

FOR IMMEDIATE RELEASE JULY 23, 1997

TSE SYMBOL: KFS

KINGSWAY ANNOUNCES \$100 MILLION PUBLIC OFFERING OF COMMON SHARES

Toronto, Ontario. Kingsway Financial Services Inc. today announced that it had signed an engagement letter with a group of underwriters, led by First Marathon Securities Limited, for a proposed public offering of its common shares. The offering is expected to comprise a treasury issue of common shares amounting to approximately \$100 million. The engagement letter is subject to a number of conditions including the completion of due diligence and the execution of a definitive underwriting agreement.

The proceeds of the issue are expected to be used for future strategic acquisitions, to increase the regulatory capital for certain of its insurance operations and for general corporate purposes.

Kingsway Financial Services Inc.'s shares are listed on the Toronto Stock Exchange under the trading symbol '**KFS**'. The Company operates through three wholly owned insurance subsidiaries, Kingsway General Insurance Company, York Fire & Casualty Insurance Company and Jevco Insurance Company. Kingsway's primary business is the insuring of automobile risks for drivers who do not meet the criteria for coverage by insurers in the standard market, as well as commercial automobile, property, motorcycle and other specialty insurance products. Kingsway is licensed and operates in every province in Canada. York is licensed in Ontario and Alberta offering traditional property and casualty insurance products, including specialty programs such as the Seniors and Abstainers programs. Both Kingsway and York are rated "A" (Excellent) by A.M. Best. Jevco is a federally licensed specialty insurer which was acquired on March 20th 1997. Jevco's head office is in Montreal and its primary business is the insuring of motorcycle risks.

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