

Press Releases

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Quotesmith.com Reports Second-Quarter 2002 Financial Results

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Quotesmith.com, Inc. (ticker: QUOT, exchange: NASDAQ) News Release - 4/29/2002

Quotesmith.com Reports First-Quarter Financial Results

- Online Insurance Broker Posts Sharply Narrowed Net Loss of 14 Cents Per Share vs. 43 Cents Per Share Loss in 2001
- Revenue Gain of 7 Percent Achieved Against 79 Percent Marketing Expense Reduction
- New California Auto Insurance Service Goes Live
- Insure.com Platform Begins Providing New Customers

DARIEN, Illinois (April 29, 2002) -- Quotesmith.com, Inc., (Nasdaq: SmallCap QUOT) today announced financial results for the first quarter ended March 31, 2002.

"Quotesmith.com is off to an excellent start in 2002. We narrowed our net loss, launched our new auto insurance service in California and began to realize new customers from our December 2001 purchase of the insure.com Web site," said Robert Bland, Chairman and CEO. "We also delivered our best new customer acquisition performance in 5 years by driving our per-policy marketing costs down to \$116 compared to \$451 in the first quarter of 2001. Robust quote activity in the first few months of 2002 indicates that we are on track to grow revenues by 15 percent this year with substantially reduced net losses due to productivity improvements."

The Company indicated that technical projects and rollouts related to its planned auto and homeowners insurance offerings are continuing apace in order to complement its current strong offerings in life, health, long-term care, dental and other lines of insurance. The cost of such projects will continue to impact short-term profitability but

enhance the long-term competitive posture of the Company.

Financial Results

Quotesmith.com reported revenue of \$2.6 million for the first quarter of 2002, representing an increase of \$165,000 or 7 percent over revenue of \$2.4 million for the first quarter of 2001. Net loss for the quarter was \$700,000, or \$0.14 per share, as compared to a net loss of \$2.4 million or \$0.43 per share for the same period in 2001. Total depreciation and amortization expenses for the first quarter of 2002 amounted to \$376,000 as compared to \$136,000 in the like period of 2001.

In the 2002 first quarter, Quotesmith.com sold a total of 5,056 new policies, representing a decrease of 20 percent from 6,319 policies sold in the same quarter a year ago. Marketing expenses for the quarter were reduced by 79 percent to \$588,000 as compared to \$2,851,000 the first quarter of 2001.

The Company achieved substantially reduced per-policy acquisition costs (total marketing costs divided by total new policies sold) as a result of reduced media rates, more efficient deployment of marketing dollars, the overall branding effect of past ad expenditures and ownership of the insure.com platform. The per-policy acquisition cost in the first quarter of 2002 plunged 74 percent to \$116 compared to \$451 for the first quarter of 2001 while revenues divided by policies sold rose 34 percent to \$509 from \$381 in 2001.

As part of a previously announced share repurchase program, Quotesmith.com repurchased 406,050 shares in the first quarter of 2002 at an average price of \$2.70 per share. The company had 4,934,229 shares outstanding as of March 31, 2002.

2002 Business Outlook

Quotesmith.com's 2002 plan calls for populating quote-and-buy capability into the insure.com audience, further reducing acquisition costs, launching additional revenue-producing products and engineering a path to profitability. The Company's long-term goal is to build a profitable, recurring revenue business that is both technologically unique and prohibitively costly to duplicate.

The Company does not confirm or update its financial projections except in compliance with Regulation FD nor does the Company provide confirmation or update of its financial targets except through public announcements.

About Quotesmith.com

Founded in 1984, Quotesmith.com owns and operates two comprehensive online consumer insurance information services, www.insure.com and www.quotesmith.com. Catering to self-directed insurance shoppers, Quotesmith.com provides a comprehensive array of comparative auto, life and health quotes, combined with news, information and decision-making tools that are not available from any other single source. Visitors to the Company's Web sites are able to obtain instant quotes from more than 300 leading insurers for twelve different product lines, achieve maximum savings and have the freedom to buy from any company shown. Quotesmith.com generates revenues from the receipt of commissions, fees, content licensing and advertising revenues paid by participating insurers. Quotesmith.com also provides personalized insurance brokerage and policy placement services for its customers. Shares of Quotesmith.com trade on the Nasdaq SmallCap Market under the symbol "QUOT."

Cautions about Forward-Looking Statements

This announcement may contain forward-looking statements that involve risks, assumptions and uncertainties pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. This announcement also contains forward-looking statements about events and circumstances that have not yet occurred and may not occur. These forward-looking statements are inherently difficult to predict. Expressions of future goals and similar expressions including, without limitation, "intend," "may," "plans," "will," "believe," "should," "could," "hope," "expects,"

"expected," "does not currently expect," "anticipates," "predicts," "potential" and "forecast," reflecting something other than historical fact, are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Investors should be aware that actual results may differ materially from the results predicted and reported results should not be considered an indication of future performance. Reported Web site activity and/or quotes are not necessarily indicative of any present or future revenue. The Company will not necessarily update the information in this press release if any forward-looking statement later turns out to be inaccurate. Potential risks and uncertainties include, among others, Quotesmith.com's ability to successfully launch and realize revenues from new products and services, potential business risks associated with generating revenues from the insure.com platform, anticipated losses, unpredictability of future revenues, potential fluctuations in quarterly operating results, seasonality, consumer trends, competition, risks of system interruption, the evolving nature of its business model, the increasingly competitive online commerce environment, dependence on continuing growth of online commerce and risks associated with capacity constraints and the management of growth. More information about potential factors that could affect the Company's financial results are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, which is on file with the United States Securities and Exchange Commission. Quotesmith.com, insure.com, LTCompare and QuotesmithPro are service marks of Quotesmith.com, Inc. All other names are trademarks of their respective owners. Copyright 2002. All rights reserved. Quotesmith.com, Inc.

QUOTESMITH.COM, INC.
STATEMENT OF OPERATIONS
(In thousands, except per share data)

	Quarter Ended		
	March 31, 2002	December 31, 2001	March 31, 2001
Revenues:			
Commissions and fees	\$2,493	\$2,496	\$2,391
Other	79	73	16
Total revenues	2,572	2,569	2,407
Expenses:			
	588	808	2,851
Operations	1,933	1,724	1,489
	853	704	913
Total expenses	3,374	3,236	5,253
Operating loss	(802)	(667)	(2,846)
Interest income	102	147	400
Net loss	\$(700)	\$(520)	\$(2,446)
Net loss per common share, basic and diluted	\$(0.14)	\$(0.10)	\$(0.43)
Weighted average common	5,109	5,340	5,624

shares and equivalents
outstanding, basic and
diluted

SELECTED BALANCE SHEET DATA
(In thousands)

	March 31, <u>2002</u>	December 31, <u>2001</u>
Cash and equivalents	\$ 3,043	\$ 4,033
Investments	13,883	13,909
Commissions receivable	1,206	1,352
Other assets	205	220
Total current assets	18,337	19,514
Total assets	\$21,482	\$23,000
Total current liabilities	\$ 1,323	\$ 1,000
Total liabilities	1,396	1,085
Total stockholders' equity	20,086	21,915
stockholders' equity	\$21,482	\$23,000

SOURCE Quotesmith.com, Inc.

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