiatives include improving management of our rental equipment to provide our retail centers with the right type of rental equipment, at the right time and at the most convenient location for our customers, effective marketing of our broad line of self-moving related products and services, expanding accessibility to provide more convenience to our customers, and enhancing our ability to properly staff locations during our peak hours of operations by attracting and retaining "moonlighters" (part-time U-Haul employees with full-time jobs elsewhere) during our peak hours of operation. As of April 2017, U-Haul expanded it's offering of U-Haul Truck Share 24/7 SM to our entire network in the United States and Canada. U-Haul is seeking intellectual regulatory protection of this system.

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

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

U-Haul is one of the largest North American operators of self-storage and has been a leader in the self-storage industry since 1974. U-Haul operates over 581,000 storage rooms, comprising 51.4 million square feet of storage space with locations in 49 states and 10 Canadian provinces. U-Haul's owned and managed self-storage facility locations range in size up to 172,000 square feet of storage space, with individual storage units in sizes ranging from 6 square feet to over 1,000 square feet.

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

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

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

Property and Casualty Insurance Operating Segment

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

Net revenue from Property and Casualty Insurance was approximately 2.0%, 2.0% and 1.9% of consolidated net revenue in fiscal 2017, 2016 and 2015, respectively.

Life Insurance Operating Segment

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

Net revenue from Life Insurance was approximately 7.2%, 7.0% and 7.1% of consolidated net revenue in fiscal 2017, 2016 and 2015, respectively.

Employees

As of March 31, 2017, we employed nearly 28,300 people throughout the United States and Canada with approximately 98% of these employees working within Moving and Storage and approximately 56% of these employees working on a part-time basis.

Sales and Marketing

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

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

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

Competition

Moving and Storage Operating Segment

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

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

Insurance Operating Segments

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

Financial Data of Segment and Geographic Areas

For financial data of our segments and geographic areas please see Note 21, Financial Information by Geographic Area, and Note 21A, Consolidating Financial Information by Consolidating Industry Segment, of our Notes to Consolidated Financial Statements.

Cautionary Statement Regarding Forward-Looking Statements

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

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

Item 1A. Risk Factors

The following discussion of risk factors should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Consolidated Financial Statements and related notes.

These risk factors may be important in understanding this Annual Report or elsewhere.

We operate in a highly competitive industry.

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

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

We are highly leveraged.

As of March 31, 2017, we had total debt outstanding of $3,287.2 million and total undiscounted operating lease commitments of $129.4 million. Although we believe, based on existing information, that additional leverage can be supported by our operations and revenues, our existing debt could impact us in the following ways among other considerations:

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

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

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

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

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

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

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

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

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

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

We may not be able to effectively hedge against interest rate changes in our variable debt.

In certain instances, the Company seeks to manage its exposure to interest rate risk through the use of hedging instruments including interest rate swap agreements and forward swaps. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations. Additionally, a failure on our part to effectively hedge against interest rate changes may adversely affect our financial condition and results of operations. We are required to record these financial instruments at their fair value. Changes in interest rates can significantly impact the valuation of the instruments resulting in non-cash changes to our financial position.

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

Willow Grove Holdings LP (“Willow Grove”), directly and through controlled entities, owns 8,359,572 shares (approximately 42.6%) of AMERCO common stock. The general partner of Willow Grove is Foster Road, LLC (“Foster Road”). Foster Road controls the voting and disposition decisions with respect to the AMERCO common stock owned by Willow Grove and is owned and managed by Edward J. Shoen and Mark V. Shoen. Accordingly, Edward J.

Shoen and Mark V. Shoen, brothers, are in a position to significantly influence our business and policies, including the approval of certain significant transactions, the election of the members of our Board of Directors and other matters submitted to our stockholders. There can be no assurance that their interests will not conflict with the interests of our other stockholders.

In addition, 1,180,744 shares (approximately 6.0%) of AMERCO common stock is owned under our Employee Stock Ownership Plan ("ESOP"). Each ESOP participant is entitled to vote the shares allocated to himself or herself in their discretion. In the event an ESOP participant does not vote his or her shares, such shares shall be voted by the ESOP trustee, in the ESOP trustee's discretion.

We bear certain risks related to our notes receivable from SAC Holdings.

At March 31, 2017, we held a $48.1 million note receivable from SAC Holdings, which consists of a junior unsecured note. SAC Holdings is highly leveraged with significant indebtedness to others. If SAC Holdings is unable to meet its obligations to its senior lenders, it could trigger a default of its obligation to us. In such an event of default, we could suffer a loss to the extent the value of the underlying collateral of SAC Holdings is inadequate to repay its senior lenders and our junior unsecured note. We cannot assure you that SAC Holdings will not default on its loans to their senior lenders or that the value of its assets upon liquidation would be sufficient to repay us in full.

Our quarterly results of operations fluctuate due to seasonality and other factors associated with our industry.

Our business is seasonal and our results of operations and cash flows fluctuate significantly from quarter to quarter. Historically, revenues have been stronger in the first and second fiscal quarters due to the overall increase in moving activity during the spring and summer months. The fourth fiscal quarter is generally weakest, due to a greater potential for adverse weather conditions and other factors that are not necessarily seasonal. As a result, our operating results for any given quarterly period are not necessarily indicative of operating results for an entire year.

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

Compliance with environmental requirements of federal, state and local governments significantly affects our business. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Under environmental laws or common law principles, we can be held liable for hazardous substances that are found on real property we have owned or operated. We are aware of issues regarding hazardous substances on some of our real estate and we have put in place a remediation plan at each site where we believe such a plan is necessary. See Note 18, Contingencies, of the Notes to Consolidated Financial Statements. We regularly make capital and operating expenditures to stay in compliance with environmental laws. In particular, we have managed a testing and removal program since 1988 for our underground storage tanks. Despite these compliance efforts, we believe that risk of environmental liability is part of the nature of our business.

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

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

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

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

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

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

Our business plan relies upon a network of independent dealers strategically located throughout the United States and Canada. As of March 31, 2017 we had approximately 20,000 independent equipment rental dealers. In fiscal 2017, approximately 46% of our equipment rental revenues were generated through this network.

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

We face liability risks associated with the operation of our rental fleet.

