BROWN FORMAN CORP
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March 23, 2006

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No.)*

BROWN-FORMAN CORPORATION
(Name of Issuer)
Class A Common Stock
(Title of Class of Securities)
115637-10-0
(CUSIP Number)
Thomas E. Rutledge
Stoll Keenon Ogden PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
(502) 582-1601
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)
March 14, 2006
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

o Rule 13d-1(b)

þ Rule 13d-1(c)

o Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

CUSIP No. 115637-10-0

1	NAMES OF REPORTING PERSONS: Campbell P. Brown I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) o (b) o
3	SEC USE ONLY:
4	CITIZENSHIP OR PLACE OF ORGANIZATION: United States of America

NUMBER OF	**5**	SOLE VOTING POWER: 0
SHARES BENEFICIALLY OWNED BY	**6**	SHARED VOTING POWER: 3,087,453
EACH REPORTING PERSON	**7**	SOLE DISPOSITIVE POWER: 0
WITH:	**8**	SHARED DISPOSITIVE POWER: 3,087,453

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

	3,087,453
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9): 5.4%
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

Item 1.

Brown-Forman Corporation
850 Dixie Highway
Louisville, Kentucky 40210

Item 2.

a)	Name:	Campbell P. Brown
b)	Principal Business address:	100 Conduit Street Annapolis, Maryland 21401

c) United States of America

d) Brown-Forman Corporation Class A Common Stock

e) 0115637-10-0

Item 3. If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) o Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) o Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) o Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) o Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) o An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E).

(f) o An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F).

(g) o A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G).

(h) o A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(i) o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

(j) o Group, in accordance with § 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

The amount of shares beneficially owned by the undersigned as of March 14, 2006, is as follows:

		Aggregate Number
(a)	Beneficially Owned	3,087,453
(b)	Percent of Class	5.4%
(c)	Sole Voting Power	0
	Shared Voting Power	3,087,453
	Sole Disposition Power	0
	Shared Disposition Power	3,087,453

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

On March 14, 2006, the undersigned became an advisor to a trust holding Brown-Forman Corporation Class A Common Stock. As an advisor the undersigned shares voting and dispositional power over the shares held by the trust. As of the date of this filing the other members of the advisory committee are Geo. Garvin Brown III, father of the undersigned, and Geo. Garvin Brown IV, brother of the undersigned. Geo. Garvin Brown III has the right to receive the dividends and the proceeds of sale from certain of the shares for which the undersigned has shared voting and dispositional control, with those shares being more than 5% of the Class A Common Stock.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

N/A

Item 8. Identification and Classification of Members of the Group.

N/A

Item 9. Notice of Dissolution of Group.

N/A

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 22, 2006

/s/ Campbell P. Brown

Campbell P. Brown

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Series A common stock of $0.25 par value, 10,000,000 shares authorized;

none issued and outstanding as of March 31, 2016 and 2015

–

–

Common stock, with 0.25 par value, 150,000,000 shares authorized:

Common stock of $0.25 par value, 150,000,000 shares authorized; 41,985,700

issued and 19,607,788 outstanding as of March 31, 2016 and 2015

10,497

10,497

Additional paid-in capital

451,629

449,668

Accumulated other comprehensive loss

(60,525)

(34,365)

Retained earnings

2,533,641

2,142,600

Cost of common shares in treasury, net (22,377,912 shares as of March 31, 2016 and 2015)

(525,653)

(525,653)

Cost of preferred shares in treasury, net (6,100,000 shares as of March 31, 2016 and 2015)

(151,997)

(151,997)

Unearned employee stock ownership plan shares

(6,186)

(6,391)

Total stockholders' equity

2,251,406

1,884,359

Total liabilities and stockholders' equity

$

8,150,725

$

6,872,175

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

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amerco and consolidated subsidiaries

Consolidated statements of operations

	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except share and per share data)		
Revenues:			
Self-moving equipment rentals	$2,297,980	$2,146,391	$1,955,423
Self-storage revenues	247,944	211,136	181,794
Self-moving and self-storage products and service sales	251,541	244,177	234,187
Property management fees	26,533	25,341	24,493
Life insurance premiums	162,662	156,103	157,919
Property and casualty insurance premiums	50,020	46,456	41,052
Net investment and interest income	86,805	84,728	79,591
Other revenue	152,171	160,199	160,793
Total revenues	3,275,656	3,074,531	2,835,252
Costs and expenses:			
Operating expenses	1,470,047	1,479,409	1,313,674
Commission expenses	262,627	249,642	227,332
Cost of sales	144,990	146,072	127,270
Benefits and losses	167,436	158,760	156,702
Amortization of deferred policy acquisition costs	23,272	19,661	19,982
Lease expense	49,780	79,798	100,466
Depreciation, net of (gains) losses on disposals of (($98,703), ($74,631) and ($33,557), respectively)	290,690	278,165	259,612
Total costs and expenses	2,408,842	2,411,507	2,205,038
Earnings from operations	866,814	663,024	630,214
Interest expense	(97,903)	(97,525)	(92,692)
Fees and amortization on early extinguishment of debt	–	(4,081)	–
Pretax earnings	768,911	561,418	537,522
Income tax expense	(279,910)	(204,677)	(195,131)
Earnings available to common stockholders	$489,001	$356,741	$342,391
Basic and diluted earnings per common share	$24.95	$18.21	$17.51
Weighted average common shares outstanding: Basic and diluted	19,596,110	19,586,633	19,558,758

Related party revenues for fiscal 2016, 2015 and 2014, net of eliminations, were $32.6 million, $36.2 million and $36.9 million, respectively.

Related party costs and expenses for fiscal 2016, 2015, and 2014, net of eliminations, were $57.4 million, $54.7 million and $52.6 million, respectively.

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

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Amerco and Consolidated Subsidiaries

Consolidated statements of comprehensive income (loss)

Fiscal Year Ended March 31, 2016	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	$768,911	$(279,910)	$489,001
Other comprehensive income:			
Foreign currency translation	(4,473)	–	(4,473)
Unrealized net loss on investments	(41,639)	14,573	(27,066)
Change in fair value of cash flow hedges	9,721	(3,694)	6,027
Postretirement benefit obligations loss	(1,029)	381	(648)
Total comprehensive income	$731,491	$(268,650)	$462,841

Fiscal Year Ended March 31, 2015	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	$561,418	$(204,677)	$356,741
Other comprehensive income:			
Foreign currency translation	(19,883)	–	(19,883)
Unrealized net gain on investments	54,139	(18,949)	35,190
Change in fair value of cash flow hedges	8,203	(3,117)	5,086
Postretirement benefit obligations loss	(1,325)	490	(835)
Total comprehensive income	$602,552	$(226,253)	$376,299

Fiscal Year Ended March 31, 2014	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	$537,522	$(195,131)	$342,391
Other comprehensive income:			
Foreign currency translation	(9,134)	–	(9,134)
Unrealized net loss on investments	(51,590)	17,936	(33,654)
Change in fair value of cash flow hedges	19,317	(7,340)	11,977
Postretirement benefit obligations loss	(697)	265	(432)
Total comprehensive income	$495,418	$(184,270)	$311,148

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

Amerco and consolidated subsidiaries

consolidated statements of changes in stockholders’ equity

Description	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Less: Treasury Common Stock	Less: Treasury Preferred Stock	Less: Unearned Employee Stock Ownership Plan Shares	Total Stockholders' Equity
	(In thousands)							
Balance as of March 31, 2013	$10,497	$438,168	$(22,680)	$1,482,630	$(525,653)	$(151,997)	$(1,706)	$1,229,259
Increase in market value of released ESOP shares	–	6,042	–	–	–	–	–	6,042
Release of unearned ESOP shares	–	–	–	–	–	–	694	694
Purchase of ESOP shares	–	–	–	–	–	–	(207)	(207)
Foreign currency translation	–	–	(9,134)	–	–	–	–	(9,134)
Unrealized net loss on investments, net of tax	–	–	(33,654)	–	–	–	–	(33,654)
Fair market value of cash flow hedges, net of tax	–	–	11,977	–	–	–	–	11,977
Adjustment to post retirement benefit obligation	–	–	(432)	–	–	–	–	(432)
Net earnings	–	–	–	342,391	–	–	–	342,391
Common stock dividend: ($1.00 per share for fiscal 2014)	–	–	–	(19,568)	–	–	–	(19,568)
Net activity	–	6,042	(31,243)	322,823	–	–	487	298,109

Balance as of March 31, 2014	$10,497	$444,210	$(53,923)	$1,805,453	$(525,653)	(151,997)	$(1,219)	$1,527,368
Increase in market value of released ESOP shares	–	5,458	–	–	–	–	–	5,458
Release of unearned ESOP shares	–	–	–	–	–	–	2,767	2,767
Purchase of ESOP shares	–	–	–	–	–	–	(7,939)	(7,939)
Foreign currency translation	–	–	(19,883)	–	–	–	–	(19,883)
Unrealized net gain on investments, net of tax	–	–	35,190	–	–	–	–	35,190
Fair market value of cash flow hedges, net of tax	–	–	5,086	–	–	–	–	5,086
Adjustment to post retirement benefit obligation	–	–	(835)	–	–	–	–	(835)
Net earnings	–	–	–	356,741	–	–	–	356,741
Common stock dividends: ($1.00 per share for fiscal 2015)	–	–	–	(19,594)	–	–	–	(19,594)
Net activity	–	5,458	19,558	337,147	–	–	(5,172)	356,991
Balance as of March 31, 2015	$10,497	$449,668	$(34,365)	$2,142,600	$(525,653)	$(151,997)	$(6,391)	$1,884,359
Increase in market value of released ESOP shares	–	1,961	–	–	–	–	–	1,961
Release of unearned ESOP shares	–	–	–	–	–	–	9,507	9,507
Purchase of ESOP shares	–	–	–	–	–	–	(9,302)	(9,302)
Foreign currency translation	–	–	(4,473)	–	–	–	–	(4,473)

Unrealized net loss on investments, net of tax	–	–	(27,066)	–	–	–	–	(27,066)
Fair market value of cash flow hedges, net of tax	–	–	6,027	–	–	–	–	6,027
Adjustment to post retirement benefit obligation	–	–	(648)	–	–	–	–	(648)
Net earnings	–	–	–	489,001	–	–	–	489,001
Common stock dividends: ($5.00 per share for fiscal 2016)	–	–	–	(97,960)	–	–	–	(97,960)
Net activity	–	1,961	(26,160)	391,041	–	–	205	367,047
Balance as of March 31, 2016	$10,497	$451,629	$(60,525)	$2,533,641	$(525,653)	$(151,997)	$(6,186)	$2,251,406

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

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amerco and consolidated subsidiaries

consolidated statements of cash flows

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Cash flows from operating activities:			
Net earnings	$489,001	$356,741	$342,391
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	389,393	352,796	293,169
Amortization of deferred policy acquisition costs	23,272	19,661	19,982
Interest credited to policyholders	20,465	18,110	22,890
Change in allowance for losses on trade receivables	(205)	(168)	(36)
Change in allowance for inventory reserves	(1,343)	(872)	871
Net gain on sale of real and personal property	(98,703)	(74,631)	(33,557)
Net gain on sale of investments	(4,491)	(3,925)	(6,411)
Deferred income taxes	138,075	76,500	46,371
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	14,765	9,632	62,506
Inventories	(9,009)	(1,579)	(11,495)
Prepaid expenses	(10,338)	(65,720)	2,186
Capitalization of deferred policy acquisition costs	(32,590)	(27,084)	(32,611)
Other assets	15,322	3,735	7,667
Related party assets	56,644	27,706	7,554
Accounts payable and accrued expenses	37,387	98,877	36,365
Policy benefits and losses, claims and loss expenses payable	9,626	(17,621)	(30,496)
Other policyholders' funds and liabilities	(349)	988	631
Deferred income	4,757	(13,181)	1,259
Related party liabilities	(616)	(866)	4,730
Net cash provided by operating activities	1,041,063	759,099	733,966
Cash flow from investing activities:			
Purchase of:			
Property, plant and equipment	(1,509,154)	(1,041,931)	(1,000,243)
Short term investments	(515,899)	(290,379)	(270,690)
Fixed maturity investments	(417,062)	(214,371)	(282,424)
Equity securities	(1,315)	(3,759)	(1,562)
Preferred stock	(1,005)	(2,006)	(640)
Real estate	(75)	(15,399)	(532)
Mortgage loans	(102,588)	(42,683)	(52,419)
Proceeds from sales and paydowns of:			
Property, plant and equipment	539,256	411,629	270,053
Short term investments	528,180	287,883	269,052
Fixed maturity investments	154,536	107,867	138,401
Equity securities	2,044	3,082	29,139
Preferred stock	1,126	2,427	6,004

Real estate	–	396	544
Mortgage loans	48,557	41,983	48,686
Net cash used by investing activities	(1,273,399)	(755,261)	(846,631)
Cash flow from financing activities:			
Borrowings from credit facilities	855,972	657,535	431,029
Principal repayments on credit facilities	(428,403)	(593,722)	(293,068)
Debt issuance costs	(10,184)	(12,327)	(3,943)
Capital lease payments	(168,661)	(121,202)	(53,079)
Purchases of Employee Stock Ownership Plan Shares	(9,302)	(7,939)	(207)
Securitization deposits	544	–	–
Common stock dividends paid	(78,374)	(19,594)	(19,568)
Investment contract deposits	298,237	105,019	117,723
Investment contract withdrawals	(52,957)	(54,108)	(34,677)
Net cash provided (used) by financing activities	406,872	(46,338)	144,210
Effects of exchange rate on cash	(15,740)	(10,762)	(177)
Increase (decrease) in cash and cash equivalents	158,796	(53,262)	31,368
Cash and cash equivalents at the beginning of period	441,850	495,112	463,744
Cash and cash equivalents at the end of period	$600,646	$441,850	$495,112

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

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amerco and consolidated subsidiaries

notes to consolidated financial statements

Note 1. Basis of Presentation

AMERCO, a Nevada Corporation ("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 financial position or results of operations. We disclose any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2015, 2014 and 2013 correspond to fiscal 2016, 2015 and 2014 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars. Certain amounts reported in previous years have been reclassified to conform to the current presentation.

