

Press Releases

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Quotesmith.com Reports Third Quarter 2000 Financial Results

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Quotesmith.com, Inc. (ticker: QUOT, exchange: NASDAQ) News Release - 10/17/2000

Quotesmith.com Reports Third Quarter Financial Results

DARIEN, Ill., Oct. 17 /PRNewswire/ -- Quotesmith.com, Inc., (Nasdaq: QUOT), the buyer-driven insurance exchange which provides instant quotes from more than 300 leading insurance companies, today announced financial results for the third quarter ended September 30, 2000.

Financial Results

Revenues for the third quarter ended September 30, 2000 were \$3.8 million, a 23% decrease compared to revenues of \$4.9 million reported for the second quarter of 2000 and a 61% increase over revenues of \$2.4 million reported for the same period last year.

Net loss for the third quarter decreased to \$3.5 million, or \$0.18 per share, compared with a net loss \$3.6 million, or \$0.19 per share reported for the second quarter of 2000 and a loss of \$3.9 million, or \$0.23 per share, in the third quarter of 1999.

On a year-to-date basis, the Company achieved record revenues of \$12.6 million for the first nine months of 2000, up 133% as compared to \$5.4 million for the same period in 1999. Net loss for the first nine months of 2000 totaled \$16.2 million, or \$.84 per share, vs. \$7.1 million, or \$.49 per share, for the first nine months of 1999.

Quotesmith.com chairman and CEO, Robert Bland, commented, "We are excited about the coming launch of our new comparative automobile insurance and long term care insurance rating engines and believe that these additional content technologies will, over time, help us to realize more commission income per visitor to our site. Quotesmith.com intends to further reduce its sales and marketing expenditures in the fourth quarter until our planned expansion into auto and long term care insurance is fully implemented. This planned reduction in marketing expenses is expected to result in reduced revenue and operating losses in the fourth quarter as compared to the third quarter of 2000."

Quotesmith.com ended the quarter with \$32.1 million, or \$1.67 per share, in cash and short-term investments. The Company has no debt.

Total Policies Sold Recap

For the third quarter, Quotesmith.com sold 8,998 new policies, representing a quarterly decrease of 26% from the 12,148 policies sold in the second quarter of 2000 and an increase of 78% from the 5,053 policies sold in the third quarter of 1999. Newly paid policies for the first nine months of 2000 amounted to 30,534, up 176% from 11,053 policies sold in the like period of 1999.

Health Insurance Policy Sales Recap

New sales of health insurance policies (including dental and Medicare supplement policies) in the third quarter amounted to 1,029, an 8% sequential decrease as compared to 1,119 for the second quarter of 2000 and a 547% increase from the 159 sales reported in the third quarter of 1999. For the nine month period ended September 30, 2000, new sales of health insurance policies surged 1,042% to 2,934 from 257 reported in the like period of 1999.

About Quotesmith.com

Quotesmith.com owns and operates the industry's largest and most comprehensive insurance price comparison service. The Quotesmith.com Insurance Commerce Platform allows insurance shoppers to instantly view the best prices being offered by more than 300 leading companies, achieve maximum savings and have the freedom to buy from the company of their choice. Quotesmith.com generates revenues from the receipt of commissions and fees paid by insurance companies. Quotesmith.com also provides personalized customer service assistance and policy placement services for its customers. Shares of Quotesmith.com trade on the Nasdaq Exchange 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. Expressions of future goals and similar expressions including, without limitation, "may," "will," "believes," "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 limited e-commerce operating history, 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 is included in the company's Annual Report on Form 10-K for the

year ended December 31, 1999, which is on file with the United States Securities and Exchange Commission. Some insurance companies appear at Quotesmith.com for purely informational purposes only and pay no compensation to Quotesmith.com and some insurers pay commissions or fees to Quotesmith.com based upon premium volume or traffic activity produced by Quotesmith.com. Quote availability by state or any other factor is subject to change without notice.

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

	Quarter Ended September 30,			Nine Months Ended September 30,	
	2000	1999		2000	1999
Revenues:					
Commissions and fees	\$3,782	\$2,349		\$12,556	\$5,358
Other	13	10		34	51
Total revenues	3,795	2,359		12,590	5,409
Expenses:					
	5,103	4,639		21,164	6,771
Operations	1,787	1,219		5,882	3,910
	956	871		3,490	2,255
Total expenses	7,846	6,729		30,536	12,936
Operating loss	(4,051)	(4,370)		(17,946)	(7,527)
Interest income	545	421		1,729	462
Net loss	\$(3,506)	\$(3,949)		\$(16,217)	\$(7,065)
Net loss per common share, basic and diluted	\$(0.18)	\$(0.23)		\$(0.84)	\$(0.49)
Weighted average common shares and equivalents outstanding, basic and diluted	19,227	16,999		19,226	14,527

SELECTED BALANCE SHEET DATA
(In thousands)

	(Unaudited) September 30, 2000		December 31, 1999
Cash and investments	\$32,136		\$49,661
Commissions receivable	1,861		1,695
Other assets	712		2,934
Total current assets	34,709		54,290
Total assets	\$36,562		\$55,178
Total current liabilities	\$3,278		\$5,982
Total liabilities	3,416		5,982
Total stockholders' equity	33,146		49,196
	\$36,562		\$55,178
stockholders' equity			

OTHER STATISTICAL DATA
(Unaudited)

	Quarter Ended September 30,			Nine Months Ended September 30,	
	2000	1999		2000	1999
Completed Quotes					
Term life	508,322	390,036		1,689,930	848,039
Health and Other	450,815	303,232		1,606,558	547,172
Total completed quotes	959,137	693,268		3,296,488	1,395,211
Applications received					
Term life	7,734	7,847		29,383	20,104
Health and Other	1,870	844		5,715	1,112
Total applications received	9,604	8,691		35,098	21,216
Policies paid					
Term life	7,969	4,894		27,600	10,796
Health and Other	1,029	159		2,934	257
Total policies paid	8,998	5,053		30,534	11,053
Average first year					

revenue per Term life policy	\$403	\$445		\$397	\$466
Operating cost per policy	199	241		193	304*

- Excludes the effect of the stock compensation charge of \$549,000 in 1999.

SOURCE Quotesmith.com, Inc.

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