The business of renting moving and storage equipment to customers exposes us to liability claims including property damage, personal injury and even death. We seek to limit the occurrence of such events through the design of our equipment, communication of its proper use and exhaustive repair and maintenance schedules. Regardless, accidents still occur and we manage the financial risk of these events through third party insurance carriers. While these excess loss insurance policies are available today at reasonable costs, this could change and could negatively affect our results of operations and financial position.

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

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

Our ability to attract and retain qualified employees, and changes in laws or other labor issues could adversely affect our business and our results of operations.

The success of our business is predicated upon our workforce providing excellent customer service. Our ability to attract and retain this employee base may be inhibited due to prevailing wage rates, benefit costs and the adoption of new or revised employment and labor laws and regulations. Should this occur we may be unable to provide service in certain areas or we may experience significantly increased costs of labor that could adversely affect our results of operations and financial condition.

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

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

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

In May 2016, A.M. Best affirmed the financial strength rating for Oxford and Christian Fidelity Life Insurance Company ("CFLIC") of A- with a stable outlook and affirmed the financial strength rating for North American Insurance Company ("NAI") of B++ with a stable outlook. Financial strength ratings are important external factors that can affect the success of Oxford's business plans. Accordingly, if Oxford's ratings, relative to its competitors, are not maintained or do not continue to improve, Oxford may not be able to retain and attract business as currently planned, which could adversely affect our results of operations and financial condition.

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

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

At December 31, 2016, Repwest reported $0.5 million of reinsurance recoverables, net of allowances and $104.0 million of reserves and liabilities ceded to reinsurers. Of this, Repwest's largest exposure to a single reinsurer was $60.6 million.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company, through its legal subsidiaries, owns property, plant and equipment that are utilized in the manufacturing, repair and rental of U-Haul equipment and storage space, as well as providing office space for us. Such facilities exist throughout the United States and Canada. We also manage storage facilities owned by others. We operate over 1,750 U-Haul retail centers of which approximately 480 are managed for other owners, and 11 manufacturing and assembly facilities. We also operate over 130 fixed-site repair facilities located throughout the United States and Canada. These facilities are used primarily for the benefit of Moving and Storage.

Item 3. Legal Proceedings

Environmental

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

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

Other

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

Item 4. Mine Safety Disclosure

Not applicable.

Part ii

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

As of May 3, 2017, there were approximately 2,900 holders of record of our common stock. We derived the number of our stockholders using internal stock ledgers and utilizing Mellon Investor Services Stockholder listings. AMERCO's common stock is listed on the NASDAQ Global Select Market under the trading symbol "UHAL".

The following table sets forth the high and the low sales price of the common stock of AMERCO for the periods indicated:

	Years Ended March 31,			
	2017		2016	
	High	Low	High	Low
First quarter	$382.44	$333.35	$338.41	$318.55
Second quarter	399.16	319.20	414.13	321.47
Third quarter	375.26	307.80	436.89	375.00
Fourth quarter	391.22	355.50	389.00	305.66

Dividends

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

Common Stock Dividends

Declared Date	Per Share Amount	Record Date	Dividend Date
February 8, 2017	$1.00	February 23, 2017	March 9, 2017
October 5, 2016	1.00	October 20, 2016	November 3, 2016
March 15, 2016	1.00	April 5, 2016	April 21, 2016
August 28, 2015	3.00	September 16, 2015	October 2, 2015
June 4, 2015	1.00	June 19, 2015	July 1, 2015
February 4, 2015	1.00	March 6, 2015	March 17, 2015

See Note 20, Statutory Financial Information of Insurance Subsidiaries, of the Notes to Consolidated Financial Statements for a discussion of certain statutory restrictions on the ability of the insurance subsidiaries to pay dividends to AMERCO.

Performance Graph

The following graph compares the cumulative total stockholder return on the Company's common stock for the period March 31, 2012 through March 31, 2017 with the cumulative total return on the Dow Jones US Total Market and the Dow Jones US Transportation Average. The comparison assumes that $100 was invested on March 31, 2012 in the Company's common stock and in each of the comparison indices. The graph reflects the value of the investment based on the closing price of the common stock trading on NASDAQ on March 31, 2013, 2014, 2015, 2016 and 2017.

Fiscal years ended March 31:	2012	2013	2014	2015	2016	2017
AMERCO	$100	$171	$229	$327	$358	$385
Dow Jones US Total Market	100	110	124	134	133	156
Dow Jones US Transportation Average	100	118	143	165	150	172

Item 6.Selected Financial Data

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

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

	Years Ended March 31,				
	2017	2016	2015	2014	2013
	(In thousands, except share and per share data)				
Summary of Operations:					
Self-moving equipment rentals	$2,362,833	$2,297,980	$2,146,391	$1,955,423	$1,767,520
Self-storage revenues	286,886	247,944	211,136	181,794	152,660
Self-moving and self-storage products and service sales	253,073	251,541	244,177	234,187	221,117
Property management fees	29,075	26,533	25,341	24,493	24,378
Life insurance premiums	163,579	162,662	156,103	157,919	178,115
Property and casualty insurance premiums	52,334	50,020	46,456	41,052	34,342
Net investment and interest income	102,276	86,617	84,728	79,591	82,903
Other revenue	171,711	152,171	160,199	160,793	97,552
Total revenues	3,421,767	3,275,468	3,074,531	2,835,252	2,558,587
Operating expenses	1,568,083	1,470,047	1,479,409	1,313,674	1,193,934
Commission expenses	267,230	262,627	249,642	227,332	204,758
Cost of sales	152,485	144,990	146,072	127,270	107,216
Benefits and losses	182,710	167,436	158,760	156,702	180,676
Amortization of deferred policy acquisition costs	26,218	23,272	19,661	19,982	17,376
Lease expense	37,343	49,780	79,798	100,466	117,448
Depreciation, net of (gains) losses on disposals (a)	445,435	290,690	278,165	259,612	237,996
Total costs and expenses	2,679,504	2,408,842	2,411,507	2,205,038	2,059,404
Earnings from operations	742,263	866,626	663,024	630,214	499,183
Interest expense	(113,406)	(97,715)	(97,525)	(92,692)	(90,696)
Fees and amortization on early extinguishment of debt	(499)	–	(4,081)	–	–
Pretax earnings	628,358	768,911	561,418	537,522	408,487
Income tax expense	(229,934)	(279,910)	(204,677)	(195,131)	(143,779)
Earnings available to common shareholders	$398,424	$489,001	$356,741	$342,391	$264,708
Basic and diluted earnings per common share	$20.34	$24.95	$18.21	$17.51	$13.56
Weighted average common shares outstanding: Basic and diluted	19,586,606	19,596,110	19,586,633	19,558,758	19,518,779
Cash dividends declared and accrued Common stock	39,171	97,960	19,594	19,568	97,421
Balance Sheet Data:					
Property, plant and equipment, net	$5,957,735	$5,017,511	$4,107,637	$3,409,211	$2,755,054
Total assets	9,405,840	8,109,288	6,855,600	5,989,930	5,297,940
Notes, loans and leases payable, net	3,262,880	2,647,396	2,174,294	1,933,311	1,653,184
Stockholders' equity	2,619,744	2,251,406	1,884,359	1,527,368	1,229,259