Note 2. Principles of Consolidation

We apply 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 most recent facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(s) 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.

Intercompany accounts and transactions have been eliminated.

Description of Legal Entities

AMERCO is the holding company for:

U-Haul International, Inc. ("U-Haul"),

Amerco Real Estate Company ("Real Estate"),

Repwest Insurance Company ("Repwest"), and

Oxford Life Insurance Company (“Oxford”).

Unless the context otherwise requires, the term “Company,” “we,” “us” or “our” refers to AMERCO and all of its legal subsidiaries.

Description of Operating Segments

AMERCO has three reportable segments. They are Moving and Storage, Property and Casualty Insurance and Life Insurance.

Moving and Storage includes AMERCO, U-Haul, and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate. Operations consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and portable moving and storage units to the “do-it-yourself” mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Property and Casualty Insurance includes Repwest and its wholly-owned subsidiaries and ARCOA Risk Retention Group ("ARCOA"). Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices across North America. Property and Casualty Insurance also underwrites components of the Safemove, Safetow, Safemove Plus, Safestor and Safestor Mobile protection packages to U-Haul customers. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs. ARCOA is a group captive insurer owned by us and our wholly-owned subsidiaries whose purpose is to provide insurance products related to the moving and storage business.

Life Insurance includes Oxford and its wholly-owned subsidiaries. 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.

Note 3. Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The accounting policies that we deem most critical to us and that require management's most difficult and subjective judgments include the principles of consolidation, the recoverability of property, plant and equipment, the adequacy of insurance reserves, the recognition and measurement of impairments for investments accounted for under ASC 320 - Investments - Debt and Equity Securities and the recognition and measurement of income tax assets and liabilities. The actual results experienced by us may differ from management's estimates.

Cash and Cash Equivalents

We consider cash equivalents to be highly liquid debt securities with insignificant interest rate risk with original maturities from the date of purchase of three months or less.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash deposits. Accounts at each United States financial institution are insured by the Federal Deposit Insurance Corporation up to $250,000. Accounts at each Canadian financial institution are insured by the Canada Deposit Insurance Corporation up to $100,000 CAD per account. At March 31, 2016 and March 31, 2015, we held cash equivalents in excess of these insured limits. To mitigate this risk, we select financial institutions based on their credit ratings and financial strength.

Investments

Fixed Maturities and Marketable Equities. Fixed maturity investments consist of either marketable debt, equity or redeemable preferred stocks. As of the balance sheet dates, all of our investments in these securities were classified as available-for-sale. Available-for-sale investments are reported at fair value, with unrealized gains or losses recorded net of taxes and applicable adjustments to deferred policy acquisition costs in stockholders' equity. Fair value for these investments is based on quoted market prices, dealer quotes or discounted cash flows. The cost of investments sold is based on the specific identification method.

In determining if and when a decline in market value below carrying value is an other-than-temporary impairment, management makes certain assumptions or judgments in its assessment including but not limited to: our ability to hold the security, quoted market prices, dealer quotes, discounted cash flows, industry factors, financial factors, and issuer specific information. Other-than-temporary impairments, to the extent of the decline, as well as realized gains or losses on the sale or exchange of investments are recognized in the current period operating results.

Mortgage Loans and Notes on Real Estate. Mortgage loans and notes on real estate are reported at their unpaid balance, net of any allowance for possible losses and any unamortized premium or discount.

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Recognition of Investment Income. Interest income from bonds and mortgage notes is recognized when earned. Dividends on common and preferred stocks are recognized on the ex-dividend dates. Realized gains and losses on the sale or exchange of investments are recognized at the trade date.

Derivative Financial Instruments

Our objective for holding derivative financial instruments is to manage interest rate risk exposure primarily through entering interest rate swap agreements. An interest rate swap is a contractual exchange of interest payments between two parties. A standard interest rate swap involves the payment of a fixed rate times a notional amount by one party in exchange for a floating rate times the same notional amount from another party. As interest rates change, the difference to be paid or received is accrued and recognized as interest expense or income over the life of the agreement. We do not enter into these instruments for trading purposes. Counterparties to the interest rate swap agreements are major financial institutions. In accordance with ASC 815 - Derivatives and Hedging, we recognize interest rate swap agreements on the balance sheet at fair value, which is classified as prepaid expenses (asset) or accrued expenses (liability). Derivatives that are not designated as cash flow hedges for accounting purposes must be adjusted to fair value through income. If the derivative qualifies and is designated as a cash flow hedge, changes in its fair value will either be offset against the change in fair value of the hedged item through earnings or recorded in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. See Note 11, Derivatives of the Notes to Consolidated Financial Statements.

Inventories, net

Inventories, net were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Truck and trailer parts and accessories (a)	$68,665	$62,701
Hitches and towing components (b)	17,483	15,308
Moving supplies and propane (b)	8,668	7,866
Subtotal	94,816	85,875
Less: LIFO reserves	(13,463)	(15,019)
Less: excess and obsolete reserves	(1,597)	(1,384)
Total	$79,756	$69,472

(a) Primarily held for internal usage, including equipment manufacturing and repair
(b) Primarily held for retail sales

Inventories consist primarily of truck and trailer parts and accessories used to manufacture and repair rental equipment as well as products and accessories available for retail sale. Inventory is held at our owned locations; our independent dealers do not hold any of our inventory.

Inventory cost is primarily determined using the last-in first-out method ("LIFO"). Inventories valued using LIFO consisted of approximately 97% of the total inventories for both March 31, 2016 and 2015. Had we utilized the first-in first-out method ("FIFO"), stated inventory balances would have been $13.5 million and $15.0 million higher at March 31, 2016 and 2015, respectively. In fiscal 2016, the negative effect on income due to liquidation of a portion of the

LIFO inventory was $0.1 million.

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notes to consolidated financial statements – (continued)

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. We follow the deferral method of accounting based on ASC 908 - Airlines for major overhauls in which engine and transmission overhauls are capitalized and amortized over three 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. The net amount of (gains) or losses netted against depreciation expense were ($98.7) million, ($74.6) million and ($33.6) million during fiscal 2016, 2015 and 2014, respectively. 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.

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 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 North America, on our web site at uhaul.com/trucksales or by phone at 866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

The carrying value of surplus real estate, which is lower than market value at the balance sheet date, was $14.1 million for both fiscal 2016 and 2015 and is included in Investments, other.

Receivables

Trade receivables include trade accounts from moving and self-storage customers and dealers, insurance premiums and amounts due from re-insurers, less management's estimate of uncollectible accounts.

Insurance premiums receivable for policies that are billed through contracted agents are recorded net of commissions payable. A commission payable is recorded as a separate liability for those premiums that are billed direct.

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notes to consolidated financial statements – (continued)

Reinsurance recoverables include case reserves and actuarial estimates of claims incurred but not reported ("IBNR"). These receivables are not expected to be collected until after the associated claim has been adjudicated and billed to the re-insurer. The reinsurance recoverables may have little or no allowance for doubtful accounts due to the fact that reinsurance is typically procured from carriers with strong credit ratings. Furthermore, we do not cede losses to a re-insurer if the carrier is deemed financially unable to perform on the contract. Reinsurance recoverables also include insurance ceded to other insurance companies.

Notes and mortgage receivables include accrued interest and are reduced by discounts and amounts considered by management to be uncollectible.

Policy Benefits and Losses, Claims and Loss Expenses Payable

Life Insurance’s 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. 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. Oxford’s liabilities for deferred annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

Property and Casualty Insurance’s liability for reported and unreported losses is based on Repwest’s historical data along with industry averages. The liability for unpaid loss adjustment expenses is based on historical ratios of loss adjustment expenses paid to losses paid. Amounts recoverable from re-insurers on unpaid losses are estimated in a manner consistent with the claim liability associated with the re-insured policy. Adjustments to the liability for unpaid losses and loss expenses as well as amounts recoverable from re-insurers on unpaid losses are charged or credited to expense in the periods in which they are made.

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.

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notes to consolidated financial statements – (continued)

Self-Insurance Reserves

U-Haul retains the risk for certain public liability and property damage programs related to our rental equipment. The consolidated balance sheets include $386.4 million and $363.6 million of liabilities related to these programs as of March 31, 2016 and 2015, respectively. These liabilities are recorded in Policy benefits and losses, claims and loss expenses payable. Management takes into account losses incurred based upon actuarial estimates, past experience, current claim trends, as well as social and economic conditions. This liability is subject to change in the future based upon changes in the underlying assumptions including claims experience, frequency of incidents, and severity of incidents.

Additionally, as of March 31, 2016 and 2015, the consolidated balance sheets include liabilities of $9.5 million and $8.7 million, respectively, related to our provided medical plan benefits for eligible employees. We estimate this liability based on actual claims outstanding as of the balance sheet date as well as an actuarial estimate of claims incurred but not reported. This liability is reported net of estimated recoveries from excess loss reinsurance policies with unaffiliated insurers of $0.2 million and $0.3 million for fiscal 2016 and 2015, respectively. These amounts are recorded in Accounts payable and accrued expenses on the consolidated balance sheets.

Revenue Recognition

Self-moving rentals are recognized for the period that trucks and moving equipment are rented. Self-storage revenues, based upon the number of paid storage contract days, are recognized as earned during the period. Sales of self-moving and self-storage related products are recognized at the time that title passes and the customer accepts delivery. Property and casualty, traditional life and Medicare supplement insurance premiums are recognized as revenue over the policy periods. For products where premiums are due over a significantly shorter duration than the period over which benefits are provided, such as our single premium whole life product, premiums are recognized when received and excess profits are deferred and recognized in relation to the insurance in force. Interest and investment income are recognized as earned.

Amounts collected from customers for sales tax are recorded on a net basis.

Advertising

All advertising costs are expensed as incurred. Advertising expense was $9.6 million, $7.5 million and $7.1 million in fiscal 2016, 2015 and 2014, respectively.

Deferred Policy Acquisition Costs

Commissions and other costs that fluctuate with and are primarily related to the acquisition or renewal of certain insurance premiums are deferred. For our Life Insurance's life and health insurance products, these costs are amortized, with interest, in relation to revenue such that costs are realized as a constant percentage of revenue. For its annuity insurance products the costs are amortized, with interest, in relation to the present value of actual and expected gross profits.

Starting in fiscal 2014, new annuity contract holders were provided with a sales inducement in the form of a premium bonus. Sales inducements are recognized as an asset with a corresponding increase to the policyholder liability and are amortized in a similar manner to Deferred Acquisition Cost. As of December 31, 2015 and 2014, the Sales

Inducement Asset included with Deferred Acquisition Costs amounted to $24.6 million and $24.8 million, respectively on the consolidated balance sheet and amortization expense totaled $3.0 million $2.4 million and $2.1 million for the periods ended December 31, 2015, 2014 and 2013, respectively .

Environmental Costs

Liabilities are recorded when environmental assessments and remedial efforts, if applicable, are probable and the costs can be reasonably estimated. The amount of the liability is based on management's best estimate of undiscounted future costs. Certain recoverable environmental costs related to the removal of underground storage tanks or related contamination are capitalized and amortized over the estimated useful lives of the properties. These costs improve the safety or efficiency of the property or are incurred in preparing the property for sale.

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notes to consolidated financial statements – (continued)

Income Taxes

AMERCO files a consolidated tax return with all of its legal subsidiaries. In accordance with ASC 740 - Income Taxes ("ASC 740"), the provision for income taxes reflects deferred income taxes resulting from changes in temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net earnings, foreign currency translation adjustments, unrealized gains and losses on investments, the change in fair value of cash flow hedges and the change in postretirement benefit obligations.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, an updated standard on revenue recognition. The standard creates a five-step model for revenue recognition that requires companies to exercise judgment when considering contract terms and relevant facts and circumstances. The standard requires expanded disclosure surrounding revenue recognition. Early application is not permitted. The standard is effective for fiscal periods beginning after December 15, 2016 and allows for either full retrospective or modified retrospective adoption. In July 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers, Deferral of Effective Date, which delays the effective date of ASU 2014-09 by one year to fiscal periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations and the effective date is the same as requirements in ASU 2015-14. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The guidance is effective for interim periods and annual period beginning after December 15, 2015; however early adoption is permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall (subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance is effective for interim periods and annual period beginning after December 15, 2017. Early adoption is not permitted, except for certain provisions relating to financial liabilities. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

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In February 2016, the FASB issued ASU 2016-02, Leases - (Topic 842). This update will require lessees to recognize all leases with terms greater than 12 months on their balance sheet as lease liabilities with a corresponding right-of-use asset. This update maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees will classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease will be split between amortization and interest expense, with a single lease expense reported for operating leases. This update also will require both qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. . The guidance is effective for interim periods and annual period beginning after December 15, 2018; however early adoption is permitted. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements. For the last nine years, we have reported a discounted estimate of the off-balance sheet lease obligations in our MD&A.

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by us as of the specified effective date. Unless otherwise discussed, these ASU's entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on our financial position or results of operations upon adoption.

Note 4. Earnings Per Share

Our earnings per share is calculated by dividing our earnings available to common stockholders by the weighted average common shares outstanding, basic and diluted.

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares, net of shares committed to be released, were 21,883; 12,470; and 33,173 as of March 31, 2016, 2015, and 2014, respectively.

Note 5. Reinsurance Recoverables and Trade Receivables, Net

Reinsurance recoverables and trade receivables, net were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Reinsurance recoverable	$115,653	$130,734
Trade accounts receivable	34,350	32,493
Paid losses recoverable	1,697	1,690
Accrued investment income	18,797	15,609
Premiums and agents' balances	1,163	1,082
Independent dealer receivable	390	154
Other receivables	3,745	8,897
	175,795	190,659
Less: Allowance for doubtful accounts	(585)	(790)
	$175,210	$189,869

Note 6. Investments

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was $17.3 million and $16.4 million at December 31, 2015 and 2014, respectively.

