

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.
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- 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.
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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
Revenue	100%	100%	100%	100%	100%
Marketing	171%	159%	80%	27%	49%
Operations	65%	49%	68%	72%	35%
G&A	42%	29%	40%	30%	34%
Operating Income	-179%	-137%	-87%	-29%	-18%

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

[LOGO]

A New And Better Way To Buy Insurance

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