

PRESS RELEASE

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Department of Insurance Places Republic Western Insurance Company Under Supervision

The Arizona Department of Insurance issued a consent order on May 20, 2003 placing Phoenix-based Republic Western Insurance Company under its supervision, in connection with the financial and accounting problems of its parent, AMERCO. Republic Western is also an affiliate of U-Haul International, Inc. and provides business auto and general liability policies for U-Haul operations under policies issued to AMERCO.

The Department's order requires Republic Western to obtain the Department's approval before entering into certain transactions until it establishes that it has resolved financial regulatory issues arising out of AMERCO's credit and accounting difficulties. The order was issued after a targeted examination by the Department to determine the impact on Republic Western of AMERCO's default in October 2002 on approximately \$1.2 billion in outstanding debt obligations. AMERCO has engaged financial restructuring consultants, which have helped it obtain standstill agreements with creditors and arrange for re-financing of its debt. In April 2003, AMERCO filed a lawsuit against its prior auditor, PricewaterhouseCoopers claiming damages in excess of \$2.5 billion. AMERCO recently announced that its Board of Directors has requested its independent auditors to re-audit fiscal years 2001 and 2002, and has identified prior period adjustments related to insurance reserves at AMERCO and Republic Western.

"After a focused examination of Republic Western and careful consideration of the circumstances, I have concluded that placing the insurer under supervision is necessary at this time to ensure that it does not pose a hazard to the public while AMERCO attempts to complete the re-financing of its debt and restatement of its financial position," said Director of Insurance, Charles Cohen. "The Department has not taken over the company. Republic Western maintains an active license and its own management. The supervision order is a measured action intended to circumscribe and closely monitor the situation while the insurer and its affiliates engage in self-corrective efforts. Republic Western is cooperating with the Department and has consented to the supervision."