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notes to consolidated financial statements – (continued)

Available-for-Sale Investments

Available-for-sale investments at March 31, 2016 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
	(In thousands)				
U.S. treasury securities and government obligations	$85,861	$3,791	$–	$(193)	$89,459
U.S. government agency mortgage-backed securities	21,845	1,596	(6)	(39)	23,396
Obligations of states and political subdivisions	166,725	10,660	(81)	(414)	176,890
Corporate securities	1,143,125	26,861	(8,013)	(28,181)	1,133,792
Mortgage-backed securities	42,991	475	–	(62)	43,404
Redeemable preferred stocks	17,977	556	–	(105)	18,428
Common stocks	17,732	7,822	(10)	(375)	25,169
	$1,496,256	$51,761	$(8,110)	$(29,369)	$1,510,538

Available-for-sale investments at March 31, 2015 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
	(In thousands)				
U.S. treasury securities and government obligations	$99,722	$5,658	$(64)	$–	$105,316
U.S. government agency mortgage-backed securities	30,569	2,614	(39)	(3)	33,141
Obligations of states and political subdivisions	165,724	13,052	(298)	(10)	178,468
Corporate securities	885,470	44,426	(2,522)	(2,966)	924,408
Mortgage-backed securities	19,874	806	(1)	–	20,679
Redeemable preferred stocks	18,052	521	(253)	(24)	18,296
Common stocks	17,975	6,719	–	(40)	24,654
	$1,237,386	$73,796	$(3,177)	$(3,043)	$1,304,962

The available-for-sale tables include gross unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

We sold available-for-sale securities with a fair value of $150.7 million, $109.1 million and $170.0 million in fiscal 2016, 2015 and 2014, respectively. The gross realized gains on these sales totaled $4.2 million, $4.6 million and $5.0 million in fiscal 2016, 2015 and 2014, respectively. We realized gross losses on these sales of $0.6 million, $0.7 million and $1.4 million in fiscal 2016, 2015 and 2014, respectively.

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notes to consolidated financial statements – (continued)

The unrealized losses of more than twelve months in the available-for-sale tables are considered temporary declines. We track each investment with an unrealized loss and evaluate them on an individual basis for other-than-temporary impairments including obtaining corroborating opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments may have declines determined by management to be other-than-temporary and we recognized these write-downs through earnings. There were no write downs in fiscal 2016, 2015 and 2014.

The investment portfolio primarily consists of corporate securities and U.S. government securities. We believe we monitor our investments as appropriate. Our methodology of assessing other-than-temporary impairments is based on security-specific analysis as of the balance sheet date and considers various factors, including the length of time to maturity, the extent to which the fair value has been less than the cost, the financial condition and the near-term prospects of the issuer, and whether the debtor is current on its contractually obligated interest and principal payments. Nothing has come to management's attention that would lead to the belief that each issuer would not have the ability to meet the remaining contractual obligations of the security, including payment at maturity. We have the ability and intent not to sell our fixed maturity and common stock investments for a period of time sufficient to allow us to recover our costs.

The portion of other-than-temporary impairment related to a credit loss is recognized in earnings. The significant inputs utilized in the evaluation of mortgage backed securities credit losses include ratings, delinquency rates, and prepayment activity. The significant inputs utilized in the evaluation of asset backed securities credit losses include the time frame for principal recovery and the subordination and value of the underlying collateral.

There were no credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive loss for fiscal 2016 or 2015.

The adjusted cost and estimated market value of available-for-sale investments by contractual maturity, were as follows:

	March 31, 2016		March 31, 2015	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
	(In thousands)			
Due in one year or less	$48,679	$49,146	$36,355	$37,055
Due after one year through five years	250,576	256,597	198,488	209,404
Due after five years through ten years	557,984	557,961	474,639	492,782
Due after ten years	560,317	559,833	472,003	502,092
	1,417,556	1,423,537	1,181,485	1,241,333
Mortgage backed securities	42,991	43,404	19,874	20,679
Redeemable preferred stocks	17,977	18,428	18,052	18,296
Equity securities	17,732	25,169	17,975	24,654
	$1,496,256	$1,510,538	$1,237,386	$1,304,962

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notes to consolidated financial statements – (continued)

Investments, other

The carrying value of other investments was as follows:

	March 31, 2016	March 31, 2015
	(In thousands)	
Mortgage loans, net	$217,198	$161,851
Short-term investments	34,798	47,739
Real estate	34,416	34,597
Policy loans	17,091	16,431
Other equity investments	6,569	8,102
	$310,072	$268,720

Mortgage loans are carried at the unpaid balance, less an allowance for probable losses net of any unamortized premium or discount. The allowance for probable losses was $0.4 million as of March 31, 2016 and 2015. The estimated fair value of these loans as of March 31, 2016 and 2015 approximated the carrying value. These loans represent first lien mortgages held by us.

Short-term investments consist primarily of investments in money market funds, mutual funds and any other investments with short-term characteristics that have original maturities of less than one year at acquisition. These investments are recorded at cost, which approximates fair value.

Real estate obtained through foreclosure and held for sale is carried at the lower of fair value at time of foreclosure or current estimated fair value less cost to sell. Other equity investments are carried at cost and assessed for impairment.

Insurance policy loans are carried at their unpaid balance.

Note 7. Other Assets

Other assets were as follows:

	March 31, 2016	March 31, 2015
	(In thousands)	
Deposits (debt-related)	$30,660	$49,467
Cash surrender value of life insurance policies	31,619	30,563
Deferred charges (debt-related)	23,362	16,575
Other	14,931	9,552
	$100,572	$106,157

Note 8. Net Investment and Interest Income

Net investment and interest income, were as follows:

	Years Ended March 31, 2016	2015	2014
	(In thousands)		

Fixed maturities	$63,641	$58,716	$53,634
Real estate	3,775	2,669	1,118
Insurance policy loans	1,188	1,072	1,159
Mortgage loans	14,631	10,677	9,450
Short-term, amounts held by ceding reinsurers, net and other investments	208	2,724	3,440
Investment income	83,443	75,858	68,801
Less: investment expenses	(2,724)	(1,962)	(1,629)
Investment income - related party	6,086	10,832	12,419
Net investment and interest income	$86,805	$84,728	$79,591

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notes to consolidated financial statements – (continued)

Note 9. Borrowings

Long-Term Debt

Long-term debt was as follows:

	2016 Rate (a)	Maturities	March 31, 2016	2015
			(In thousands)	
Real estate loan (amortizing term)	6.93%	2023	$ 205,000	$ 240,000
Senior mortgages	2.44% - 5.50%	2016 - 2038	1,121,897	717,512
Working capital loan (revolving credit)	-	2018	–	–
Fleet loans (amortizing term)	1.95% - 4.76%	2016 - 2022	218,998	202,784
Fleet loans (term)	3.52% - 3.53%	2016	–	115,000
Fleet loan (securitization)	4.90%	2017	62,838	75,846
Fleet loans (revolving credit)	1.59% - 2.28%	2018 - 2021	347,000	190,000
Capital leases (rental equipment)	2.18% - 7.75%	2016 - 2023	672,825	602,470
Other obligations	3.00% - 8.00%	2016 - 2045	60,200	47,257
Total notes, loans and leases payable			$ 2,688,758	$ 2,190,869

(a) Interest rate as of March 31, 2016, including the effect of applicable hedging instruments

Real Estate Backed Loans

Real Estate Loan

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. As of March 31, 2016, the outstanding balance on the Real Estate Loan was $205.0 million. U-Haul International, Inc. is a guarantor of this loan. The Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers. The final maturity of the term loan is April 2023.

The interest rate, per the provisions of the amended loan agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.45% and the applicable margin was 1.50%, the sum of which was 1.95%. The rate on the Real Estate Loan is hedged with an interest rate swap fixing the rate at 6.93% based on current margin. The interest rate swap expires in August 2018, after which date the remaining balance will incur interest at a rate of LIBOR plus a margin of 1.50%. The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Senior Mortgages

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under certain senior mortgages. These senior mortgage loan balances as of March 31, 2016 were in the aggregate amount of $1,121.9 million and mature between 2016 and 2038. The senior mortgages require monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The senior mortgages are secured by certain properties owned by the borrowers. The fixed interest rates, per the provisions of the senior mortgages, range between 4.20% and 5.50%. Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule. Additionally, $136.6 million of these loans have variable interest rates comprised of applicable LIBOR base rate of 0.44% plus margins between 2.00% and 2.50%, the sum of which was between 2.44% and 2.94%. Amerco Real Estate Company and U-Haul International, Inc. have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

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Working Capital Loans

Amerco Real Estate Company is a borrower under an asset backed working capital loan. The maximum amount that can be drawn at any one time is $25.0 million. At March 31, 2016 the full $25.0 million was available to be drawn. This loan is secured by certain properties owned by the borrower. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. This agreement was amended on April 30, 2016. As part of the amendment the maximum amount that can be borrowed was increased to $50 million and the maturity date was extended to September 2018. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. U-Haul International, Inc. and AMERCO are the guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. The interest rate is the applicable LIBOR plus a margin of 1.25%.

Fleet Loans

Rental Truck Amortizing Loans

U-Haul International, Inc. and several of its subsidiaries are borrowers under amortizing term loans. The balance of the loans as of March 31, 2016 was $219.0 million with the final maturities between April 2016 and July 2022.

The Amortizing Loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the Loan Agreements, are the applicable LIBOR plus the applicable margins. At March 31, 2016, the applicable LIBOR was between 0.44% and 0.45% and applicable margins were between 1.72% and 2.50%. The interest rates are hedged with interest rate swaps fixing the rates between 2.82% and 4.76% based on current margins. Additionally, $137.6 million of these loans are carried at fixed rates ranging between 1.95% and 3.94%.

AMERCO and U-Haul International, Inc. are guarantors of these loans. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Rental Truck Securitizations

2010 U-Haul S Fleet and its subsidiaries (collectively, “2010 USF”) issued a $155.0 million asset-backed note (“2010 Box Truck Note”). 2010 USF is a bankruptcy-remote special purpose entity wholly-owned by U-Haul International, Inc. The net proceeds from the securitized transaction were used to finance new box truck purchases. U.S. Bank, NA acts as the trustee for this securitization.

The 2010 Box Truck Note has a fixed interest rate of 4.90% with an expected final maturity of October 2017. At March 31, 2016, the outstanding balance was $62.8 million. The note is secured by the box trucks purchased and the corresponding operating cash flows associated with their operation.

The 2010 Box Truck Note is subject to certain covenants with respect to liens, additional indebtedness of the special purpose entity, the disposition of assets and other customary covenants of bankruptcy-remote special purpose entities. The default provisions of this note include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Rental Truck Revolvers

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for $75 million, which can be increased to a maximum of $225 million. The loan matures in September 2018. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44% and the margin was 1.75%, the sum of which was 2.19%. Only interest is paid during the first four years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was $57.0 million.

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notes to consolidated financial statements – (continued)

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for $100 million, which can be increased to a maximum of $125 million. This loan was amended in February 2016 pursuant to which the maturity was extended to March 2020. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44% and the margin was 1.15%, the sum of which was 1.59%. Only interest is paid during the first three years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was $100.0 million.

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for $70 million. The loan matures in May 2019. This agreement contains an option to extend the maturity through January 2020. At March 31, 2016, the applicable LIBOR was 0.43% and the margin was 1.85%, the sum of which was 2.28%. Only interest is paid during the first five years of the loan with principal due upon maturity. As of March 31, 2016, the outstanding balance was $65.0 million.

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for $125 million. The loan matures in November 2021. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44% and the margin was 1.15%, the sum of which was 1.59%. Only interest is paid during the first five years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was $125.0 million.

Capital Leases

We regularly enter into capital leases for new equipment with the terms of the leases between 5 and 7 years. During fiscal 2016, we entered into $241.7 million of capial leases. At March 31, 2016, the balance of our capital leases was $672.8 million. The net book value of the corresponding capitalized assets was $900.6 million at March 31, 2016.

Other Obligations

In February 2011, the Company and U.S. Bank, NA (the “Trustee”) entered into the U-Haul Investors Club Indenture. The Company and the Trustee entered into this indenture to provide for the issuance of notes by us directly to investors over our proprietary website, uhaulinvestorsclub.com (“U-Notes”). The U-Notes are secured by various types of collateral including rental equipment and real estate. U-Notes are issued in smaller series that vary as to principal amount, interest rate and maturity. U-Notes are obligations of the Company and secured by the associated collateral; they are not guaranteed by any of the Company’s affiliates or subsidiaries.

At March 31, 2016, the aggregate outstanding principal balance of the U-Notes issued was $65.8 million of which $5.6 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 3.00% and 8.00% and maturity dates range between 2016 and 2045.

Our Life Insurance subsidiary is a member of the FHLB and as such has a deposit with the FHLB. As of December 31, 2015, they have a deposit of $30.0 million which carried a rate of 0.39%. The rate is calculated daily based upon a spread of the overnight FED funds benchmark and is payable monthly. The deposit does not have a scheduled maturity date. The balance of the deposit is included within the balance of Liabilities from investment contracts on the consolidated balance sheet.

Annual Maturities of Notes, Loans and Leases Payable

The annual maturities of long-term debt as of March 31, 2016 for the next five years and thereafter are as follows:

	Year Ended March 31,					
	2017	2018	2019	2020	2021	Thereafter
	(In thousands)					
Notes, loans and leases payable, secured	$353,807	$348,984	$297,534	$416,616	$155,403	$1,116,414

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notes to consolidated financial statements – (continued)

Note 10. Interest on Borrowings

Interest Expense

Components of interest expense include the following:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Interest expense	$85,592	$80,905	$72,538
Capitalized interest	(3,623)	(1,204)	(571)
Amortization of transaction costs	3,235	3,495	3,551
Interest expense resulting from derivatives	12,699	14,329	17,174
Total interest expense	97,903	97,525	92,692
Write-off of transaction costs related to early extinguishment of debt	–	298	–
Fees on early extinguishment of debt	–	3,783	–
Fees and amortization on early extinguishment of debt	–	4,081	–
Total	$97,903	$101,606	$92,692

Interest paid in cash, including payments related to derivative contracts, amounted to $95.1 million, $95.0 million and $87.8 million for fiscal 2016, 2015 and 2014, respectively. In addition, during fiscal 2015, we paid $3.8 million of fees associated with the early extinguishment of debt.