(a) Net (gains) losses were ($36.1) million, ($98.7) million, ($74.6) million, ($33.6) million and ($22.5) million for fiscal 2017, 2016, 2015, 2014 and 2013, respectively.

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

We begin this MD&A with the overall strategy of AMERCO, followed by a description of, and strategy related to, our operating segments to give the reader an overview of the goals of our businesses and the direction in which our businesses and products are moving. We then discuss our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. Next, we discuss our results of operations for fiscal 2017 compared with fiscal 2016, and for fiscal 2016 compared with fiscal 2015 which are followed by an analysis of liquidity changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our outlook for fiscal 2018.

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

AMERCO has a fiscal year that ends on the 31st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31st of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of financial position or results of operations. We disclose all material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2016, 2015 and 2014 correspond to fiscal 2017, 2016 and 2015 for AMERCO.

Overall Strategy

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

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

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

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

Description of Operating Segments

AMERCO's three reportable segments are:

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

See Note 1, Basis of Presentation, Note 21, Financial Information by Geographic Area, and Note 21A, Consolidating Financial Information by Industry Segment, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

Moving and Storage Operating Segment

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

With respect to our truck, trailer, specialty rental items and self-storage rental business, we are focused on expanding our dealer network, which provides added convenience for our customers and expanding the selection and availability of rental equipment to satisfy the needs of our customers.

U-Haul brand self-moving related products and services, such as boxes, pads and tape allow our customers to, among other things; protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the "do-it-yourself" moving and storage customer in mind.

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

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

Property and Casualty Insurance Operating Segment

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

Life Insurance Operating Segment

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

Critical Accounting Policies and Estimates

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

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

We also have other policies that we consider key accounting policies, such as revenue recognition; however, these policies do not meet the definition of critical accounting estimates, because they do not generally require us to make estimates or judgments that are difficult or subjective. The accounting policies that we deem most critical to us, and involve the most difficult, subjective or complex judgments include the following:

Principles of Consolidation

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

As promulgated by ASC 810, a VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of ASC 810. After a triggering event occurs the facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(ies) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

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

Recoverability of Property, Plant and Equipment

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

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets are shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the remaining life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts.

We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. If asset residual values are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

Management determined that additions to the fleet resulting from purchases should be depreciated on an accelerated method based upon a declining formula. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced by approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively, and then reduced on a straight line basis to a salvage value of 20% by the end of year fifteen. Beginning in October 2012, new purchased rental equipment subject to this depreciation schedule is depreciated to a salvage value of 15%. Comparatively, a standard straight line approach would reduce the book value by approximately 5.7% per year over the life of the truck.

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

Insurance Reserves

Liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. In addition, liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred, but not yet reported (“IBNR”). Liabilities for annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

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

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

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

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

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

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

Impairment of Investments

Investments are evaluated pursuant to guidance contained in ASC 320 - Investments - Debt and Equity Securities to determine if and when a decline in market value below amortized cost is other-than-temporary. Management makes certain assumptions or judgments in its assessment including but not limited to: our ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. There were no write downs in fiscal 2017, 2016 and 2015, respectively.

Income Taxes

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

Our tax returns are periodically reviewed by various taxing authorities. The final outcome of these audits may cause changes that could materially impact our financial results. Please see Note 13, Provision for Taxes, for more information.

Fair Values

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

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

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

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

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

Subsequent Events

Our management has evaluated subsequent events occurring after March 31, 2017. We do not believe any other subsequent events have occurred that would require further disclosure or adjustment to our financial statements other than those stated below.

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Real Estate Agreement

On October 15, 2015, Real Estate entered into a Purchase and Sale Agreement with 23rd and 11th Associates, L.L.C., for the sale of a portion of Real Estate's real property and improvements thereon located in Manhattan, New York for $200.0 million. Such agreement has been amended from time to time and was subject to several material regulatory contingencies. Real Estate believes that as of April 26, 2017, the last significant local regulatory contingency has been resolved and the closing of the sale of such property is reasonably expected to occur in August 2017. Real Estate will maintain ownership of one building at the Manhattan location thus allowing U-Haul to serve the equipment rental needs of our customers in the area. Real Estate's book value of the property being sold is approximately $5 million. The Company intends to reinvest the proceeds into its self-storage holdings via a tax free exchange pursuant to Section 1031 of the Internal Revenue Code.

Recent Accounting Pronouncements

Please see Note 3, Accounting Policies, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

AMERCO and Consolidated Subsidiaries

Fiscal 2017 Compared with Fiscal 2016

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2017 and fiscal 2016:

	Year Ended March 31,	
	2017	2016
	(In thousands)	
Self-moving equipment rentals	$2,362,833	$2,297,980
Self-storage revenues	286,886	247,944
Self-moving and self-storage products and service sales	253,073	251,541
Property management fees	29,075	26,533
Life insurance premiums	163,579	162,662
Property and casualty insurance premiums	52,334	50,020
Net investment and interest income	102,276	86,617
Other revenue	171,711	152,171
Consolidated revenue	$3,421,767	$3,275,468

Self-moving equipment rental revenues increased $64.9 million during fiscal 2017, compared fiscal 2016. During fiscal 2017, we continued to grow our rental system through the expansion of our distribution network and by increasing the number of trucks, trailers and towing devices available to our customers. Both In-Town® and one-way transactions increased compared with fiscal 2016, which resulted in improved revenue results.

