

**TSE Symbol: KFS**

**KINGSWAY FINANCIAL SERVICES COMPLETES  
ACQUISITION OF AMERICAN SERVICE INVESTMENT CORPORATION**

**Toronto, Ontario (March 10, 1998)** – Kingsway Financial Services Inc. today announced that it has completed the acquisition of American Service Investment Corporation (“ASIC”). All required approvals have been received and the transaction closed March 9.

ASIC is a privately-owned holding company that owns all of the shares of American Service Insurance Company, Inc. (“American Service”) and AOA Payment Plan Inc. (“AOA”). American Service is a non-standard automobile insurance company, incorporated in Illinois, which is licensed to carry on business in Illinois, Indiana and Missouri. AOA is a company involved in financing insurance premiums. American Service has developed a strong presence in the Chicago market, and is the sixth largest underwriter of non-standard automobile insurance in the Chicago area, writing U.S. \$41 million of premiums in 1997. All existing employees will remain in place, including Mr. Howard Zirn, the President, and Mr. Craig Lochner, Vice President and Chief Financial Officer.

Kingsway recently announced the acquisition of UCC Corporation (“UCC”) and Ark Insurance Agency (“Ark”). UCC is a holding company that owns all of the shares of Universal Casualty Company (“Universal”) which is the fifth largest underwriter of non-standard automobile insurance in the Chicago area, writing U.S. \$45 million of premiums in 1997. Collectively, American Service and Universal are the second largest writer of non-standard automobile insurance in the metropolitan Chicago market, with a market share of approximately 20%. Kingsway intends to operate the two companies autonomously and to retain all existing employees of both American Service and Universal. With the stronger capital base that Kingsway provides, both companies intend to grow their share of this market.

“The acquisition of American Service completes the first stage of our expansion plans into the United States,” says Bill Star, President and Chief Executive Officer of Kingsway. “This latest addition further strengthens the Kingsway management team and gives us a strong presence in the Chicago market.”

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On January 23, 1998, Kingsway announced that it had completed the acquisition of Southern United Holding, Inc. ("Southern United"). Southern owns all of the shares of Southern United Fire Insurance Company ("SUFI"), Funding Plus of America and Consolidated Insurance Management Corp. SUFI is a non-standard automobile insurance company, incorporated in Alabama, which is licensed to carry on business in Alabama, Louisiana, Georgia, Mississippi and Texas. SUFI has developed a strong presence in the Alabama and Louisiana markets, and wrote U.S. \$72 million of premiums in 1997.

The final purchase price of UCC, Ark and Southern United will be determined based on the earnings of these companies for the fiscal years 1997 through to 2000. Total consideration paid in 1998 for the acquisition of UCC, Ark, Southern United and ASIC is expected to be approximately U.S. \$56 million. Kingsway America Inc., a Delaware Corporation, will operate as the parent company for Kingsway's insurance subsidiaries in the United States.

Kingsway's primary business is non-standard automobile, which is the insuring of risks for drivers who do not meet the criteria for coverage by standard automobile insurers. The company operates through six wholly owned insurance subsidiaries: Kingsway General Insurance Company, York Fire & Casualty Insurance Company, Jevco Insurance Company, Universal Casualty Company, Southern United Fire Insurance Company and American Service Insurance Company, Inc.

Kingsway General is licensed and operates in every province of Canada. York is licensed in Ontario and Alberta, and offers traditional property and casualty insurance products, including specialty programs such as seniors and Abstainers programs. A.M. Best rates both Kingsway General Insurance and York "A" Excellent. Jevco is a federally licensed insurer and is the largest writer of motorcycle risks in Canada.

Kingsway Financial Services Inc.'s shares are listed on the Toronto Stock Exchange, under the trading symbol "KFS".

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