Interest Rates

Interest rates and our revolving credit borrowings were as follows:

	Revolving Credit Activity		
	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except interest rates)		
Weighted average interest rate during the year	1.67%	1.70%	1.10%
Interest rate at year end	1.82%	1.65%	1.78%
Maximum amount outstanding during the year	$347,000	$232,000	$89,632
Average amount outstanding during the year	$237,372	$187,004	$18,658
Facility fees	$201	$336	$301

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notes to consolidated financial statements – (continued)

Note 11. Derivatives

We manage exposure to changes in market interest rates. Our use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in LIBOR swap rates, the designated benchmark interest rate being hedged on certain of our LIBOR indexed variable rate debt and a variable rate operating lease. The interest rate swaps effectively fix our interest payments on certain LIBOR indexed variable rate debt. We monitor our positions and the credit ratings of its counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes.

Original variable rate debt and lease amount (In millions)		Agreement Date	Effective Date	Expiration Date	Designated cash flow hedge date
$ 300.0		8/16/2006	8/18/2006	8/10/2018	8/4/2006
14.7	(a)	7/6/2010	8/15/2010	7/15/2017	7/6/2010
25.0	(a)	4/26/2011	6/1/2011	6/1/2018	6/1/2011
50.0	(a)	7/29/2011	8/15/2011	8/15/2018	7/29/2011
20.0	(a)	8/3/2011	9/12/2011	9/10/2018	8/3/2011
15.1	(b)	3/27/2012	3/28/2012	3/28/2019	3/26/2012
25.0		4/13/2012	4/16/2012	4/1/2019	4/12/2012
44.3		1/11/2013	1/15/2013	12/15/2019	1/11/2013

(a) forward swap
(b) operating lease

As of March 31, 2016, the total notional amount of our variable interest rate swaps on debt and an operating lease was $282.1 million and $9.3 million, respectively.

The derivative fair values located in Accounts payable and accrued expenses in the balance sheets were as follows:

	Liability Derivative Fair Value as of	
	March 31, 2016	March 31, 2015
	(In thousands)	
Interest rate contracts designated as hedging instruments	$14,845	$24,484

The Effect of Interest Rate Contracts on the Statements of Operations Years Ended March 31,		
2016	2015	2014
(In thousands)		

Loss recognized in income on interest rate contracts	$12,699	$14,329	$17,174
Gain recognized in AOCI on interest rate contracts (effective portion)	$(9,721)	$(8,203)	$(19,317)
Loss reclassified from AOCI into income (effective portion)	$12,616	$14,358	$16,691
(Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing)	$83	$(29)	$483

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notes to consolidated financial statements – (continued)

Gains or losses recognized in income on derivatives are recorded as interest expense in the statements of operations. During fiscal 2016, we recognized an increase in the fair value of our cash flows hedges of $6.0 million, net of taxes. Embedded in this change was $12.6 million of losses reclassified from accumulated other comprehensive income to interest expense during the year, net of taxes. At March 31, 2016, we expect to reclassify $9.0 million of net losses on interest rate contracts from accumulated other comprehensive income (loss) to earnings as interest expense over the next twelve months. Please see Note 3, Accounting Policies in the Notes to Consolidated Financial Statements.

Note 12. Stockholders' Equity

Common Stock Dividends

Declared Date	Per Share Amount	Record Date	Dividend Date
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
December 4, 2013	1.00	January 10, 2014	February 14, 2014

Note 13. Provision for Taxes

Earnings before taxes and the provision for taxes consisted of the following:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Pretax earnings:			
U.S.	$745,194	$541,371	$516,207
Non-U.S.	23,717	20,047	21,315
Total pretax earnings	$768,911	$561,418	$537,522
Current provision (benefit)			
Federal	$118,974	$112,634	$131,246
State	15,988	14,248	12,641
Non-U.S.	3,303	2,599	3,787
	138,265	129,481	147,674
Deferred provision (benefit)			
Federal	125,950	67,306	37,979
State	12,561	5,256	7,553
Non-U.S.	3,134	2,634	1,925
	141,645	75,196	47,457

Provision for income tax expense	$279,910	$204,677	$195,131
Income taxes paid (net of income tax refunds received)	$141,901	$195,072	$138,384

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The difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to income before taxes was as follows:

	Years Ended March 31,		
	2016	2015	2014
Statutory federal income tax rate	35.00%	35.00%	35.00%
Increase (reduction) in rate resulting from:			
State taxes, net of federal benefit	2.34%	2.21%	2.38%
Foreign rate differential	(0.24)%	(0.32)%	(0.33)%
Federal tax credits	(0.19)%	(0.29)%	(0.32)%
Dividend received deduction	(0.02)%	(0.03)%	(0.03)%
Other	(0.49)%	(0.11)%	(0.40)%
Actual tax expense of operations	36.40%	36.46%	36.30%

Significant components of our deferred tax assets and liabilities were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Deferred tax assets:		
Net operating loss and credit carry forwards	$1,462	$1,228
Accrued expenses	185,088	171,761
Policy benefit and losses, claims and loss expenses payable, net	21,911	19,560
Unrealized losses	–	–
Total deferred tax assets	$208,461	$192,549
Deferred tax liabilities:		
Property, plant and equipment	$831,914	$680,501
Deferred policy acquisition costs	20,557	18,369
Unrealized gains	9,593	20,216
Other	9	262
Total deferred tax liabilities	862,073	719,348
Net deferred tax liability	$653,612	$526,799

The net operating loss and credit carry-forwards in the above table are primarily attributable to $22.0 million of state net operating losses that will begin to expire March 31, 2017 if not utilized.

ASC 740 prescribes a minimum recognition and measurement methodology that a tax position is required to meet before being recognized in the financial statements. The total amount of unrecognized tax benefits at March 31, 2015 was $19.9 million. This entire amount of unrecognized tax benefits if resolved in our favor, would favorably impact our effective tax rate. During the current year we recorded tax expense (net of settlements), resulting from uncertain tax positions in the amount of $4.0 million. At March 31, 2016, the amount of unrecognized tax benefits and the amount that would favorably affect our effective tax rate was $23.9 million.

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notes to consolidated financial statements – (continued)

A reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period are as follows:

	Unrecognized Tax Benefits March 31,	
	2016	2015
	(In thousands)	
Unrecognized tax benefits beginning balance	$ 19,929	$ 16,850
Additions based on tax positions related to the current year	4,313	3,695
Reductions for tax positions of prior years	(327)	(616)
Settlements	(3)	–
Unrecognized tax benefits ending balance	$ 23,912	$ 19,929

We recognize interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At March 31, 2015, the amount of interest and penalties accrued on unrecognized tax benefits was $5.2 million, net of tax. During the current year we recorded expense from interest and penalties in the amount of $0.7 million, net of tax. At March 31, 2016, the amount of interest and penalties accrued on unrecognized tax benefits was $5.9 million, net of tax.

We file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With some exceptions, we are no longer subject to audit for years prior to the fiscal year ended March 31, 2013. No provision was made for U.S. taxes payable on undistributed foreign earnings since these amounts are permanently reinvested; the amount of this unrecognized deferred tax liability is not practical to determine at this time.

Note 14. Employee Benefit Plans

Profit Sharing Plans

We provide tax-qualified profit sharing retirement plans for the benefit of eligible employees, former employees and retirees in the U.S. and Canada. The plans are designed to provide employees with an accumulation of funds for retirement on a tax-deferred basis and provide for annual discretionary employer contributions. Amounts to be contributed are determined by the President and Chairman of the Board of the Company under the delegation of authority from the Board, pursuant to the terms of the Profit Sharing Plan. No contributions were made to the profit sharing plan during fiscal 2016, 2015 or 2014.

We also provide an employee savings plan which allows participants to defer income under Section 401(k) of the Internal Revenue Code of 1986.

ESOP Plan

We sponsor a leveraged ESOP that generally covers all employees with one year or more of service. The ESOP shares initially were pledged as collateral for its debt which was originally funded by U-Haul. As the debt is repaid, shares are released from collateral and allocated to active employees, based on the proportion of debt service paid in the year. ESOP shares are committed to be released monthly and ESOP compensation expense is recorded based on the current market price at the end of the month. These shares then become outstanding for the earnings per share computations.

ESOP compensation expense was $11.6 million, $6.9 million and $6.6 million for fiscal 2016, 2015 and 2014, respectively. Listed below is a summary of these financing arrangements as of fiscal year-end:

	Outstanding as of	Interest Payments		
Financing Date	March 31, 2016	2016	2015	2014
	(In thousands)			
June, 1991	$46	$10	$48	$53
July, 2009	991	33	31	17
February, 2016	5,000	–	–	–

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notes to consolidated financial statements – (continued)

Leveraged contributions to the Plan Trust during fiscal 2016, 2015 and 2014 were $0.4 million, $1.0 million and $0.7 million, respectively. In fiscal 2016 and 2015, the Company made non-leveraged contributions of $4.0 and $8.0 million, respectively to the Plan Trust. In fiscal 2014, $0.6 million of common stock dividends paid to unallocated shares was applied towards debt service.

Shares held by the Plan were as follows:

	Years Ended March 31,	
	2016	2015
	(In thousands)	
Allocated shares	1,203	1,249
Unreleased shares - leveraged	22	14
Fair value of unreleased shares - leveraged	$8,072	$4,781
Unreleased shares - non-leveraged	8	25
Fair value of unreleased shares - non-leveraged	$2,756	$8,242

The fair value of unreleased shares issued prior to 1992 is defined as the historical cost of such shares. The fair value of unreleased shares issued subsequent to December 31, 1992 is defined as the trading value of such shares as of March 31, 2016 and March 31, 2015, respectively.

Post Retirement and Post Employment Benefits

We provide medical and life insurance benefits to our eligible employees and their dependents upon retirement from the Company. The retirees must have attained age sixty-five and earned twenty years of full-time service upon retirement for coverage under the medical plan. The medical benefits are capped at a $20,000 lifetime maximum per covered person. The benefits are coordinated with Medicare and any other medical policies in force. Retirees who have attained age sixty-five and earned at least ten years of full-time service upon retirement from the Company are entitled to group term life insurance benefits. The life insurance benefit is $2,000 plus $100 for each year of employment over ten years. The plan is not funded and claims are paid as they are incurred. We use a March 31 measurement date for our post retirement benefit disclosures.

The components of net periodic post retirement benefit cost were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Service cost for benefits earned during the period	$961	$827	$726
Interest cost on accumulated postretirement benefit	752	720	564
Other components	35	14	19
Net periodic postretirement benefit cost	$1,748	$1,561	$1,309

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The fiscal 2016 and fiscal 2015 post retirement benefit liability included the following components:

	Years Ended March 31,	
	2016	2015
	(In thousands)	
Beginning of year	$18,554	$16,119
Service cost for benefits earned during the period	961	827
Interest cost on accumulated post retirement benefit	752	720
Net benefit payments and expense	(541)	(450)
Actuarial loss	1,065	1,338
Accumulated postretirement benefit obligation	20,791	18,554
Current liabilities	658	513
Non-current liabilities	20,133	18,041
Total post retirement benefit liability recognized in statement of financial position	20,791	18,554
Components included in accumulated other comprehensive income (loss):		
Unrecognized net loss	(2,847)	(1,817)
Cumulative net periodic benefit cost (in excess of employer contribution)	$17,944	$16,737

The discount rate assumptions in computing the information above were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In percentages)		
Accumulated postretirement benefit obligation	3.89%	3.99%	4.49%

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 became law. Net periodic post retirement benefit cost above includes the effect of the subsidy. The discount rate represents the expected yield on a portfolio of high grade (AA to AAA rated or equivalent) fixed income investments with cash flow streams sufficient to satisfy benefit obligations under the plan when due. Fluctuations in the discount rate assumptions primarily reflect changes in U.S. interest rates. The assumed health care cost trend rate used to measure the accumulated postretirement benefit obligation as of the end of fiscal 2016 was 7.3% in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2038. The assumed health care cost trend rate used to measure the accumulated post retirement benefit obligation as of the end of fiscal 2015 (and used to measure the fiscal 2016 net periodic benefit cost) was 7.3% in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2029.

If the estimated health care cost trend rate assumptions were increased by one percent, the accumulated post retirement benefit obligation as of fiscal year-end would increase by $219,243 and the total of the service cost and interest cost components would increase by $26,180. A decrease in the estimated health care cost trend rate assumption of one percent would decrease the accumulated post retirement benefit obligation as of fiscal year-end by $314,603 and the total of the service cost and interest cost components would decrease by $30,103.

Post employment benefits provided by us, other than upon retirement, are not material.

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notes to consolidated financial statements – (continued)

Future net benefit payments are expected as follows:

	Future Net Benefit Payments (In thousands)
Year-ended:	
2017	$ 658
2018	773
2019	914
2020	1,073
2021	1,263
2022 through 2026	9,169
Total	$ 13,850

Note 15. Fair Value Measurements

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.

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 - Fair Value Measurements and Disclosures (“ASC 820”) requires that financial assets and liabilities recorded at fair value be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices for identical or similar financial instruments in markets that are not considered to be active, or similar financial instruments for which all significant inputs are observable, either directly or indirectly, or inputs other than quoted prices that are observable, or inputs that are derived principally from or corroborated by observable market data through correlation or other means; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. These reflect management's assumptions about the assumptions a market participant would use in pricing the asset or liability.

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notes to consolidated financial statements – (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following tables represent the financial assets and liabilities on the condensed consolidated balance sheet at March 31, 2016 and 2015, that are subject to ASC 820 and the valuation approach applied to each of these items.