Self-storage revenues increased $38.9 million during fiscal 2017, compared fiscal 2016. The average monthly amount of occupied square feet increased by 11.8% during fiscal 2017 compared with fiscal 2016. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to our real estate portfolio. Over the last twelve months we added approximately 3.4 million net rentable square feet, or a 14.0% increase, with approximately 1.0 million net rental square feet added during the fourth quarter of fiscal 2017.

Sales of self-moving and self-storage products and services increased $1.5 million during fiscal 2017, compared with fiscal 2016, primarily from the sale of moving supplies.

Life insurance premiums increased $0.9 million during fiscal 2017, compared with fiscal 2016 due primarily to increased life and Medicare supplement premiums.

Property and casualty insurance premiums increased $2.3 million during fiscal 2017, compared with fiscal 2016 due to an increase in Safetow® and Safestor® sales, which is a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased $15.7 million during fiscal 2017, compared with fiscal 2016 due to a larger invested asset base at our insurance companies and gains generated from our mortgage loan portfolio.

Other revenue increased $19.5 million during fiscal 2017, compared with fiscal 2016, primarily coming from growth in our U-Box® program.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were $3,421.8 million for fiscal 2017 as compared with $3,275.5 million for fiscal 2016.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2017 and 2016. The insurance companies' years ended December 31, 2016 and 2015.

	Year Ended March 31,	
	2017	2016
	(In thousands)	
Moving and storage		
Revenues	$3,113,000	$2,984,504
Earnings from operations before equity in earnings of subsidiaries	688,913	813,124
Property and casualty insurance		
Revenues	68,986	64,803
Earnings from operations	27,161	24,547
Life insurance		
Revenues	245,599	231,220
Earnings from operations	27,646	29,773
Eliminations		
Revenues	(5,818)	(5,059)
Earnings from operations before equity in earnings of subsidiaries	(1,457)	(818)
Consolidated Results		
Revenues	3,421,767	3,275,468
Earnings from operations	742,263	866,626

Total costs and expenses increased $270.7 million during fiscal 2017, compared with fiscal 2016. Our insurance segments accounted for $18.1 million of the increase primarily due to increased benefit costs.

Moving and Storage total costs and expenses increased $252.7 million. In October 2016, we settled the litigation with PODS Enterprises, Inc. ("PEI"). As part of this settlement, we paid $41.4 million to PEI. In fiscal 2015 and fiscal 2016, we recorded $66.0 million as accrued contingencies and interest related to this lawsuit. During the second quarter of fiscal 2017, we recognized the difference between our contingency accrual and the actual settlement as a $24.6 million reduction of operating expenses. Excluding the effect of the reversal of this accrual during fiscal 2017, operating expenses increased $122.9 million for Moving and Storage, primarily due to increased personnel costs, equipment maintenance and property tax, as well as a change in the accounting threshold for the expensing of smaller capital items that led to the additional costs being recognized immediately versus over time through depreciation expense. Depreciation expense increased $92.1 million due to the additional amount of equipment in the rental fleet. Net gains from the disposal of property, plant and equipment decreased $62.6 million combined this resulted in an increase of $154.7 million in depreciation expense, net. Compared with fiscal 2016, we sold fewer used trucks. On average the trucks sold had a higher average cost and we experienced a decrease in the average sales proceeds per unit. Lease expense decreased $12.4 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to $742.3 million for fiscal 2017, compared with $866.6 million for fiscal 2016.

Interest expense for fiscal 2017 was $113.4 million, compared with $97.7 million for fiscal 2016 due to an increase in borrowings in fiscal 2017 partially offset by lower borrowing costs. In addition, we incurred costs associated with the early extinguishment of debt during the third quarter of fiscal 2017 of $0.5 million for the write-off of unamortized transaction costs related to defeased debt.

Income tax expense was $229.9 million for fiscal 2017, compared with $279.9 million for fiscal 2016. The decrease was due to lower pretax earnings for fiscal 2017. The effective tax rate was 36.6% and 36.4% for fiscal 2017 and 2016, respectively.

As a result of the above mentioned items, earnings available to common shareholders were $398.4 million for fiscal 2017, compared with $489.0 million for fiscal 2016.

Basic and diluted earnings per common share for fiscal 2017 were $20.34, compared with $24.95 for fiscal 2016.

The weighted average common shares outstanding basic and diluted were 19,586,606 for fiscal 2017, compared with 19,596,110 for fiscal 2016.

Fiscal 2016 Compared with Fiscal 2015

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2016 and fiscal 2015:

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Self-moving equipment rentals	$2,297,980	$2,146,391
Self-storage revenues	247,944	211,136
Self-moving and self-storage products and service sales	251,541	244,177
Property management fees	26,533	25,341
Life insurance premiums	162,662	156,103
Property and casualty insurance premiums	50,020	46,456
Net investment and interest income	86,617	84,728
Other revenue	152,171	160,199
Consolidated revenue	$3,275,468	$3,074,531

Self-moving equipment rental revenues increased $151.6 million during fiscal 2016, compared with the fiscal 2015. In fiscal 2016, we continued to focus on enhancing our convenience to our customers by expanding our retail distribution system and growing our rental equipment fleet. During fiscal 2016, we added both independent dealers and Company-owned locations further extending our network reach. Our truck, trailer and towing device fleets experienced net additions during fiscal 2016. These activities, combined with operational improvements resulted in increases in both our one-way and In-Town® rental transactions compared with fiscal 2015. Revenue increased primarily from these transaction gains.

Self-storage revenues increased $36.8 million during fiscal 2016, compared with fiscal 2015. The average monthly amount of occupied square feet increased by 13.8% during fiscal 2016 compared with fiscal 2015. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2016, we added approximately 3.6 million net rentable square feet or a 17.9% increase, with approximately 0.8 million net rental square feet added during the fourth quarter.

Sales of self-moving and self-storage products and services increased $7.4 million during fiscal 2016, compared with fiscal 2015. Increases were recognized in the sales of moving supplies and towing accessories and related installations.

