

KINGSWAY ANNOUNCES AN EXECUTIVE APPOINTMENT

Toronto, Ontario (October 12, 2000) – William G. Star, Chairman and Chief Executive Officer of Kingsway Financial Services Inc. is pleased to announce the appointment of Claude Smith to Vice President & Chief Financial Officer of Kingsway General Insurance Company.

Mr. Smith, who is a chartered accountant with an MBA from Wilfrid Laurier University, brings 20 years of insurance experience to his new position. Prior to joining Kingsway, Mr. Smith had a long-standing insurance career with a well known property and casualty insurer in Ontario, where he held various positions including Vice President of Information Services, and most recently, President and Chief Operating Officer.

“I am pleased to welcome Claude to the executive team of Kingsway General Insurance Company”, said Bill Star, Chairman and Chief Executive Officer. “Claude’s experience and knowledge in the insurance industry will bring additional strength to the executive team of our largest subsidiary”.

About the Company

Kingsway’s primary business is the insuring of automobile risks for drivers who do not meet the criteria for coverage by standard automobile insurers. The Company currently operates through nine wholly-owned subsidiaries in Canada and the U.S. Canadian subsidiaries include Kingsway General Insurance Company, York Fire & Casualty Insurance Company and Jevco Insurance Company. U.S. subsidiaries include Universal Casualty Company, American Service Insurance Company, Southern United Fire Insurance Company, Walshire Assurance Company, Hamilton Investments, Inc. and Avalon Risk Management, Inc. The Company also operates reinsurance subsidiaries in Barbados and Bermuda. Kingsway Financial, Kingsway General, York Fire and Jevco are all rated “A” Excellent by A.M. Best. The Company’s senior debt is rated 'BBB-' (investment grade) by Standard and Poor’s. The common shares of Kingsway Financial Services Inc. are listed on the Toronto Stock Exchange, under the trading symbol “KFS”.

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For further information, please contact:

Shaun Jackson

Executive Vice President and Chief Financial Officer

Tel: (905) 629-7888

Fax: (905) 629-5008

Web Site: www.kingsway-financial.com