Year Ended March 31, 2016	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	$499,491	$499,491	$–	$–
Fixed maturities - available for sale	1,466,941	96,328	1,370,275	338
Preferred stock	18,428	18,428	–	–
Common stock	25,169	25,169	–	–
Derivatives	3,344	3,344	–	–
Total	$2,013,373	$642,760	$1,370,275	$338
Liabilities				
Guaranteed residual values of TRAC leases	$–	$–	$–	$–
Derivatives	14,845	–	14,845	–
Total	$14,845	$–	$14,845	$–

Year Ended March 31, 2015	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	$460,762	$460,762	$–	$–
Fixed maturities - available for sale	1,262,012	101,201	1,159,807	1,004
Preferred stock	18,296	18,296	–	–
Common stock	24,654	24,654	–	–
Derivatives	4,876	4,876	–	–
Total	$1,770,600	$609,789	$1,159,807	$1,004
Liabilities				
Guaranteed residual values of TRAC leases	$–	$–	$–	$–
Derivatives	24,484	–	24,484	–
Total	$24,484	$–	$24,484	$–

In light of our definition of an active market at the end of the fourth quarter of fiscal 2016, we reclassified $1,079.0 million and $895.7 million of fixed maturities – available for sale from Level 1 to Level 2 due to a review of their trading activity for fiscal 2016 and 2015, respectively.

The following tables represent the fair value measurements for our assets at March 31, 2016 using significant unobservable inputs (Level 3).

Fixed Maturities - Asset Backed Securities
(In thousands)

Balance at March 31, 2015	$1,004
Fixed Maturities - Asset Backed Securities - redeemed	(753)
Fixed Maturities - Asset Backed Securities - net gain (realized)	34
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	53
Balance at March 31, 2016	$338

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Note 16. Reinsurance and Policy Benefits and Losses, Claims and Loss Expenses Payable

During their normal course of business, our insurance subsidiaries assume and cede reinsurance on both a coinsurance and a risk premium basis. They also obtain reinsurance for that portion of risks exceeding their retention limits. The maximum amount of life insurance retained on any one life is $110,000.

	Direct Amount (a)	Ceded to Other Companies	Assumed from Other Companies	Net Amount (a)	Percentage of Amount Assumed to Net
	(In thousands)				
Year ended December 31, 2015					
Life insurance in force	$927,647	$397	$949,413	$1,876,663	51%
Premiums earned:					
Life	$49,126	$8	$11,310	$60,428	19%
Accident and health	99,354	312	2,545	101,587	3%
Annuity	392	–	255	647	39%
Property and casualty	50,012	–	8	50,020	0%
Total	$198,884	$320	$14,118	$212,682	
Year ended December 31, 2014					
Life insurance in force	$905,987	$402	$990,406	$1,895,991	52%
Premiums earned:					
Life	$47,298	$–	$12,337	$59,635	21%
Accident and health	93,319	345	2,796	95,770	3%
Annuity	386	–	312	698	45%
Property and casualty	46,417	–	39	46,456	0%
Total	$187,420	$345	$15,484	$202,559	
Year ended December 31, 2013					
Life insurance in force	$861,967	$403	$1,033,136	$1,894,700	55%
Premiums earned:					
Life	$45,625	$212	$12,888	$58,301	22%
Accident and health	95,536	397	3,157	98,296	3%
Annuity	847	23	498	1,322	38%
Property and casualty	40,685	–	367	41,052	1%
Total	$182,693	$632	$16,910	$198,971	

(a) Balances are reported net of inter-segment transactions.

To the extent that a reinsurer is unable to meet its obligation under the related reinsurance agreements, Repwest would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, Repwest holds letters of credit as of December 31, 2015 in the amount of $0.5 million from re-insurers and has issued letters of credit in the amount of $1.9 million in favor of certain ceding companies.

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notes to consolidated financial statements – (continued)

Policy benefits and losses, claims and loss expenses payable for Property and Casualty Insurance were as follows:

	December 31,	
	2015	2014
	(In thousands)	
Unpaid losses and loss adjustment expense	$251,964	$271,609
Reinsurance losses payable	855	135
Total	$252,819	$271,744

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

	December 31,		
	2015	2014	2013
	(In thousands)		
Balance at January 1	$271,609	$295,126	$330,093
Less: reinsurance recoverable	120,894	136,535	176,439
Net balance at January 1	150,715	158,591	153,654
Incurred related to:			
Current year	12,214	11,690	9,861
Prior years	84	(694)	1,652
Total incurred	12,298	10,996	11,513
Paid related to:			
Current year	7,509	6,155	5,226
Prior years	10,851	12,717	1,350
Total paid	18,360	18,872	6,576
Net balance at December 31	144,653	150,715	158,591
Plus: reinsurance recoverable	107,311	120,894	136,535
Balance at December 31	$251,964	$271,609	$295,126

The liability for incurred losses and loss adjustment expenses (net of reinsurance recoverable of $107.3 million) decreased by $6.1 million in 2015.

Note 17. Contingent Liabilities and Commitments

We lease a portion of our rental equipment and certain of our facilities under operating leases with terms that expire at various dates substantially through 2019. As of March 31, 2016, we have guaranteed $22.3 million of residual values for these rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, we have the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. We have been leasing equipment since 1987 and have experienced no material losses relating to these types of residual value guarantees.

Lease expenses were as follows:

Years Ended March 31,		
2016	2015	2014
(In thousands)		

Lease expense $49,780 $79,798 $100,466

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Operating lease commitments for leases having terms of more than one year were as follows:

	Property, Plant and Equipment	Rental Equipment	Total
	(In thousands)		
Year-ended March 31:			
2017	$16,360	$14,433	$30,793
2018	15,457	10,989	26,446
2019	14,313	9,058	23,371
2020	14,132	1,310	15,442
2021	14,029	–	14,029
Thereafter	47,473	–	47,473
Total	$121,764	$35,790	$157,554

Note 18. Contingencies

PODS Enterprises, Inc. v. U-Haul International, Inc.

On July 3, 2012, PODS Enterprises, Inc. (“PEI”), filed a lawsuit against U-Haul International, Inc. (“U-Haul”), in the United States District Court for the Middle District of Florida, Tampa Division, alleging (1) Federal Trademark Infringement under Section 32 of the Lanham Act, (2) Federal Unfair Competition under Section 43(a) of the Lanham Act, (3) Federal Trademark dilution by blurring in violation of Section 43(c) of the Lanham Act, (4) common law trademark infringement under Florida law, (5) violation of the Florida Dilution; Injury to Business Reputation statute, (6) unfair competition and trade practices, false advertising and passing off under Florida common law, (7) violation of the Florida Deceptive and Unfair Trade Practices Act, and (8) unjust enrichment under Florida law.

The claims arose from U-Haul’s use of the word “pod” and “pods” as a generic term for its U-Box moving and storage product. PEI alleged that such use is an inappropriate use of its PODS mark. Under the claims alleged in its Complaint, PEI sought a Court Order permanently enjoining U-Haul from: (1) the use of the PODS mark, or any other trade name or trademark confusingly similar to the mark; and (2) the use of any false descriptions or representations or committing any acts of unfair competition by using the PODS mark or any trade name or trademark confusingly similar to the mark. PEI also sought a Court Order (1) finding all of PEI’s trademarks valid and enforceable and (2) requiring U-Haul to alter all web pages to promptly remove the PODS mark from all websites owned or operated on behalf of U-Haul. Finally, PEI sought an award of damages in an amount to be proven at trial, but which are alleged to be approximately $70 million. PEI also sought pre-judgment interest, trebled damages, and punitive damages.

U-Haul does not believe that PEI’s claims have merit and vigorously defended the lawsuit. On September 17, 2012, U-Haul filed its Counterclaims, seeking a Court Order declaring that: (1) U-Haul’s use of the term “pods” or “pod” does not infringe or dilute PEI’s purported trademarks or violate any of PEI’s purported rights; (2) the purported mark “PODS” is not a valid, protectable, or registrable trademark; and (3) the purported mark “PODS PORTABLE ON DEMAND STORAGE” is not a valid, protectable, or registrable trademark. U-Haul also sought a Court Order cancelling the marks at issue in the case.

The case was tried to a jury, beginning on September 8, 2014. On September 19, 2014, the Court granted U-Haul's motion for directed verdict on the issue of punitive damages. The Court deferred ruling on U-Haul's motion for directed verdict on its defense that the words "pod" and "pods" were generic terms for a container used for the moving and storage of goods at the time PEI obtained its trademark ("genericness defense"). Closing arguments were on September 22, 2014.

On September 25, 2014, the jury returned a unanimous verdict, finding in favor of PEI and against U-Haul on all claims and counterclaims. The jury awarded PEI $45 million in actual damages and $15.7 million in U-Haul's alleged profits attributable to its use of the term "pod" or "pods."

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On October 1, 2014, the Court ordered briefing on U-Haul's oral motion for directed verdict on its genericness defense, the motion on which the Court had deferred ruling during trial. Pursuant to the Court's order, the parties' briefing on that motion was completed by October 21, 2014.

On March 11, 2015, the Court denied U-Haul's Renewed Motion for Directed Verdict, For Judgment as a Matter of Law, Or in the Alternative, Motion for a New Trial. Also on March 11, 2015, the Court entered Judgment on the jury verdict in favor of PEI and against U-Haul in the amount of $60.7 million. This was recorded as an accrual in our financial statements.

The parties have filed a series of post-Judgment motions:

On March 25, 2015, PEI filed a motion for an award of attorneys' fees and expenses in the amount of $6.5 million. On April 27, 2015, U-Haul filed its opposition brief to that motion.

On March 25, 2015, PEI filed a Proposed Bill of Costs in the amount of $186,411. On April 14, 2015, U-Haul filed an opposition to PEI's Proposed Bill of Costs. On May 1, 2015, PEI filed an amended bill of costs in the amount of $196,133.

On April 6, 2015, U-Haul filed, with PEI's consent, a motion to stay execution of the Judgment, pending the trial court's rulings on U-Haul's post-Judgment motions. That motion was supported by a supersedeas bond in the amount of $60.9 million, which represents 100% of the Judgment plus post-Judgment interest at the rate of 0.25% per year for 18 months. PEI and U-Haul both reserved the right to modify the amount of the bond in the event the Judgment is modified by the Court's rulings on the parties' post-Judgment motions (described below). On April 7, 2015, the Court granted U-Haul's motion on consent, staying the Judgment pending rulings on U-Haul's post-Judgment motions.

On April 8, 2015, U-Haul filed its Renewed Motion for Judgment As Matter of Law, or in the Alternative, Motion for New Trial, or to Alter the Judgment. U-Haul argued that it is entitled to judgment as a matter of law because even when all evidence is viewed in PEI's favor, it was legally insufficient for the jury to find for PEI. Alternatively, U-Haul argued that it is entitled to a new trial because the verdict is against the weight of the evidence. Alternatively, U-Haul argued that the Court should reduce the damages and profits award under principles of equity. On April, 27, 2015, PEI filed its opposition brief.

On April 8, 2015, PEI filed a Motion to Amend the Judgment pursuant to Fed. R. Civ. P. 59(e), in which it asked that the Judgment be amended to include (i) the entry of a permanent injunction; (ii) an award of pre-Judgment interest in the amount of $4.9 million; (iii) an award of post-Judgment interest in the amount of $11,441 and continuing to accrue at the rate of 0.25% while the case proceeds; (iv) doubling of the damages award to $121.4 million; and (v) the entry of an order directing the Patent and Trademark Office to dismiss the cancellation proceedings that U-Haul filed, which sought cancellation of the PODS trademarks. On April 27, 2015, U-Haul filed its opposition brief arguing, among other things, that (1) PEI is not entitled to recover double the windfall the jury incorrectly awarded it; (2) PEI is not entitled to the overreaching injunction it seeks; (3) PEI is not entitled to pre-judgment interest; (4) PEI has overstated the amount of post-Judgment interest to which it is entitled; and (5) PEI's request that the Court order the Trademark Trial and Appeal Board to dismiss U-Haul's cancellation proceeding is premature.

On April 9, 2015, U-Haul filed a protective Notice of Appeal. We expect that this notice of appeal will be automatically stayed and will become effective upon the disposition of (1) U-Haul's renewed motion for judgment or a new trial or alteration of the Judgment or (2) PEI's motion to alter or amend the Judgment, whichever comes later.

On August 24, 2015, the trial court entered two orders resolving the parties' post-trial motions. In short, U-Haul's efforts at setting aside the judgment, getting a new trial or reducing the amount of the jury award were denied, PEI's motions to enhance (i.e., double) the jury award and receive an award for attorneys' fees were denied, but the Court entered a permanent injunction, and awarded PEI $4.9 million in pre-judgment interest, $82,727 in costs, and post-judgment interest at the rate of 0.25%, beginning March 11, 2015, computed daily and compounded annually. This was recorded as an accrual of $5.0 million in our financial statements during fiscal 2016.

On September 4, 2015, U-Haul filed in the trial court its (i) amended notice of appeal, (ii) motion on consent of PEI to approve the bond and stay execution of the judgment pending appeal, and (iii) motion to stay or modify the injunction.

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On September 8, 2015, the trial court entered an Order granting U-Haul's Motion on Consent to Approve Bond and Stay Execution of Judgment. The Judgment, as amended by the trial court's orders adding an award of costs and pre-judgment interest, is stayed pending resolution of appeals.

On October 15, 2015, the trial court denied U-Haul's motion to modify or stay the injunction pending appeal. But in the process, the Court clarified that (i) the reach of the injunction is limited to "advertising, promoting, marketing, or describing any products or services" and (ii) use of the terms "pod" and "pods" in comparative advertising is not prohibited, thereby allowing "nominative fair use" and truthful communications in customer dialogue and making clear that "nothing in the injunction mandates censorship with respect to consumer comments."

PEI's deadline for filing a notice of cross-appeal was September 23, 2015, and PEI did not file a notice of cross-appeal.

On September 23, 2015, the Eleventh Circuit Court of Appeals granted the parties' joint motion for an extension of time for filing their respective briefs on appeal. U-Haul's initial brief was due on December 17, 2015, PEI's response brief was due on March 16, 2016, and U-Haul's reply was due on April 29, 2016.

On September 24, 2015, the Eleventh Circuit Court of Appeals issued a Notice setting a telephonic mediation for November 16, 2015, beginning at 2:00 p.m., Eastern Time. The mediation was unsuccessful.

U-Haul filed its opening brief on appeal with the Eleventh Circuit Court of Appeals on December 17, 2015. PEI filed its response brief on March 16, 2016. U-Haul filed its reply brief on April 29, 2016. U-Haul has requested oral argument, PEI did not oppose that request, and the Eleventh Circuit Court of Appeals has not yet acted on that request.