Life insurance premiums increased $6.6 million during fiscal 2016, compared with fiscal 2015 due primarily to increased life and Medicare supplement premiums.

Property and casualty insurance premiums increased $3.6 million during fiscal 2016, compared with fiscal 2015 due to an increase in Safestor® and Safetow® sales, which is a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased $1.9 million during fiscal 2016, compared with fiscal 2015, due to a larger invested asset base at our insurance companies. This was partially offset by decreased interest income at Moving and Storage resulting from reduced note balances due from SAC Holdings and Private Mini Storage Realty (“Private Mini”).

Other revenue decreased $8.0 million during fiscal 2016, compared with fiscal 2015 caused primarily by lower U-Box® program rentals.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were $3,275.5 million for fiscal 2016 as compared with $3,074.5 million for fiscal 2015.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2016 and 2015. The insurance companies’ years ended December 31, 2015 and 2014.

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Moving and storage		
Revenues	$2,984,504	$2,800,438
Earnings from operations before equity in earnings of subsidiaries	813,124	610,430
Property and casualty insurance		
Revenues	64,803	59,275
Earnings from operations	24,547	23,477
Life insurance		
Revenues	231,220	219,656
Earnings from operations	29,773	29,755
Eliminations		
Revenues	(5,059)	(4,838)
Earnings from operations before equity in earnings of subsidiaries	(818)	(638)
Consolidated Results		
Revenues	3,275,468	3,074,531
Earnings from operations	866,626	663,024

Total costs and expenses decreased $2.7 million during fiscal 2016, compared with fiscal 2015. Total costs at Moving and Storage decreased $18.6 million. The largest component of the decrease was related to our accruals for expenses associated with the PEI litigation which were $5.0 million and $60.7 million for fiscal 2016 and 2015, respectively. Personnel and overhead cost increases were partially offset by decreased direct operating costs associated with the U-Box® program. Depreciation expense increased $36.6 million; however, gains from the disposal of property, plant and equipment increased $24.1 million. This resulted in a net increase of $12.5 million in depreciation expense, net. During fiscal 2016, we increased the number of trucks sold compared with fiscal 2015 and the resale market for these trucks remained relatively strong. Lease expense decreased $30.0 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Total costs and expenses in the insurance segments increased $15.9 million primarily due to expenses associated with additional new business written.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $866.6 million for fiscal 2016, compared with $663.0 million for fiscal 2015.

Interest expense for fiscal 2016 was $97.7 million, compared with $97.5 million for fiscal 2015 due to an increase in average borrowings partially offset by a decrease in average borrowing costs.

Income tax expense was $279.9 million for fiscal 2016, compared with $204.7 million for fiscal 2015. The increase was due to higher pretax earnings for fiscal 2016. The effective tax rate was 36.4% and 36.5% for fiscal 2016 and 2015, respectively.

As a result of the above mentioned items, earnings available to common shareholders were $489.0 million for fiscal 2016, compared with $356.7 million for fiscal 2015.

Basic and diluted earnings per common share for fiscal 2016 were $24.95, compared with $18.21 for fiscal 2015.

The weighted average common shares outstanding basic and diluted were 19,596,110 for fiscal 2016, compared with 19,586,633 for fiscal 2015.

Moving and Storage

Fiscal 2017 Compared with Fiscal 2016

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2017 and fiscal 2016:

	Year Ended March 31,	
	2017	2016
	(In thousands)	
Self-moving equipment rentals	$2,366,526	$2,301,586
Self-storage revenues	286,886	247,944
Self-moving and self-storage products and service sales	253,073	251,541
Property management fees	29,075	26,533
Net investment and interest income	9,688	8,801
Other revenue	167,752	148,099
Moving and Storage revenue	$3,113,000	$2,984,504

Self-moving equipment rental revenues increased $64.9 million during fiscal 2017, compared with fiscal 2016. During fiscal 2017, we continued to grow our rental system through the expansion of our distribution network and by increasing the number of trucks, trailers and towing devices available to our customers. Both In-Town® and one-way transactions increased compared with fiscal 2016, this resulted in our improved revenue results.

Self-storage revenues increased $38.9 million during fiscal 2017, compared with fiscal 2016. The average monthly amount of occupied square feet increased by 11.8% during fiscal 2017 compared with fiscal 2016. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. Over the last twelve months we added approximately 3.4 million net rentable square feet, or a 14.0% increase, with approximately 1.0 million net rental square feet added during the fourth quarter of fiscal 2017.

Sales of self-moving and self-storage products and services increased $1.5 million during fiscal 2017, compared with fiscal 2016. Increases were recognized in the sales of moving supplies.

Net investment and interest income increased $0.9 million during fiscal 2017, compared with fiscal 2016.

Other revenue increased $19.7 million during fiscal 2017, compared with fiscal 2016 primarily coming from growth in our U-Box® program rentals.

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

	Year Ended March 31,	
	2017	2016
	(In thousands, except	

	occupancy rate)	
Room count as of March 31	318	275
Square footage as of March 31	27,305	23,951
Average monthly number of rooms occupied	226	203
Average monthly occupancy rate based on room count	75.8%	80.1%
Average monthly square footage occupied	20,386	18,231

The approximately 3.4 million net rentable square feet that we've added during fiscal 2017 was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was approximately 11%.

Total costs and expenses increased $252.7 million during fiscal 2017, compared with fiscal 2016. In October 2016, we settled the litigation with PEI. As part of this settlement, we paid $41.4 million to PEI. In fiscal 2015 and fiscal 2016, we recorded $66.0 million as accrued contingencies and interest related to this lawsuit. During the second quarter of fiscal 2017, we recognized the difference between our contingency accrual and the actual settlement as a $24.6 million reduction of operating expenses. Excluding the effect of the reversal of this accrual in fiscal 2017, operating expenses for Moving and Storage increased $122.9 million, primarily due to personnel costs, equipment maintenance and property tax, as well as a change in the accounting threshold for the expensing of smaller capital items that led to the additional costs being recognized immediately versus over time though depreciation expense. Depreciation expense increased $92.1 million due to the additional amount of equipment in the rental fleet. Net gains from the disposal of property, plant and equipment decreased $62.6 million combined this resulted in an increase of $154.7 million in depreciation expense, net. Compared with fiscal 2016, we sold fewer used trucks. On average the trucks sold had a higher average cost and we experienced a decrease in the average sales proceeds per unit. Lease expense decreased $12.4 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases.

