

FOR IMMEDIATE RELEASE

TSE SYMBOL: KFS

KINGSWAY FINANCIAL TO ACQUIRE QUEBEC MOTORCYCLE INSURER

Toronto, Ontario, March 19, 1997. Kingsway Financial Services Inc. today announced that it had signed a binding share purchase agreement dated March 17, 1997 to acquire Jevco Insurance Company, a Quebec based insurer of motorcycles. The agreement is subject to approval by The Toronto Stock Exchange. The transaction is expected to close on March 20, 1997.

Kingsway will pay \$3 million at Closing and the final purchase price, which is expected to be \$6 million, will be adjusted based on the development of losses prior to December 31, 1996. Kingsway said it will retain all of the existing employees who are required to continue the business, and Raymond David, Jevco's current chief executive officer, will remain as a director and a consultant of Jevco.

Jevco wrote \$44 million of premiums in 1996 and is the largest writer of motorcycle insurance in Canada. The acquisition of Jevco will complement the specialty programs of Kingsway as well as providing access to Jevco's extensive network of 4,000 brokers across Canada. Jevco has developed a strong presence in Quebec, which generates over 50% of the company's business. Kingsway expects to be able to utilize Jevco's brokerage network to market Kingsway's other niche insurance products, and in particular non-standard automobile.

Kingsway Financial Services Inc.'s shares are listed on The Toronto Stock Exchange under the trading symbol '**KFS**'. The Company currently operates through two wholly owned insurance subsidiaries, Kingsway General Insurance Company and York Fire & Casualty 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 and other specialty insurance products. Kingsway is licensed and operates in every province in Canada. York is licensed and operates in Ontario offering traditional property and casualty insurance products, including specialty programs such as the Abstainers Program.

- 30 -

For further information, please contact:

Shaun Jackson, Vice President and Chief Financial Officer

Kingsway Financial Services Inc.

Tel: (905) 629 7888

Fax: (905) 629 5008