

SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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>KINGSWAY FINANCIAL SERVICES, INC.</u> <u>150 PIERCE RD</u> (Street) <u>ITASCA IL 60143</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>KINGSWAY FINANCIAL SERVICES INC [KFS]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;">President and CEO</p> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>03/28/2014</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) <u>03/28/2014</u> | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|---|--------------------------------|---|---|------------|--------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 03/28/2014 | | A | | 1,382,665 | A | \$0 ⁽¹⁾ | 1,859,144 ⁽²⁾ | D | |

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|---|--------------------------------|---|--|---------|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Employee Stock Option | \$4.5 | 03/28/2014 | | D | | | 250,000 | (3) | 01/06/2015 | Common Stock | 250,000 | \$0 ⁽⁴⁾ | 0 | D | |
| Employee Stock Option | \$4.5 | 03/28/2014 | | A | | 250,000 | | 03/28/2014 | 03/27/2018 | Common Stock | 250,000 | \$0 ⁽⁴⁾ | 250,000 | D | |
| Employee Stock Option | \$4.5 | 03/28/2014 | | A | | 150,000 | | 03/28/2014 | 03/27/2018 | Common Stock | 150,000 | \$0 ⁽⁵⁾ | 400,000 | D | |

Explanation of Responses:

1. Restricted stock awards granted under 2013 Equity Incentive Plan, approved by shareholders in May, 2013.
2. Includes 2,525 shares previously indirectly held by the Reporting Person which had been directly held by InsRisk Equity Fund, L.P.
3. The cancelled option was exercisable on January 6, 2010.
4. The Company exchanged certain options for new options granted under the 2013 Equity Incentive Plan approved by shareholders in May, 2013.
5. New options granted under 2013 Equity Incentive Plan, approved by shareholders in May, 2013.

/s/ Larry G. Swets, Jr. 04/10/2014
 ** 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 4 (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.

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