

Press Releases

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Quotesmith.com Acquires insure.com

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Quotesmith.com, Inc. (ticker: QUOT, exchange: NASDAQ) News Release - 12/07/2001

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Two online insurance leaders combine to provide enhanced "content with transaction" offerings; Acquisition to provide 300 percent increase in online audience for Quotesmith.com services; Revised 2001 and 2002 financial guidance issued

DARIEN, IL (December 7, 2001) – Quotesmith.com (NASDAQ: QUOT), the online insurance broker that provides instant quotes from more than 300 insurance companies, announced that it has today acquired selected assets of privately-held West Hartford, CT-based Insurance News Network, LLC, including its flagship Web site, insure.com, the popular and content-rich Internet-based provider of consumer insurance news, information and decision-making tools.

Ranked among the top seven most visited insurance sites on the Internet, insure.com is an independent insurance news organization that is widely recognized as the premier online insurance destination site of preference by consumers. The site currently serves an average of over 400,000 visitors every month and boasts a 7,500-page library of insurance articles, content and decision-making tools that are well organized and served up in an easy-to-navigate format.

Under the terms of the agreement, Quotesmith.com paid \$1.4 million in cash and issued 316,000 stock options. The Company expects to end the year with cash and short-term investments of \$17 million.

"This acquisition significantly advances our competitive posture by making our online insurance brokerage services available to several hundred-thousand visitors each month at the opportune time when they are conducting self-motivated insurance research and fact-finding," said Quotesmith.com founder and chairman, Robert Bland.

"Ownership of this acclaimed site gives us an arsenal of valuable content, a permanent new customer gateway and the potential to accelerate our acquisition of new customers."

"Teaming with Quotesmith.com represents a clear win and a good fit for us," said Philip Moeller, insure.com founder and publisher. "Quotesmith.com shares our independent and pro-consumer vision of providing unbiased information to help the educated consumer make wise insurance decisions. The addition of instant quotes throughout our site - combined with the transactional capability to buy from any company shown - will greatly enhance the overall online insurance shopping experience."

The combined expertise of both organizations will provide online insurance shoppers with an enhanced single-source arena of news, information, advice, comparative quotes, selection and savings.

This acquisition will create an expanded online consumer insurance information resource that combines the ability to obtain the lowest quotes offered by more than 300 auto, life, health and annuity insurers - including the freedom to buy insurance from any company shown - combined with world-class editorial content and decision-making tools designed to speed up and simplify the purchase of insurance.

Insure.com will maintain its editorial staff and its brand name as a separate business unit, headquartered in West Hartford, CT. Philip Moeller will continue to lead the business as a Quotesmith.com senior vice president. Implementation of the Quotesmith.com technology throughout the insure.com site as an insure.com branded service is expected to occur over the next 90 days.

Recent Accolades for Quotesmith.com and insure.com

The November 2001 issue of Money magazine named Quotesmith.com among the Best Places to Shop on the Web and wrote, "Not only do you see more quotes, but you also get more details about whether you qualify for the best rate." On April 24, 2001 Quotesmith.com was named as one of the Top 10 Insurance Web sites by Personal Finance Online magazine in its inaugural June/July 2001 issue.

The 2001 edition of Insurance for Dummies termed insure.com, "The flat-out best insurance Web site out there." And on March 11, 2001 the Kansas City Star remarked, "Five Stars: Put this site at the top of your bookmarks."

Revised Financial Targets for 2001; Release of Financial Targets for 2002

Quotesmith.com is revising the financial targets for 2001 that were announced on October 17, 2001. Based upon this acquisition and other factors, the Company now anticipates 2001 revenues of approximately \$8 million with a net loss of \$8 million and year-end cash and short-term investment balances of \$17 million.

For 2002, Quotesmith.com anticipates revenues of \$10 to \$11 million, a net loss of less than \$1 million and year-end cash and investment balances of \$17 to \$18 million.

Quotesmith.com believes that its current cash on hand is adequate to reach profitability without the necessity of additional debt or equity financing. The Company does not confirm or update its financial projections except in compliance with Regulation FD.

About Quotesmith.com

Founded in 1984, 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 provides personalized customer service assistance and policy placement services for its customers and generates revenues from the receipt of commissions and fees paid by insurance companies. Shares of Quotesmith.com trade on the Nasdaq SmallCap Market 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, 2000, which is on file with the United States Securities and Exchange Commission. Quotesmith.com is a service mark of Quotesmith.com, Inc. All other names are trademarks of their respective owners. Copyright 2001. All rights reserved. Quotesmith.com, Inc.

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