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.

Note 19. Related Party Transactions

As set forth in the Audit Committee Charter and consistent with NASDAQ Listing Rules, our Audit Committee (the "Audit Committee") reviews and maintains oversight over related party transactions which are required to be disclosed under the Securities and Exchange Commission ("SEC") rules and regulations and in accordance to GAAP. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. Our internal processes are designed to ensure that our legal and finance departments identify and monitor potential related party transactions that may require disclosure and Audit Committee oversight.

AMERCO has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below. Management believes that the transactions described below and in the related notes were completed on terms substantially equivalent to those that would prevail in third party, arm's-length transactions.

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SAC Holdings was established in order to acquire and develop self-storage properties. These properties are being managed by us pursuant to management agreements. In the past, we sold real estate and various self-storage properties to SAC Holdings, and such sales provided significant cash flows to us.

Related Party Revenues

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
U-Haul interest income revenue from SAC Holdings	$4,960	$5,914	$7,071
U-Haul interest income revenue from Private Mini	1,126	4,918	5,348
U-Haul management fee revenue from SAC Holdings	18,657	18,472	18,007
U-Haul management fee revenue from Private Mini	3,330	2,614	2,437
U-Haul management fee revenue from Mercury	4,546	4,255	4,049
	$32,619	$36,173	$36,912

During fiscal 2016, a subsidiary of ours held a junior unsecured note of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater Investments, Inc. (“Blackwater”). Blackwater is wholly-owned by Willow Grove Holdings LP, which is owned by Mark V. Shoen (a significant shareholder), and various trusts associated with Edward J.Shoen (our Chairman of the Board, President and a significant shareholder) and Mark V. Shoen. We do not have an equity ownership interest in SAC Holdings. We received cash interest payments of $4.6 million, $5.7 million and $17.2 million, from SAC Holdings during fiscal 2016, 2015 and 2014, respectively. The largest aggregate amount of notes receivable outstanding during fiscal 2016 was $50.4 million and the aggregate notes receivable balance at March 31, 2016 was $49.3 million. In accordance with the terms of these notes, SAC Holdings may prepay the notes without penalty or premium at any time. The scheduled maturity of this note is 2017.

During fiscal 2016, AMERCO held a junior note issued by Private Mini Storage Realty, L.P. (“Private Mini”). The equity interests of Private Mini are ultimately controlled by Blackwater. We received cash interest payments of $1.5 million, $5.1 million and $5.4 million from Private Mini during fiscal years 2016, 2015 and 2014, respectively. The largest aggregate amount outstanding during fiscal 2016 was $56.5 million. In July 2015, Private Mini repaid its note and all outstanding interest due AMERCO totaling $56.8 million.

We currently manage the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. (“Mercury”), Four SAC Self-Storage Corporation (“4 SAC”), Five SAC Self-Storage Corporation (“5 SAC”), Galaxy Investments, L.P. (“Galaxy”) and Private Mini pursuant to a standard form of management agreement, under which we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of $27.1 million, $25.8 million and $25.8 million from the above mentioned entities during fiscal 2016, 2015 and 2014, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by James P. Shoen (a significant shareholder), Mark V. Shoen and a trust benefitting the children and grandchild of Edward J. Shoen.

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Related Party Costs and Expenses

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
U-Haul lease expenses to SAC Holdings	$2,648	$2,618	$2,619
U-Haul commission expenses to SAC Holdings	51,036	48,833	46,886
U-Haul commission expenses to Private Mini	3,684	3,258	3,047
	$57,368	$54,709	$52,552

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us.

At March 31, 2016, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based upon equipment rental revenues.

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of $28.1 million, expenses of $2.6 million and cash flows of $83.8 million during fiscal 2016. Revenues and commission expenses related to the Dealer Agreements were $254.7 million and $54.7 million, respectively for fiscal 2016.

Pursuant to the variable interest entity model under ASC 810 – Consolidation (“ASC 810”), Management determined that the junior notes of SAC Holdings and Private Mini as well as the management agreements with SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini represent potential variable interests for us. Management evaluated whether it should be identified as the primary beneficiary of one or more of these VIEs using a two-step approach in which management (i) identified all other parties that hold interests in the VIEs, and (ii) determined if any variable interest holder has the power to direct the activities of the VIEs that most significantly impact their economic performance.

Management determined that they do not have a variable interest in the holding entities SAC Holding II Corporation, Private Mini, Mercury, 4 SAC, 5 SAC, or Galaxy based upon management agreements which are with the individual operating entities or through the issuance of junior debt; therefore, we are precluded from consolidating these entities.

We have junior debt with the holding entity SAC Holding Corporation which represents a variable interest in the entity. Though we have certain protective rights within this debt agreement, we have no present influence or control over this holding entity unless the protective rights become exercisable, which management considers unlikely based on their payment history. As a result, we have no basis under ASC 810 to consolidate this entity.

We do not have the power to direct the activities that most significantly impact the economic performance of the individual operating entities which have management agreements with U-Haul. There are no fees or penalties disclosed in the management agreement for termination of the agreement. Through control of the holding entities' assets, and its ability and history of making key decisions relating to the entity and its assets, Blackwater, and its owner, are the variable interest holder with the power to direct the activities that most significantly impact each of the individual holding entities and the individual operating entities’ performance. As a result, we have no basis under ASC

810 to consolidate these entities.

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notes to consolidated financial statements – (continued)

We have not provided financial or other support explicitly or implicitly during the fiscal year ended March 31, 2016 to any of these entities that it was not previously contractually required to provide. In addition, we currently have no plan to provide any financial support to any of these entities in the future. The carrying amount and classification of the assets and liabilities in our balance sheets that relate to our variable interests in the aforementioned entities are as follows, which approximate the maximum exposure to loss as a result of our involvement with these entities:

Related Party Assets

	March 31, 2016	March 31, 2015
	(In thousands)	
U-Haul notes, receivables and interest from Private Mini	$2,752	$59,375
U-Haul note receivable from SAC Holding Corporation	49,322	50,428
U-Haul interest receivable from SAC Holdings	4,970	4,579
U-Haul receivable from SAC Holdings	20,375	20,108
U-Haul receivable from Mercury	8,016	6,667
Other (a)	299	633
	$85,734	$141,790

(a) Timing differences for intercompany balances with insurance subsidiaries resulting from the three month difference in reporting periods.

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Note 20. Statutory Financial Information of Insurance Subsidiaries

Applicable laws and regulations of the States of Arizona and Nevada require Property and Casualty Insurance and Life Insurance to maintain minimum capital and surplus determined in accordance with statutory accounting principles. Audited statutory net income (loss) and statutory capital and surplus for the years ended are listed below:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Repwest:			
Audited statutory net income	$22,308	$21,287	$18,286
Audited statutory capital and surplus	158,376	155,835	126,836
ARCOA:			
Audited statutory net income	1,391	1,358	532
Audited statutory capital and surplus	5,386	4,175	2,666
Oxford:			
Audited statutory net income	12,150	12,115	11,130
Audited statutory capital and surplus	172,282	158,512	148,486
CFLIC:			
Audited statutory net income	9,217	9,157	9,567
Audited statutory capital and surplus	28,892	28,551	28,848
NAI:			
Audited statutory net income (loss)	1,161	886	(419)
Audited statutory capital and surplus	12,685	11,589	10,185

The amount of dividends that can be paid to shareholders by insurance companies domiciled in the State of Arizona is limited. Any dividend in excess of the limit requires prior regulatory approval. The statutory surplus for Repwest at December 31, 2015 that could be distributed as ordinary dividends was $15.8 million. The statutory surplus for Oxford at December 31, 2015 that could be distributed as ordinary dividends was $12.0 million. Oxford did not pay a dividend to AMERCO in fiscal 2016, 2015 or 2014. After receiving approval from the Arizona Department of Insurance, Repwest paid a $19.6 million non-cash dividend to AMERCO in fiscal 2016.

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notes to consolidated financial statements – (continued)

Note 21. Financial Information by Geographic Area

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2016			
Total revenues	$3,130,097	$145,559	$3,275,656
Depreciation and amortization, net of (gains) losses on disposal	313,099	863	313,962
Interest expense	97,739	164	97,903
Pretax earnings	745,194	23,717	768,911
Income tax expense	273,473	6,437	279,910
Identifiable assets	7,901,365	249,360	8,150,725

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2015			
Total revenues	$2,916,027	$158,504	$3,074,531
Depreciation and amortization, net of (gains) losses on disposal	292,345	5,481	297,826
Interest expense	96,979	546	97,525
Pretax earnings	541,371	20,047	561,418
Income tax expense	199,444	5,233	204,677
Identifiable assets	6,685,572	186,603	6,872,175

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2014			
Total revenues	$2,681,800	$153,452	$2,835,252
Depreciation and amortization, net of (gains) losses on disposal	272,236	7,358	279,594
Interest expense	92,128	564	92,692
Pretax earnings	516,207	21,315	537,522
Income tax expense	189,419	5,712	195,131
Identifiable assets	5,854,503	144,475	5,998,978

Note 21A. Consolidating Financial Information by Industry Segment

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.

Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes are shown as liabilities on the consolidating statements.

The information includes elimination entries necessary to consolidate AMERCO, the parent, with its subsidiaries.

Investments in subsidiaries are accounted for by the parent using the equity method of accounting.

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notes to consolidated financial statements – (continued)

Note 21A. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of March 31, 2016 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Assets:						
Cash and cash equivalents	$585,666	$14,049	$931	$–		$600,646
Reinsurance recoverables and trade receivables, net	34,451	111,978	28,781	–		175,210
Inventories, net	79,756	–	–	–		79,756
Prepaid expenses	134,300	–	–	–		134,300
Investments, fixed maturities and marketable equities	–	238,570	1,271,968	–		1,510,538
Investments, other	21,431	47,374	241,267	–		310,072
Deferred policy acquisition costs, net	–	–	136,386	–		136,386
Other assets	95,081	3,088	2,403	–		100,572
Related party assets	88,022	12,465	613	(15,366)	(c)	85,734
	1,038,707	427,524	1,682,349	(15,366)		3,133,214
Investment in subsidiaries	432,277	–	–	(432,277)	(b)	–
Property, plant and equipment, at cost:						
Land	587,347	–	–	–		587,347
Buildings and improvements	2,187,400	–	–	–		2,187,400
Furniture and equipment	399,943	–	–	–		399,943
Rental trailers and other rental equipment	462,379	–	–	–		462,379
Rental trucks	3,514,175	–	–	–		3,514,175
	7,151,244	–	–	–		7,151,244
Less: Accumulated depreciation	(2,133,733)	–	–	–		(2,133,733)
Total property, plant and equipment	5,017,511	–	–	–		5,017,511
Total assets	$6,488,495	$427,524	$1,682,349	$(447,643)		$8,150,725

(a) Balances as of December 31, 2015

(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

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notes to consolidated financial statements – (continued)

Consolidating balance sheets by industry segment as of March 31, 2016 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Liabilities:						
Accounts payable and accrued expenses	$492,982	$1,535	$8,096	$–		$502,613
Notes, loans and leases payable	2,688,758	–	–	–		2,688,758
Policy benefits and losses, claims and loss expenses payable	386,366	252,819	432,227	–		1,071,412
Liabilities from investment contracts	–	–	951,490	–		951,490
Other policyholders' funds and liabilities	–	3,017	5,633	–		8,650
Deferred income	22,784	–	–	–		22,784
Deferred income taxes	633,061	7,526	13,025	–		653,612
Related party liabilities	13,138	2,067	161	(15,366)	(c)	–
Total liabilities	4,237,089	266,964	1,410,632	(15,366)		5,899,319
Stockholders' equity :						
Series preferred stock:						
Series A preferred stock	–	–	–	–		–
Series B preferred stock	–	–	–	–		–
Series A common stock	–	–	–	–		–
Common stock	10,497	3,301	2,500	(5,801)	(b)	10,497
Additional paid-in capital	451,839	91,120	26,271	(117,601)	(b)	451,629
Accumulated other comprehensive income (loss)	(60,525)	3,611	10,504	(14,115)	(b)	(60,525)
Retained earnings	2,533,431	62,528	232,442	(294,760)	(b)	2,533,641
Cost of common shares in treasury, net	(525,653)	–	–	–		(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–		(151,997)
Unearned employee stock ownership plan shares	(6,186)	–	–	–		(6,186)
Total stockholders' equity	2,251,406	160,560	271,717	(432,277)		2,251,406
Total liabilities and stockholders' equity	$6,488,495	$427,524	$1,682,349	$(447,643)		$8,150,725

(a) Balances as of December 31, 2015

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

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notes to consolidated financial statements – (continued)

Consolidating balance sheets by industry segment as of March 31, 2015 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Assets:						
Cash and cash equivalents	$431,873	$8,495	$1,482	$–		$441,850
Reinsurance recoverables and trade receivables, net	32,364	125,506	31,999	–		189,869
Inventories, net	69,472	–	–	–		69,472
Prepaid expenses	126,296	–	–	–		126,296
Investments, fixed maturities and marketable equities	–	228,530	1,076,432	–		1,304,962
Investments, other	27,637	50,867	190,216	–		268,720
Deferred policy acquisition costs, net	–	–	115,422	–		115,422
Other assets	101,689	1,924	2,544	–		106,157
Related party assets	144,040	13,268	586	(16,104)	(c)	141,790
	933,371	428,590	1,418,681	(16,104)		2,764,538
Investment in subsidiaries	443,462	–	–	(443,462)	(b)	–
Property, plant and equipment, at cost:						
Land	467,482	–	–	–		467,482
Buildings and improvements	1,728,033	–	–	–		1,728,033
Furniture and equipment	355,349	–	–	–		355,349
Rental trailers and other rental equipment	436,642	–	–	–		436,642
Rental trucks	3,059,987	–	–	–		3,059,987
	6,047,493	–	–	–		6,047,493
Less: Accumulated depreciation	(1,939,856)	–	–	–		(1,939,856)
Total property, plant and equipment	4,107,637	–	–	–		4,107,637
Total assets	$5,484,470	$428,590	$1,418,681	$(459,566)		$6,872,175

(a) Balances as of December 31, 2014
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

