

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>SWETS LARRY G JR</u> _____ (Last) (First) (Middle) <u>150 NORTHWEST POINT BOULEVARD</u> _____ (Street) <u>ELK GROVE IL 60007</u> _____ (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>01/01/2012</u>	3. Issuer Name and Ticker or Trading Symbol <u>KINGSWAY FINANCIAL SERVICES INC [KFS]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Other (specify below) <input checked="" type="checkbox"/> Officer (give title below) <u>President and CEO</u>	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	750,000	D	
Common Stock	10,100 ⁽¹⁾	I	By InsRisk Equity Fund, L.P.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Employee Stock Option (Right to Buy)	(2)	01/06/2015	Common Stock	1,000,000	4.5	D	

Explanation of Responses:

- The reporting person disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.
- The option becomes exercisable in four equal annual installments beginning January 6, 2010.

/s/ Larry Gene Swets, Jr. 12/30/2011

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.