

**KINGSWAY FINANCIAL SERVICES INC.
ANNOUNCES NORMAL COURSE ISSUER BID**

For Immediate Release

Stock Symbol: TSE: KFS

Toronto, Ontario, September 8, 1998 – KINGSWAY FINANCIAL SERVICES INC. announced today that The Toronto Stock Exchange has accepted a notice filed by the Corporation of its intention to make a normal course issuer bid for its common shares through the facilities of The Toronto Stock Exchange.

The notice provides that the Corporation may, during the 12 month period commencing September 9, 1998 and ending September 8, 1999, purchase on The Toronto Stock Exchange up to 1,802,175 common shares in total, being approximately 5% of the outstanding common shares of the Corporation. The price which the Corporation will pay for any such shares will be the market price at the time of acquisition. The actual number of common shares which may be purchased and the timing of any such purchases will be determined by the Corporation. There are 36,043,506 common shares of the Corporation outstanding.

The Corporation believes that its common shares have been trading in a price range which does not adequately reflect their value in relation to the Corporation's business and its future business prospects. As a result, depending upon future price movements and other factors, the Corporation believes that its outstanding common shares may represent an attractive investment and a desirable use of a portion of its available funds.

Kingsway Financial Services Inc. operates in the property and casualty insurance business in Canada. The Corporation's shares are listed on The Toronto Stock Exchange.

For further information, please contact:

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