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notes to consolidated financial statements – (continued)

Consolidating balance sheets by industry segment as of March 31, 2015 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Liabilities:						
Accounts payable and accrued expenses	$489,140	$1,235	$5,995	$–		$496,370
Notes, loans and leases payable	2,190,869	–	–	–		2,190,869
Policy benefits and losses, claims and loss expenses payable	363,552	271,744	426,892	–		1,062,188
Liabilities from investment contracts	–	–	685,745	–		685,745
Other policyholders' funds and liabilities	–	2,837	4,927	–		7,764
Deferred income	18,081	–	–	–		18,081
Deferred income taxes	524,550	(18,592)	20,841	–		526,799
Related party liabilities	13,919	2,073	112	(16,104)	(c)	–
Total liabilities	3,600,111	259,297	1,144,512	(16,104)		4,987,816
Stockholders' equity :						
Series preferred stock:						
Series A preferred stock	–	–	–	–		–
Series B preferred stock	–	–	–	–		–
Series A common stock	–	–	–	–		–
Common stock	10,497	3,301	2,500	(5,801)	(b)	10,497
Additional paid-in capital	449,878	91,120	26,271	(117,601)	(b)	449,668
Accumulated other comprehensive income (loss)	(34,365)	8,871	32,310	(41,181)	(b)	(34,365)
Retained earnings (deficit)	2,142,390	66,001	213,088	(278,879)	(b)	2,142,600
Cost of common shares in treasury, net	(525,653)	–	–	–		(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–		(151,997)
Unearned employee stock ownership plan shares	(6,391)	–	–	–		(6,391)
Total stockholders' equity (deficit)	$1,884,359	169,293	274,169	(443,462)		1,884,359
Total liabilities and stockholders' equity	5,484,470	$428,590	$1,418,681	$(459,566)		$6,872,175

(a) Balances as of December 31, 2014

(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables

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amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating statements of operations by industry segment for period ending March 31, 2016 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Revenues:						
Self-moving equipment rentals	$2,301,586	$–	$–	$(3,606)	(c)	$2,297,980
Self-storage revenues	247,944	–	–	–		247,944
Self-moving & self-storage products & service sales	251,541	–	–	–		251,541
Property management fees	26,533	–	–	–		26,533
Life insurance premiums	–	–	162,662	–		162,662
Property and casualty insurance premiums	–	50,020	–	–		50,020
Net investment and interest income	8,801	14,783	63,999	(778)	(b)	86,805
Other revenue	148,099	–	4,559	(487)	(b)	152,171
Total revenues	2,984,504	64,803	231,220	(4,871)		3,275,656
Costs and expenses:						
Operating expenses	1,423,107	27,958	23,037	(4,055)	(b,c)	1,470,047
Commission expenses	262,627	–	–	–		262,627
Cost of sales	144,990	–	–	–		144,990
Benefits and losses	–	12,298	155,138	–		167,436
Amortization of deferred policy acquisition costs	–	–	23,272	–		23,272
Lease expense	49,966	–	–	(186)	(b)	49,780
Depreciation, net of (gains) losses on disposals	290,690	–	–	–		290,690
Total costs and expenses	2,171,380	40,256	201,447	(4,241)		2,408,842
Earnings from operations before equity in earnings of subsidiaries	813,124	24,547	29,773	(630)		866,814
Equity in earnings of subsidiaries	35,522	–	–	(35,522)	(d)	–
Earnings from operations	848,646	24,547	29,773	(36,152)		866,814
Interest expense	(98,533)	–	–	630	(b)	(97,903)
Pretax earnings	750,113	24,547	29,773	(35,522)		768,911
Income tax expense	(261,112)	(8,379)	(10,419)	–		(279,910)
Earnings available to common shareholders	$489,001	$16,168	$19,354	$(35,522)		$489,001

(a) Balances for the year ended December 31, 2015
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating statements of operations by industry segment for period ending March 31, 2015 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Revenues:						
Self-moving equipment rentals	$2,149,986	$–	$–	$(3,595)	(c)	$2,146,391
Self-storage revenues	211,136	–	–	–		211,136
Self-moving & self-storage products & service sales	244,177	–	–	–		244,177
Property management fees	25,341	–	–	–		25,341
Life insurance premiums	–	–	156,103	–		156,103
Property and casualty insurance premiums	–	46,456	–	–		46,456
Net investment and interest income	13,644	12,819	59,051	(786)	(b)	84,728
Other revenue	156,154	–	4,502	(457)	(b)	160,199
Total revenues	2,800,438	59,275	219,656	(4,838)		3,074,531
Costs and expenses:						
Operating expenses	1,436,145	24,802	22,476	(4,014)	(b,c)	1,479,409
Commission expenses	249,642	–	–	–		249,642
Cost of sales	146,072	–	–	–		146,072
Benefits and losses	–	10,996	147,764	–		158,760
Amortization of deferred policy acquisition costs	–	–	19,661	–		19,661
Lease expense	79,984	–	–	(186)	(b)	79,798
Depreciation, net of (gains) losses on disposals	278,165	–	–	–		278,165
Total costs and expenses	2,190,008	35,798	189,901	(4,200)		2,411,507
Earnings from operations before equity in earnings of subsidiaries	610,430	23,477	29,755	(638)		663,024
Equity in earnings of subsidiaries	34,783	–	–	(34,783)	(d)	–
Earnings from operations	645,213	23,477	29,755	(35,421)		663,024
Interest expense	(98,163)	–	–	638	(b)	(97,525)
Fees and amortization on early extinguishment of debt	(4,081)	–	–	–		(4,081)
Pretax earnings	542,969	23,477	29,755	(34,783)		561,418
Income tax expense	(186,228)	(8,060)	(10,389)	–		(204,677)
Earnings available to common shareholders	$356,741	$15,417	$19,366	$(34,783)		$356,741

(a) Balances for the year ended December 31, 2014
(b) Eliminate intercompany lease/interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

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amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating statements of operations by industry segment for period ending March 31, 2014 are as follows:

	Moving & Storage Consolidated (In thousands)	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
Revenues:						
Self-moving equipment rentals	$1,958,209	$–	$–	$(2,786)	(c)	$1,955,423
Self-storage revenues	181,794	–	–	–		181,794
Self-moving & self-storage products & service sales	234,187	–	–	–		234,187
Property management fees	24,493	–	–	–		24,493
Life insurance premiums	–	–	157,919	–		157,919
Property and casualty insurance premiums	–	41,052	–	–		41,052
Net investment and interest income	15,212	10,592	54,398	(611)	(b)	79,591
Other revenue	158,055	–	3,211	(473)	(b)	160,793
Total revenues	2,571,950	51,644	215,528	(3,870)		2,835,252
Costs and expenses:						
Operating expenses	1,272,406	20,799	23,686	(3,217)	(b,c)	1,313,674
Commission expenses	227,332	–	–	–		227,332
Cost of sales	127,270	–	–	–		127,270
Benefits and losses	–	11,513	145,189	–		156,702
Amortization of deferred policy acquisition costs	–	–	19,982	–		19,982
Lease expense	100,649	–	–	(183)	(b)	100,466
Depreciation, net of (gains) losses on disposals	259,612	–	–	–		259,612
Total costs and expenses	1,987,269	32,312	188,857	(3,400)		2,205,038
Earnings from operations before equity in earnings of subsidiaries	584,681	19,332	26,671	(470)		630,214
Equity in earnings of subsidiaries	29,992	–	–	(29,992)	(d)	–
Earnings from operations	614,673	19,332	26,671	(30,462)		630,214
Interest expense	(93,162)	–	–	470	(b)	(92,692)
Pretax earnings	521,511	19,332	26,671	(29,992)		537,522
Income tax expense	(179,120)	(6,670)	(9,341)	–		(195,131)
Earnings available to common shareholders	$342,391	$12,662	$17,330	$(29,992)		$342,391

(a) Balances for the year ended December 31, 2013
(b) Eliminate intercompany lease/interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2016, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	$489,001	$16,168	$19,354	$(35,522)	$489,001
Earnings from consolidated subsidiaries	(35,522)	–	–	35,522	–
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	389,393	–	–	–	389,393
Amortization of deferred policy acquisition costs	–	–	23,272	–	23,272
Interest credited to policyholders	–	–	20,465	–	20,465
Change in allowance for losses on trade receivables	7	–	(212)	–	(205)
Change in allowance for inventory reserve	(1,343)	–	–	–	(1,343)
Net gain on sale of real and personal property	(98,703)	–	–	–	(98,703)
Net gain on sale of investments	–	(1,317)	(3,174)	–	(4,491)
Deferred income taxes	124,838	9,311	3,926	–	138,075
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(2,169)	13,528	3,406	–	14,765
Inventories	(9,009)	–	–	–	(9,009)
Prepaid expenses	(10,338)	–	–	–	(10,338)
Capitalization of deferred policy acquisition costs	–	–	(32,590)	–	(32,590)
Other assets	16,231	(1,050)	141	–	15,322
Related party assets	55,962	682	–	–	56,644
Accounts payable and accrued expenses	26,093	1,533	9,761	–	37,387
Policy benefits and losses, claims and loss expenses payable	23,215	(18,925)	5,336	–	9,626
Other policyholders' funds and liabilities	–	(1,056)	707	–	(349)
Deferred income	4,757	–	–	–	4,757
Related party liabilities	(779)	115	48	–	(616)
Net cash provided (used) by operating activities	971,634	18,989	50,440	–	1,041,063

Cash flows from investing activities:

Purchases of:

Property, plant and equipment	(1,509,154)	–	–	–	(1,509,154)
Short term investments	–	(44,735)	(471,164)	–	(515,899)
Fixed maturities investments	–	(45,048)	(372,014)	–	(417,062)
Equity securities	–	–	(1,315)	–	(1,315)
Preferred stock	–	(1,005)	–	–	(1,005)
Real estate	–	(36)	(39)	–	(75)
Mortgage loans	(15,384)	(1,800)	(85,404)	–	(102,588)
Proceeds from sales and paydowns of:					
Property, plant and equipment	539,256	–	–	–	539,256
Short term investments	–	44,756	483,424	–	528,180
Fixed maturities investments	–	26,193	128,343	–	154,536
Equity securities	–	1,236	808	–	2,044
Preferred stock	–	1,126	–	–	1,126
Real estate	–	–	–	–	–
Mortgage loans	21,589	5,878	21,090	–	48,557
Net cash provided (used) by investing activities	(963,693)	(13,435)	(296,271)	–	(1,273,399)

(a) Balance for the period ended December 31, 2015
(b) Eliminate intercompany investments

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notes to consolidated financial statements – (continued)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2016, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	808,972	–	47,000	–	855,972
Principal repayments on credit facilities	(381,403)	–	(47,000)	–	(428,403)
Debt issuance costs	(10,184)	–	–	–	(10,184)
Capital lease payments	(168,661)	–	–	–	(168,661)
Purchases of Employee Stock Ownership Plan Shares	(9,302)	–	–	–	(9,302)
Securitization deposits	544	–	–	–	544
Common stock dividends paid	(78,374)	–	–	–	(78,374)
Investment contract deposits	–	–	298,237	–	298,237
Investment contract withdrawals	–	–	(52,957)	–	(52,957)
Net cash provided (used) by financing activities	161,592	–	245,280	–	406,872
Effects of exchange rate on cash	(15,740)	–	–	–	(15,740)
Decrease in cash and cash equivalents	153,793	5,554	(551)	–	158,796
Cash and cash equivalents at beginning of period	431,873	8,495	1,482	–	441,850
Cash and cash equivalents at end of period	$585,666	$14,049	$931	$–	$600,646

(a) Balance for the period ended December 31, 2015

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2015, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination		AMERCO Consolidated
	(In thousands)					
Cash flows from operating activities:						
Net earnings	$356,741	$15,417	$19,366	$(34,783)		$356,741
Earnings from consolidated subsidiaries	(34,783)	–	–	34,783		–
Adjustments to reconcile net earnings to the cash provided by operations:						
Depreciation	352,796	–	–	–		352,796
Amortization of deferred policy acquisition costs	–	–	19,661	–		19,661
Interest credited to policyholders	–	–	18,110	–		18,110
Change in allowance for losses on trade receivables	(179)	–	11	–		(168)
Change in allowance for inventory reserve	(872)	–	–	–		(872)
Net gain on sale of real and personal property	(74,631)	–	–	–		(74,631)
Net gain on sale of investments	–	(841)	(3,084)	–		(3,925)
Deferred income taxes	66,628	8,030	1,842	–		76,500
Net change in other operating assets and liabilities:						
Reinsurance recoverables and trade receivables	(3,213)	16,830	(3,985)	–		9,632
Inventories	(1,579)	–	–	–		(1,579)
Prepaid expenses	(65,720)	–	–	–		(65,720)
Capitalization of deferred policy acquisition costs	–	–	(27,084)	–		(27,084)
Other assets	4,437	102	(804)	–		3,735
Related party assets	27,753	(258)	–	211	(b)	27,706
Accounts payable and accrued expenses	91,409	22	7,446	–		98,877
Policy benefits and losses, claims and loss expenses payable	(4,327)	(23,472)	10,178	–		(17,621)
Other policyholders' funds and liabilities	–	317	671	–		988
Deferred income	(13,181)	–	–	–		(13,181)
Related party liabilities	(1,016)	428	(67)	(211)	(b)	(866)
Net cash provided (used) by operating activities	700,263	16,575	42,261	–		759,099

Cash flows from investing activities:

Purchases of:

Property, plant and equipment	(1,041,931)	–	–	–	(1,041,931)
Short term investments	–	(40,583)	(249,796)	–	(290,379)
Fixed maturities investments	–	(43,062)	(171,309)	–	(214,371)
Equity securities	–	(3,333)	(426)	–	(3,759)
Preferred stock	–	(1,006)	(1,000)	–	(2,006)
Real estate	–	(7,857)	(7,542)	–	(15,399)
Mortgage loans	(22,876)	(4,350)	(15,457)	–	(42,683)
Proceeds from sales and paydowns of:					
Property, plant and equipment	411,629	–	–	–	411,629
Short term investments	–	53,112	234,771	–	287,883
Fixed maturities investments	–	18,556	89,311	–	107,867
Equity securities	–	3,082	–	–	3,082
Preferred stock	–	400	2,027	–	2,427
Real estate	–	–	396	–	396
Mortgage loans	28,089	4,203	9,691	–	41,983
Net cash provided (used) by investing activities	(625,089)	(20,838)	(109,334)	–	(755,261)