As a result of the above mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries decreased to $688.9 million for fiscal 2017 as compared with $813.1 million for fiscal 2016.

Equity in the earnings of AMERCO's insurance subsidiaries increased $0.3 million for fiscal 2017, compared with fiscal 2016.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to $724.7 million for fiscal 2017, compared with $848.6 million for fiscal 2016.

Moving and Storage

Fiscal 2016 Compared with Fiscal 2015

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2016 and fiscal 2015:

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Self-moving equipment rentals	$2,301,586	$2,149,986
Self-storage revenues	247,944	211,136
Self-moving and self-storage products and service sales	251,541	244,177
Property management fees	26,533	25,341
Net investment and interest income	8,801	13,644
Other revenue	148,099	156,154
Moving and Storage revenue	$2,984,504	$2,800,438

Self-moving equipment rental revenues increased $151.6 million during fiscal 2016, compared with fiscal 2015. During fiscal 2016, we continue to focus on enhancing our convenience to our customers by expanding our retail distribution system and growing our rental equipment fleet. During fiscal 2016, we added both independent dealers and Company-owned locations further extending our network reach. Our truck, trailer and towing device fleets experienced net additions during fiscal 2016. These activities, combined with operational improvements resulted in increases in both our one-way and In-Town® rental transactions compared with fiscal 2015. Revenue increased primarily from these transaction gains.

Self-storage revenues increased $36.8 million during fiscal 2016, compared with fiscal 2015. The average monthly amount of occupied square feet increased by 13.8% during fiscal 2016 compared with fiscal 2015. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2016, we added approximately 3.6 million net rentable square feet or a 17.9% increase, with approximately 0.8 million net rental square feet added during the fourth quarter.

Sales of self-moving and self-storage products and services increased $7.4 million during fiscal 2016, compared with fiscal 2015. Increases were recognized in the sales of moving supplies and towing accessories and related installations.

Net investment and interest income decreased $4.8 million during fiscal 2016, compared with fiscal 2015. Reduced note balances due from SAC Holdings and Private Mini resulted in decreased interest income.

Other revenue decreased $8.1 million during fiscal 2016, compared with fiscal 2015 caused primarily by lower U-Box® program rentals.

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

	Year Ended March 31,	
	2016	2015
	(In thousands, except occupancy rate)	
Room count as of March 31	275	232
Square footage as of March 31	23,951	20,318
Average monthly number of rooms occupied	203	180
Average monthly occupancy rate based on room count	80.1%	81.7%
Average monthly square footage occupied	18,231	16,021

Total costs and expenses decreased $18.6 million for fiscal 2016 as compared with fiscal 2015. The largest component of the decrease was related to our accruals for expenses associated with the PEI litigation which were $5.0 million and $60.7 million for fiscal 2016 and 2015, respectively. Personnel and overhead cost increases were partially offset by decreased direct operating costs associated with the U-Box® program. Depreciation expense increased $36.6 million; however, gains from the disposal of property, plant and equipment increased $24.1 million. This resulted in a net increase of $12.5 million in depreciation expense, net. In fiscal 2016, we increased the number of trucks sold compared with fiscal 2015 and the resale market for these trucks remained relatively strong. Lease expense decreased $30.0 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases.

As a result of the above mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries increased to $813.1 million for fiscal 2016 as compared with $610.4 million for fiscal 2015.

Equity in the earnings of AMERCO's insurance subsidiaries increased $0.7 million for fiscal 2016, compared with fiscal 2015.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $848.6 million for fiscal 2016, compared with $645.2 million for fiscal 2015.

Property and Casualty Insurance

2016 Compared with 2015

Net premiums were $52.3 million and $50.0 million for the years ended December 31, 2016 and 2015, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment income was $16.7 million and $14.8 million for the years ended December 31, 2016 and 2015, respectively. The change was primarily due to an increase in realized capital gains of $1.3 million and a $1.1 million increase in fixed maturity income due to a larger invested asset base.

Net operating expenses were $28.4 million and $28.0 million for the years ended December 31, 2016 and 2015, respectively.

Benefits and losses incurred were $13.4 million and $12.3 million for the years ended December 31, 2016 and 2015, respectively. The increase was due to an increase in policies sold and related claims activity.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $27.2 million and $24.5 million for the years ended December 31, 2016 and 2015, respectively.

Property and Casualty Insurance

2015 Compared with 2014

Net premiums were $50.0 million and $46.5 million for the years ended December 31, 2015 and 2014, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment income was $14.8 million and $12.8 million for the years ended December 31, 2015 and 2014, respectively. The increase came from the real estate and fixed maturity portfolios that both grew in size compared to 2014.

Net operating expenses were $28.0 million and $24.8 million for the years ended December 31, 2015 and 2014, respectively. The increase was due largely to additional commission expenses and higher loss adjusting expenses.

Benefits and losses incurred were $12.3 million and $11.0 million for the years ended December 31, 2015 and 2014, respectively. The increase was due to claims activity coming from additional new business.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $24.5 million and $23.5 million for the years ended December 31, 2015 and 2014, respectively.

Life Insurance

2016 Compared with 2015

Net premiums were $163.6 million and $162.7 million for the years ended December 31, 2016 and 2015, respectively. Life premiums increased $0.4 million primarily from the increase in renewal premiums offset by a reduction in new sales and reinsurance premiums. An additional increase of $0.7 million was from supplemental contract considerations. Medicare supplement and other health premiums decreased $0.2 million. Deferred annuity deposits were $203.1 million or $65.1 million below prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was $77.5 million and $64.0 million for the years ended December 31, 2016 and 2015, respectively. An increase of $14.6 million in net investment income is attributable to a larger asset base and the gains from our mortgage loans portfolio, which was partially offset by a $1.1 million decrease in capital gains.

Net operating expenses were $22.4 million and $23.0 million for the years ended December 31, 2016 and 2015, respectively. The decrease was primarily due to a reduction in acquisition expenses from the decrease in annuity sales.

