

AMERCO /NV/
Form 10-Q
November 04, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2009

or

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-11255	AMERCO (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300	88-0106815

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of a "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer
Smaller reporting company

Non-accelerated filer

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

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at November 1, 2009.

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PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (Unaudited)	March 31, 2009
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 384,951	\$ 240,587
Reinsurance recoverables and trade receivables, net	201,539	213,853
Notes and mortgage receivables, net	2,897	2,931
Inventories, net	62,071	70,749
Prepaid expenses	57,598	54,201
Investments, fixed maturities and marketable equities	523,400	519,631
Investments, other	208,529	227,022
Deferred policy acquisition costs, net	40,967	44,993
Other assets	126,500	133,644
Related party assets	296,766	303,534
	1,905,218	1,811,145
Property, plant and equipment, at cost:		
Land	223,566	212,744
Buildings and improvements	944,760	920,294
Furniture and equipment	332,937	333,314
Rental trailers and other rental equipment	235,418	214,988
Rental trucks	1,627,140	1,666,151
	3,363,821	3,347,491
Less: Accumulated depreciation	(1,339,135)	(1,333,563)
Total property, plant and equipment	2,024,686	2,013,928
Total assets	\$ 3,929,904	\$ 3,825,073
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 308,988	\$ 329,227
Notes, loans and leases payable	1,549,425	1,546,490
Policy benefits and losses, claims and loss expenses payable	793,462	779,309
Liabilities from investment contracts	280,479	303,332
Other policyholders' funds and liabilities	8,649	11,961
Deferred income	22,826	24,612
Deferred income taxes	162,058	112,513
Total liabilities	3,125,887	3,107,444
Commitments and contingencies (notes 4, 8, 9 and 10)		
Stockholders' equity:		

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Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,033,900 and 6,100,000 shares issued and outstanding as of September 30 and March 31, 2009	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of September 30 and March 31, 2009	-	-
Series common stock, with or without par value, 150,000,000 shares authorized:		
Series A common stock of \$0.25 par value, 10,000,000 shares authorized; none issued and outstanding as of September 30 and March 31, 2009	-	-
Common stock of \$0.25 par value, 150,000,000 shares authorized; 41,985,700 issued as of September 30 and March 31, 2009	10,497	10,497
Additional paid-in capital	420,029	420,588
Accumulated other comprehensive loss	(72,627)	(98,000)
Retained earnings	976,903	915,862
Cost of common shares in treasury, net (22,377,912 shares as of September 30 and March 31, 2009)	(525,653)	(525,653)
Unearned employee stock ownership plan shares	(5,132)	(5,665)
Total stockholders' equity	804,017	717,629
Total liabilities and stockholders' equity	\$3,929,904	\$3,825,073

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended September 30,	
	2009	2008
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	\$ 427,203	\$ 439,244
Self-storage revenues	27,412	27,901
Self-moving and self-storage products and service sales	55,522	58,296
Property management fees	4,478	4,721
Life insurance premiums	28,738	27,099
Property and casualty insurance premiums	7,046	7,359
Net investment and interest income	12,539	14,983
Other revenue	10,986	11,892
Total revenues	573,924	591,495
Costs and expenses:		
Operating expenses	273,730	277,090
Commission expenses	51,098	54,082
Cost of sales	28,359	32,642
Benefits and losses	25,807	24,871
Amortization of deferred policy acquisition costs	2,296	2,338
Lease expense	40,026	38,516
Depreciation, net of (gains) losses on disposals	56,790	66,434
Total costs and expenses	478,106	495,973
Earnings from operations	95,818	95,522
Interest expense	(23,938)	(24,930)
Pretax earnings	71,880	70,592
Income tax expense	(27,189)	(26,768)
Net earnings	44,691	43,824
Excess carrying amount of preferred stock over consideration paid	48	-
Less: Preferred stock dividends	(3,212)	(3,241)
Earnings available to common shareholders	\$ 41,527	\$ 40,583
Basic and diluted earnings per common share	\$ 2.14	\$ 2.10
Weighted average common shares outstanding: Basic and diluted	19,382,101	19,351,322

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months Ended September 30,	
	2009	2008
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Revenues:		
Self-moving equipment rentals	\$ 800,144	\$ 829,273
Self-storage revenues	54,416	55,452
Self-moving and self-storage products and service sales	113,344	120,852
Property management fees	8,928	9,437
Life insurance premiums	56,342	54,016
Property and casualty insurance premiums	13,261	13,483
Net investment and interest income	26,219	29,579
Other revenue	21,929	22,197
Total revenues	1,094,583	1,134,289
Costs and expenses:		
Operating expenses	532,231	538,803
Commission expenses	95,509	102,047
Cost of sales	58,809	67,627
Benefits and losses	53,501	49,746
Amortization of deferred policy acquisition costs	4,213	4,426
Lease expense	79,299	73,084
Depreciation, net of (gains) losses on disposals	116,007	131,372
Total costs and expenses	939,569	967,105
Earnings from operations	155,014	167,184
Interest expense	(47,159)	(48,774)
Pretax earnings	107,855	118,410
Income tax expense	(40,732)	(44,760)
Net earnings	67,123	73,650
Excess carrying amount of preferred stock over consideration paid	371	-
Less: Preferred stock dividends	(6,453)	(6,482)
Earnings available to common shareholders	\$ 61,041	\$ 67,168
Basic and diluted earnings per common share	\$ 3.15	\$ 3.47
Weighted average common shares outstanding: Basic and diluted	19,375,846	19,346,943

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

AMERCO AND CONSOLIDATED ENTITIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Quarter Ended September 30,	
	2009	2008
	(Unaudited)	
	(In thousands)	
Comprehensive income:		
Net earnings	\$44,691	\$43,824
Other comprehensive income (loss), net of tax:		
Foreign currency translation	5,674	(3,475)
Unrealized gain (loss) on investments	8,319	(4,152)
Change in fair value of cash flow hedges	(3,345)	(1,968)
Total comprehensive income	\$55,339	\$34,229

	Six Months Ended September 30,	
	2009	2008
	(Unaudited)	
	(In thousands)	
Comprehensive income:		
Net earnings	\$67,123	\$73,650
Other comprehensive income (loss), net of tax:		
Foreign currency translation	9,903	(2,293)