

QUOTESMITH COM INC  
Form DEFA14A  
March 10, 2004

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Quotesmith.com, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:

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SEC 1913 (02-02)

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[LOGO]

**A New And Better Way To Buy Insurance**

[LOGO]

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**Self-Directed Buyers are Growing in Numbers**

**Insurance already an information-based virtual product**

**Internet best place to centralize information**

**Ideal frontier for innovation**

[GRAPHIC]

***Yikes! Insurance is Too Complex!***

Infinite policy variations

Coverage types

Exclusions

Rules

State regulations

Confusing pricing structure

[GRAPHIC]

**Current Distribution Systems Not Information-based**

***Independent Agent***

Carrier A

Carrier B

Carrier C

**Agent**

Consumer

***One Company***

Carrier

**Captive Agent**

Consumer

***Direct***

Carrier

Consumer

[LOGO]

*Mr. Industry: Online insurance sales won't work!*

[GRAPHIC]

[GRAPHIC]

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**QUOT s Timeline**

**1984-1993**

**First online insurance quote service**

**1993**

**Launched direct-to-consumer quote service by mail**

**1996**

**Launched instant quotes on Internet**

**1999**

**Aug. 1999 IPO QUOT**

**2001**

**2001 purchase of *Insure.com***

**2004**

**2004 Purchase of Life Quotes**

[LOGO]

**Quotesmith.com:**

*The Confusion to Clarity Solution*

[LOGO]

[LOGO]

[GRAPHIC]

**Customer**

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**The Quotesmith.com Solution**

*Reversing the Balance of Power*

*Convenience*

**Research on 24x7 *private* basis**

*Choice*

**Buy from the company of your choice**

*Selection*

**Instant, accurate quotes from over 200 companies**

*Control*

**Buyer remains in control at all times**

*Service*

**Receive service from experienced reps**

**QUOT s Business Model:**

**Best Model to Serve Self-Directed Buyers**

**End-to-end transaction processing eliminates insurance mystery and buyer stress**

**Fast, convenient, accurate**

**Private!**

**Online model offers best scalable margin expansion**

**Online model offers widest moat:**

**No quick or easy way to duplicate**

[GRAPHIC]

**Phone Center Sales: The Missing Link**

**Some buyers need a phone conversation**

**Advice**

**Security of a live person**

*A little nudge*

[GRAPHIC]

[LOGO]

**March 2004:**

**Quotesmith.com**

**Acquires *Life Quotes***

**Completes the Business Model**

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**Life Quotes Provides**

**\$10 million of annual revenue *with profits***

**45 Licensed Telephone Sales Agents**

**Inbound and Outbound Call Center**

**Strong Brand Recognition (founded 1979)**

**Ability to Service the Reluctant Internet Buyer**

**Life Quotes Synergies**

**800 Number in *Insure.com* Ads**

**Use of *Insure.com* quoting and order entry technology**

**Sales of auto, health and homeowners insurance to Life Quotes customers**

**Better conversion of leads from existing advertising & *Insure.com* Web site**

**Quotesmith.com Strengths**

**Experienced team in place**

**Ownership of best insurance database**

**200,000+ customer base**

**Strong offerings in life, health, home and auto**

**Sales online or by phone**

[GRAPHIC]

**Solid Progress in Customer Acquisition**

[CHART]

[LOGO]



**Operating Model Progress**

	1999	2000	2001	2002	2003
<b>Revenue</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Marketing</b>	<b>171%</b>	<b>159%</b>	<b>80%</b>	<b>27%</b>	<b>49%</b>
<b>Operations</b>	<b>65%</b>	<b>49%</b>	<b>68%</b>	<b>72%</b>	<b>35%</b>
<b>G&amp;A</b>	<b>42%</b>	<b>29%</b>	<b>40%</b>	<b>30%</b>	<b>34%</b>
<b>Operating Income</b>	<b>-179%</b>	<b>-137%</b>	<b>-87%</b>	<b>-29%</b>	<b>-18%</b>

2001 2003

**Operating Results**

	2001		2002		2003
Revenue	\$ 8,851	\$	10,777	\$	9,737
Expenses:					
Marketing	7,053		2,912		4,735
Operations	6,004		7,756		3,394
G&A	3,503		3,194		3,349
Operating (Loss)	(7,709)		(3,085)		(1,741)
Investment Income	1,076		359		460
Net (Loss)	\$ (6,633)	\$	(2,726)	\$	(1,281)

**Solid Capital Base**

[GRAPHIC]

**\$15 million in cash and marketable securities**

**Debt-free**

**Operations only used \$770,000 in 2003**

**\$13 million new capital from Zions**

**Source: Company Estimates Under Reg. FD**

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**A New And Better Way To Buy Insurance**

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