Benefits and losses incurred were $169.3 million and $155.1 million for the years ended December 31, 2016 and 2015, respectively. Medicare Supplement benefits increased by $8.8 million as a result of the increase in total policies in force from prior and new sales and the increased benefit to premium ratio. Life, annuities and other health benefits decreased $0.2 million. Interest credited to policyholders increased $5.6 million as a result of the increased deferred annuity deposit base and lower interest credited on policyholder accounts indexed to an S&P index in the third quarter of 2015.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was $26.2 million and $23.3 million for the years ended December 31, 2016 and 2015, respectively. The increase was due to an additional Annuity DAC amortization generated by the investment gains along with increased amortization associated with a larger DAC asset. This was partially offset by a decrease in Medicare supplement amortization.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $27.6 million and $29.8 million for the years ended December 31, 2016 and 2015, respectively.

Life Insurance

2015 Compared with 2014

Net premiums were $162.7 million and $156.1 million for the years ended December 31, 2015 and 2014, respectively. Medicare supplement premiums increased $5.8 million from new sales offset by a reduction in renewal premiums due to reduction in the in force business on older blocks. Medicare supplement first year premiums were $16.9 million in 2015, an increase of $7.5 million over 2014. Life premiums increased by $0.8 million primarily as a result of final expense renewals. Annuity deposits, which are accounted for on the balance sheet as deposits rather than premiums, increased $195.8 million over 2014. Included in the deposit increase is a $30.0 million deposit relating to a funding agreement with Federal Home Loan Bank system ("FHLB").

Net investment income was $64.0 million and $59.1 million for the years ended December 31, 2015 and 2014, respectively. Investment income increased $4.3 million due to a larger invested asset base while $0.7 million came from realized gains from sales of investments.

Net operating expenses were $23.0 million and $22.5 million for the years ended December 31, 2015 and 2014, respectively. The moderate increase was primarily due to the increased administrative expenses supporting new sales.

Benefits and losses incurred were $155.1 million and $147.8 million for the years ended December 31, 2015 and 2014, respectively. Medicare supplement benefits increased by $4.6 million primarily as a result of the increase in incurred benefits from new sales partially offset by a decrease in Medicare supplement active life reserve from the change in reserve valuation basis. Life insurance benefits increased $2.5 million due to higher mortality exposure while other benefits decreased $1.0 million. Interest credited to policyholders increased $1.2 million reflecting the increase in annuity deposits.

DAC, SIA and VOBA was $23.3 million and $19.7 million for the years ended December 31, 2015 and 2014, respectively. The increase in 2015 over 2014 was a result of an increased amortization on annuity and Medicare Supplement DAC due to the increased DAC asset base. This was partially offset by the decrease in life amortization due to a prior year DAC balance write off on older blocks.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $29.8 million for both years ended December 31, 2015 and 2014.

Liquidity and Capital Resources

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

At March 31, 2017, cash and cash equivalents totaled $697.8 million, compared with $600.6 million on March 31, 2016. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). As of March 31, 2017 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and debt obligations of each operating segment were:

	Moving & Storage	Property and Casualty Insurance (a)

						Life Insurance (a)
		(In thousands)				
Cash and cash equivalents	$	671,665	$	12,725	$	13,416
Other financial assets		165,405		431,155		1,731,909
Debt obligations		3,262,880		–		–

(a) As of December 31, 2016

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At March 31, 2017, Moving and Storage had available borrowing capacity under existing credit facilities of $133.0 million.

A summary of our consolidated cash flows for fiscal 2017, 2016 and 2015 is shown in the table below:

	Years Ended March 31,		
	2017	2016	2015
	(In thousands)		
Net cash provided by operating activities	$1,020,061	$1,040,988	$759,099
Net cash used by investing activities	(1,144,514)	(1,255,324)	(755,261)
Net cash provided (used) by financing activities	223,753	388,872	(46,338)
Effects of exchange rate on cash	(2,140)	(15,740)	(10,762)
Net cash flow	97,160	158,796	(53,262)
Cash at the beginning of the period	600,646	441,850	495,112
Cash at the end of the period	$697,806	$600,646	$441,850

Net cash provided by operating activities decreased $20.9 million in fiscal 2017, compared with fiscal 2016. The previous year included a $56.8 million of note and interest repayment from Private Mini that did not recur in fiscal 2017. This was partially offset by lower federal income tax payments in fiscal 2017.

Net cash used by investing activities decreased $110.8 million in fiscal 2017, compared with fiscal 2016. Purchases of property, plant and equipment, which are reported net of cash from sales and lease-back transactions, increased $220.2 million, while cash from the sales of property, plant and equipment decreased $51.8 million largely due to reduced fleet sales. Offsetting these net increases in investing activities was an increase in funds from equipment leases of $309.8 million. Life Insurance had a decrease in net cash used for investing of $116.5 million due to increased investment proceeds.

Net cash provided by financing activities decreased $165.1.1 million in fiscal 2017, as compared with fiscal 2016 due to a decrease in borrowings of $95.3 million, net decrease in repayments of debt and capital leases of $16.7 million, a decrease in annuity deposits, net of withdrawals, by Life Insurance of $109.3 million and a decrease in dividends paid of $19.6 million.

Liquidity and Capital Resources and Requirements of Our Operating Segments

Moving and Storage

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily consisted of new rental equipment acquisitions and the buyouts of existing fleet from leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment and externally from debt and lease financing. In the future, we anticipate that our internally generated funds will be used to service the existing debt and fund operations. U-Haul estimates that during fiscal 2018 the Company will reinvest in its truck and trailer rental fleet approximately $440 million, net of equipment sales and excluding any lease buyouts. For fiscal 2017, the Company invested, net of sales, approximately $705 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2018 and beyond will be dependent upon several factors including availability of capital, the truck rental environment and the used-truck sales market. We anticipate that the fiscal 2018 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations and sales. The Company's plan for the expansion of owned storage properties includes the acquisition of existing self-storage locations from third parties, the acquisition and development of bare land, and the acquisition and redevelopment of existing buildings not currently used for self-storage. The Company expects to fund these development projects through construction loans and internally generated funds. For fiscal 2017, the Company invested $484.5 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2018, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, and the identification and successful acquisition of target properties. U-Haul's growth plan in self-storage also includes the expansion of the U-Haul Storage