(a) Balance for the period ended December 31, 2014
(b) Eliminate intercompany investments

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amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2015, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	657,535	–	–	–	657,535
Principal repayments on credit facilities	(593,722)	–	–	–	(593,722)
Debt issuance costs	(12,327)	–	–	–	(12,327)
Capital lease payments	(121,202)	–	–	–	(121,202)
Purchases of Employee Stock Ownership Plan Shares	(7,939)	–	–	–	(7,939)
Common stock dividends paid	(19,594)	–	–	–	(19,594)
Investment contract deposits	–	–	105,019	–	105,019
Investment contract withdrawals	–	–	(54,108)	–	(54,108)
Net cash provided (used) by financing activities	(97,249)	–	50,911	–	(46,338)
Effects of exchange rate on cash	(10,762)	–	–	–	(10,762)
Increase (decrease) in cash and cash equivalents	(32,837)	(4,263)	(16,162)	–	(53,262)
Cash and cash equivalents at beginning of period	464,710	12,758	17,644	–	495,112
Cash and cash equivalents at end of period	$ 431,873	$ 8,495	$ 1,482	$ –	$ 441,850

(a) Balance for the period ended December 31, 2014

amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2014 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination		AMERCO Consolidated
	(In thousands)					
Cash flows from operating activities:						
Net earnings	$342,391	$12,662	$17,330	$(29,992)		$342,391
Earnings from consolidated subsidiaries	(29,992)	–	–	29,992		–
Adjustments to reconcile net earnings to the cash provided by operations:						
Depreciation	293,169	–	–	–		293,169
Amortization of deferred policy acquisition costs	–	–	19,982	–		19,982
Interest credited to policyholders	–	–	22,890	–		22,890
Change in allowance for losses on trade receivables	(28)	–	(8)	–		(36)
Change in allowance for inventory reserve	871	–	–	–		871
Net gain on sale of real and personal property	(33,557)	–	–	–		(33,557)
Net gain on sale of investments	(1,325)	(536)	(4,550)	–		(6,411)
Deferred income taxes	34,605	7,301	4,465	–		46,371
Net change in other operating assets and liabilities:						
Reinsurance recoverables and trade receivables	14,328	43,675	4,503	–		62,506
Inventories	(11,495)	–	–	–		(11,495)
Prepaid expenses	2,186	–	–	–		2,186
Capitalization of deferred policy acquisition costs	–	–	(32,611)	–		(32,611)
Other assets	8,670	(781)	(222)	–		7,667
Related party assets	11,060	(4,231)	–	725	(b)	7,554
Accounts payable and accrued expenses	32,394	62	3,909	–		36,365
Policy benefits and losses, claims and loss expenses payable	(8,202)	(34,968)	12,674	–		(30,496)
Other policyholders' funds and liabilities	–	513	118	–		631
Deferred income	1,259	–	–	–		1,259
Related party liabilities	5,647	(131)	(61)	(725)	(b)	4,730
Net cash provided (used) by operating activities	661,981	23,566	48,419	–		733,966

Cash flows from investing activities:

Purchases of:

Property, plant and equipment	(1,000,243)	–	–	–		(1,000,243)
Short term investments	–	(60,551)	(210,139)	–		(270,690)
Fixed maturities investments	–	(58,790)	(223,634)	–		(282,424)
Equity securities	–	(746)	(816)	–		(1,562)
Preferred stock	–	(640)	–	–		(640)
Real estate	–	–	(532)	–		(532)
Mortgage loans	(21,349)	(3,500)	(39,159)	11,589	(b)	(52,419)
Proceeds from sales and paydowns of:						
Property, plant and equipment	270,053	–	–	–		270,053
Short term investments	–	68,852	200,200	–		269,052
Fixed maturities investments	–	17,106	121,295	–		138,401
Equity securities	26,569	2,570	–	–		29,139
Preferred stock	–	4,504	1,500	–		6,004
Real estate	193	–	351	–		544
Mortgage loans	38,959	6,267	15,049	(11,589)	(b)	48,686
Net cash provided (used) by investing activities	(685,818)	(24,928)	(135,885)	–		(846,631)

(a) Balance for the period ended December 31, 2013
(b) Eliminate intercompany investments

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amerco and consolidated subsidiaries

notes to consolidated financial statements – (continued)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2014 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	431,029	–	–	–	431,029
Principal repayments on credit facilities	(293,068)	–	–	–	(293,068)
Debt issuance costs	(3,943)	–	–	–	(3,943)
Capital lease payments	(53,079)	–	–	–	(53,079)
Purchases of Employee Stock Ownership Plan Shares	(207)	–	–	–	(207)
Securitization deposits	–	–	–	–	–
Common stock dividends paid	(19,568)	–	–	–	(19,568)
Investment contract deposits	–	–	117,723	–	117,723
Investment contract withdrawals	–	–	(34,677)	–	(34,677)
Net cash provided (used) by financing activities	61,164	–	83,046	–	144,210
Effects of exchange rate on cash	(177)	–	–	–	(177)
Increase (decrease) in cash and cash equivalents	37,150	(1,362)	(4,420)	–	31,368
Cash and cash equivalents at beginning of period	427,560	14,120	22,064	–	463,744
Cash and cash equivalents at end of period	$464,710	$12,758	$17,644	$–	$495,112

(a) Balance for the period ended December 31, 2013

SCHEDULE I

CONDENSED FINANCIAL INFORMATION OF AMERCO

BALANCE SHEETS

	March 31,	
	2016	2015
	(In thousands)	
ASSETS		
Cash and cash equivalents	$381,690	$291,550
Investment in subsidiaries	1,185,021	813,735
Related party assets	1,249,835	1,225,044
Other assets	94,128	85,409
Total assets	$2,910,674	$2,415,738
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Other liabilities	$653,082	$524,988
	653,082	524,988
Stockholders' equity:		
Preferred stock	–	–
Common stock	10,497	10,497
Additional paid-in capital	451,839	449,878
Accumulated other comprehensive loss	(60,525)	(34,365)
Retained earnings:		
Beginning of period	2,142,390	1,805,243
Net earnings	489,001	356,741
Dividends	(97,960)	(19,594)
End of period	2,533,431	2,142,390
Cost of common shares in treasury	(525,653)	(525,653)
Cost of preferred shares in treasury	(151,997)	(151,997)
Total stockholders' equity	2,257,592	1,890,750
Total liabilities and stockholders' equity	$2,910,674	$2,415,738

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF OPERATIONS

	Years Ended March 31, 2016	2015	2014
	(In thousands, except share and per share data)		
Revenues:			
Net interest income and other revenues	$2,420	$4,862	$6,465
Expenses:			
Operating expenses	7,525	7,055	6,636
Other expenses	111	99	97
Total expenses	7,636	7,154	6,733
Equity in earnings of subsidiaries	417,087	300,566	287,803
Interest income	93,873	75,241	86,916
Pretax earnings	505,744	373,515	374,451
Income tax expense	(16,743)	(16,774)	(32,060)
Earnings available to common shareholders	$489,001	$356,741	$342,391
Basic and diluted earnings per common share	$24.95	$18.21	$17.51
Weighted average common shares outstanding: Basic and diluted	19,596,110	19,586,633	19,558,758

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF comprehensive income

	Years Ended March 31, 2016	2015	2014
	(In thousands, except share and per share data)		
Net earnings	$489,001	$356,741	$342,391
Other comprehensive income (loss)	(26,160)	19,558	(31,243)
Total comprehensive income	$462,841	$376,299	$311,148

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF CASH FLOW

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Cash flows from operating activities:			
Net earnings	$489,001	$356,741	$342,391
Change in investments in subsidiaries	(417,087)	(300,566)	(287,803)
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	6	6	5
Net gain on sale of investments	–	–	(1,325)
Deferred income taxes	124,838	66,628	34,605
Net change in other operating assets and liabilities:			
Prepaid expenses	(8,723)	(66,786)	3,938
Other assets	6	84	(41)
Related party assets	56,849	(539)	–
Accounts payable and accrued expenses	(14)	5,239	6,589
Net cash provided by operating activities	244,876	60,807	98,359
Cash flows from investing activities:			
Purchases of property, plant and equipment	(8)	–	(2)
Proceeds of equity securities	–	–	26,569
Net cash provided by investing activities	(8)	–	26,567
Cash flows from financing activities:			
Proceeds from (repayments) of intercompany loans	(76,354)	(71,207)	(110,933)
Common stock dividends paid	(78,374)	(19,594)	(19,568)
Net cash provided (used) by financing activities	(154,728)	(90,801)	(130,501)
Increase (decrease) in cash and cash equivalents	90,140	(29,994)	(5,575)
Cash and cash equivalents at beginning of period	291,550	321,544	327,119
Cash and cash equivalents at end of period	$381,690	$291,550	$321,544

Income taxes paid, net of income taxes refunds received, amounted to $141.9 million, $195.1 million and $138.4 million for fiscal 2016, 2015 and 2014, respectively.

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

NOTES TO CONDENSED FINANCIAL INFORMATION

March 31, 2016, 2015, and 2014

1. Summary of Significant Accounting Policies

AMERCO, a Nevada corporation, was incorporated in April, 1969, and is the holding Company for U-Haul International, Inc., Amerco Real Estate Company, Repwest Insurance Company and Oxford Life Insurance Company. The financial statements of the Registrant should be read in conjunction with the Consolidated Financial Statements and notes thereto included in this Annual Report.

AMERCO is included in a consolidated Federal income tax return with all of its U.S. subsidiaries. Accordingly, the provision for income taxes has been calculated for Federal income taxes of AMERCO and subsidiaries included in the consolidated return of the Registrant. State taxes for all subsidiaries are allocated to the respective subsidiaries.

The financial statements include only the accounts of AMERCO, which include certain of the corporate operations of AMERCO. The interest in AMERCO's majority owned subsidiaries is accounted for on the equity method. The intercompany interest income and expenses are eliminated in the Consolidated Financial Statements.

2. Guarantees

AMERCO has guaranteed performance of certain long-term leases and other obligations. See Note 17, Contingent Liabilities and Commitments and Note 19, Related Party Transactions of the Notes to Consolidated Financial Statements.

SCHEDULE II

AMERCO AND CONSOLIDATED SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Additions Charged to Other Accounts	Deductions	Balance at Year End
Year ended March 31, 2016	(In thousands)				
Allowance for doubtful accounts (deducted from trade receivable)	$790	$967	$–	$(1,172)	$585
Allowance for obsolescence (deducted from inventory)	$1,384	$213	$–	$–	$1,597
Allowance for LIFO (deducted from inventory)	$15,019	$–	$–	$(1,556)	$13,463
Allowance for probable losses (deducted from mortgage loans)	$370	$–	$–	$(2)	$368
Year ended March 31, 2015					
Allowance for doubtful accounts (deducted from trade receivable)	$958	$994	$–	$(1,162)	$790
Allowance for obsolescence (deducted from inventory)	$2,487	$–	$–	$(1,103)	$1,384
Allowance for LIFO (deducted from inventory)	$14,788	$231	$–	$–	$15,019
Allowance for probable losses (deducted from mortgage loans)	$370	$–	$–	$–	$370
Year ended March 31, 2014					
Allowance for doubtful accounts					

(deducted from trade receivable)	$994	$958	$–	$(994)	$958
Allowance for obsolescence (deducted from inventory)	$1,711	$776	$–	$–	$2,487
Allowance for LIFO (deducted from inventory)	$14,693	$95	$–	$–	$14,788
Allowance for probable losses (deducted from mortgage loans)	$370	$–	$–	$–	$370

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SCHEDULE V

AMERCO AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE Operations)

Years Ended December 31, 2015, 2014 AND 2013

Fiscal Year	Affiliation with Registrant	Deferred Policy Acquisition Cost	Reserves for Unpaid Claims and Adjustment Expenses	Discount if any, Deducted	Unearned Premiums	Net Earned Premiums (1)	Net Investment Income (2)	Claim and Claim Adjustment Expenses Incurred Related to Current Year	Claim and Claim Adjustment Expenses Incurred Related to Prior Year	
(In thousands)										
2016	Consolidated property casualty entity	$–	$251,964	$N/A	$59	$50,020	$13,491	$12,214	$84	$
2015	Consolidated property casualty entity	$–	$271,609	$N/A	$45	$46,456	$11,980	$11,690	$(694)	$
2014	Consolidated property casualty entity	–	295,126	N/A	49	41,052	10,057	9,861	1,652	

(1) The earned and written premiums are reported net of intersegment transactions. There were no earned premiums eliminated for the years ended December 31, 2015, 2014 and 2013, respectively.

(2) Net Investment Income excludes net realized (gains) losses on investments of ($1.3) million, ($0.8) million and ($0.5) million for the years ended December 31, 2015, 2014 and 2013, respectively.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERCO

Date: May 25, 2016	/s/ Edward J. Shoen Edward J. Shoen President and Chairman of the Board (Duly Authorized Officer)
Date: May 25, 2016	/s/ Jason A. Berg Jason A. Berg Chief Accounting Officer (Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edward J. Shoen his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act or things requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature

Title

Date

/s/ Jason A. Berg

Chief Accounting Officer
(Principal Financial Officer)

May 25, 2016

Jason A. Berg

/s/ James E. Acridge

Director

May 25, 2016

James E. Acridge

/s/ Charles J. Bayer

Director

May 25, 2016

Charles J. Bayer

/s/ John P. Brogan

Director

May 25, 2016

John P. Brogan

/s/ John M. Dodds

Director

May 25, 2016

John M. Dodds

/s/ Michael L. Gallagher

Director

May 25, 2016

Michael L. Gallagher

/s/ Daniel R. Mullen

Director

May 25, 2016

Daniel R. Mullen

/s/ Samuel J. Shoen

Director

May 25, 2016

Samuel J. Shoen