

KINGSWAY GROUP “A” EXCELLENT RATING REAFFIRMED BY A.M. BEST

Toronto, Ontario (December 14, 2001) – Kingsway Financial Services Inc. (TSE, NYSE: KFS) is pleased to announce that A.M. Best has reaffirmed the “A” Excellent rating of the Company and its Canadian group members, Kingsway General Insurance Company, York Fire & Casualty Insurance Company, Jevco Insurance Company and Kingsway Reinsurance (Bermuda) Ltd., in recognition of their financial stability and strength.

A.M. Best stated that “the Canadian group rating reflects Kingsway’s leading market position as the largest provider of non-standard auto and motorcycle insurance in Canada, its strong management team and the effective use of reinsurance among the group members. The Canadian operations of Kingsway have historically recorded favourable underwriting and operating profits while maintaining excellent liquidity.”

A.M. Best has upgraded or raised the financial strength rating for the following U.S. subsidiaries of Kingsway: Universal Casualty was upgraded to A- (Excellent), reflecting its favourable underwriting and operating results, sound capitalization and conservative underwriting leverage; American Service Insurance Company was also upgraded to B++ (Very Good) reflecting its strengthened balance sheet, improved operating results and loss control management and Southern United Fire Insurance Company was upgraded to B+ (Very Good) reflecting its sound risk diversification strategy across several states, recent actions taken to improve underwriting results and the financial support provided by its ultimate parent. A.M. Best also affirmed the A- (Excellent) rating of Lincoln General Insurance Company and the B (Fair) rating of U.S. Security Insurance Company

“We are extremely pleased to continue to be recognized for profitability and underwriting excellence by the world’s leading insurance rating authority,” said Bill Star, President & Chief Executive Officer of Kingsway Financial. “We are particularly pleased to obtain the upgraded ratings for both of our Chicago based companies and our Alabama company, reflecting their strong market position.”

A.M. Best, established in 1899, is the world’s oldest and most authoritative insurance rating and information source. Best’s Ratings represent the current and independent opinion of a company’s financial strength, operating performance, and ability to meet its obligations to policyholders. A.M. Best’s rating is assigned after an extensive quantitative and qualitative evaluation of a company’s financial condition and operating performance.

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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, Lincoln General Insurance Company, U.S. Security Insurance Company and Avalon Risk Management, Inc. The Company also operates reinsurance subsidiaries in Barbados and Bermuda. Kingsway Financial, Kingsway General, York Fire, Jevco and Kingsway Reinsurance (Bermuda) 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 and the New York Stock Exchange, under the trading symbol "KFS".

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