Affiliate program, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment and lease proceeds) were $932.0 million, $969.9 million and $630.3 million for fiscal 2017, 2016 and 2015, respectively. The components of our net capital expenditures are provided in the following table:

	Years Ended March 31,		
	2017	2016	2015
	(In thousands)		
Purchases of rental equipment	$1,178,908	$881,331	$898,420
Equipment lease buyouts	63,505	81,718	40,448
Purchases of real estate, construction and renovations	484,487	592,363	368,257
Other capital expenditures	139,448	90,788	41,761
Gross capital expenditures	1,866,348	1,646,200	1,348,886
Less: Lease proceeds	(446,843)	(137,046)	(306,955)
Less: Sales of property, plant and equipment	(487,475)	(539,256)	(411,629)
Net capital expenditures	932,030	969,898	630,302

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

Property and Casualty Insurance

State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Property and Casualty Insurance's assets are generally not available to satisfy the claims of AMERCO, or its legal subsidiaries.

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

Our Property and Casualty operating segment stockholder’s equity was $180.9 million, $160.6 million, and $169.3 million at December 31, 2016, 2015, and 2014, respectively. The increase in 2016 compared with 2015 resulted from net earnings of $17.8 million, an increase in accumulated other comprehensive income of $2.5 million. Property and Casualty Insurance does not use debt or equity issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio.

Life Insurance

Life Insurance manages its financial assets to meet policyholder and other obligations including investment contract withdrawals and deposits. Life Insurance's net deposit increase for the year ended December 31, 2016 was $136.0 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's funds are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Our Life Insurance operating segment stockholder’s equity was $296.1 million, $271.7 million, and $274.2 million at December 31, 2016, 2015 and 2014, respectively. The increase in 2016 compared with 2015 resulted from earnings of $18.0 million and an increase in accumulated other comprehensive income of $6.4 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio. Life Insurance has not historically used debt or equity issues to increase capital and therefore has not had any significant direct exposure to capital market conditions other than through its investment portfolio. However, as of December 31, 2016, Oxford had outstanding deposits of $30.0 million through their membership in the FHLB. For a more detailed discussion of this deposit, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Cash Provided (Used) from Operating Activities by Operating Segments

Moving and Storage

Net cash provided by operating activities was $945.5 million, $989.6 million and $700.3 million in fiscal 2017, 2016 and 2015. The previous year included $56.8 million of note and interest repayment from Private Mini that did not recur in fiscal 2017. This was partially offset by lower federal income tax payments in fiscal 2017.

Property and Casualty Insurance

Net cash provided by operating activities was $18.2 million, $19.0 million, and $16.6 million for the years ended December 31, 2016, 2015, and 2014, respectively. The decrease in 2016 compared with 2015 was consistent with typical claims activity.

Property and Casualty Insurance’s cash and cash equivalents and short-term investment portfolios amounted to $20.7 million, $24.3 million, and $18.7 million at December 31, 2016, 2015, and 2014, respectively. These balances reflect funds in transition from maturity proceeds to long-term investments. Management believes this level of liquid assets, combined with budgeted cash flow, is adequate to meet foreseeable cash needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

Life Insurance

Net cash provided by operating activities was $56.3 million, $32.4 million and $42.3 million for the years ended December 31, 2016, 2015 and 2014, respectively. Operating cash flows increased due to the increase in investment income and reduction in commissions and expenses. This was offset by the decrease due to timing in collections of receivables and settlement of payables and increases in benefits.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are available through Life Insurance's short-term portfolio and its membership in the FHLB. At December 31, 2016, 2015 and 2014, cash and cash equivalents and short-term investments amounted to $20.6 million, $25.5 million and $39.0 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

Liquidity and Capital Resources - Summary

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

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment leases. As part of this strategy, we seek to ladder maturities and hedge floating rate loans through the use of interest rate swaps. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management believes it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit facilities to meet the current and expected needs of the Company over the next several years. At March 31, 2017, we had available borrowing capacity under existing credit facilities of $133.0 million. It is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit. We believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Fair Value of Financial Instruments

Certain assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three tiered approach to valuation. ASC 820 requires that financial assets and liabilities recorded at fair value be classified and disclosed in a Level 1, Level 2 or Level 3 category. For more information, please see Note 15, Fair Value Measurements, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

The available-for-sale securities held by the Company are recorded at fair value. These values are determined primarily from actively traded markets where prices are based either on direct market quotes or observed transactions. Liquidity is a factor considered during the determination of the fair value of these securities. Market price quotes may not be readily available for certain securities or the market for them has slowed or ceased. In situations where the market is determined to be illiquid, fair value is determined based upon limited available information and other factors including expected cash flows. At March 31, 2017, we had $0.3 million of available-for-sale assets classified in Level 3.

The interest rate swaps held by us as hedges against interest rate risk for our variable rate debt are recorded at fair value. These values are determined using pricing valuation models which include broker quotes for which significant inputs are observable. They include adjustments for counterparty credit quality and other deal-specific factors, where appropriate and are classified as Level 2.

Disclosures about Contractual Obligations and Commercial Commitments

The following table provides contractual commitments and contingencies as of March 31, 2017:

		Payment due by Period (as of March 31, 2017)			
Contractual Obligations	Total	04/01/17 - 03/31/18	04/01/18 - 03/31/20	04/01/20 - 03/31/22	Thereafter
	(In thousands)				
Notes and loans payable - Principal	$ 1,908,405	$ 244,886	305,524	$ 202,013	$ 1,155,982
Notes and loans payable - Interest	605,079	77,637	128,927	111,002	287,513
Revolving credit agreements - Principal	502,000	47,333	344,667	110,000	–
Revolving credit agreements - Interest	24,697	10,257	11,616	2,824	–
Capital leases - Principal	876,828	196,706	387,079	213,078	79,965
Capital leases - Interest	62,479	22,397	27,919	10,062	2,101
Operating leases	145,897	26,958	54,809	29,780	34,350
Ground leases	51,937	957	2,015	2,054	46,911
Property and casualty obligations (a)	140,448	10,600	13,414	9,411	107,023
Life, health and annuity obligations (b)	3,383,214	299,645	507,187	491,461	