KINGSWAY COMPLETES PUBLIC OFFERING

TORONTO, ONTARIO (December 19, 2001) - Kingsway Financial Services Inc. (TSE:KFS, NYSE:KFS) today announced that it has completed its previously announced public offering. In addition, the underwriters exercised their over allotment option. In total, 8,625,000 common shares were issued at Cdn$16.50 per share in Canada and US$10.49 in the United States for total gross proceeds of approximately Cdn$142,312,500.

The underwriters of the offering were HSBC Securities (Canada) Inc., CIBC World Markets Inc., Fox-Pitt, Kelton, Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Advest, Inc., Cochran, Caronia Securities LLC, National Bank Financial Inc. and Raymond James & Associates, Inc.

The net proceeds from this offering will be used to augment the capital of the Company's subsidiaries and for general corporate purposes.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the common shares in any state, province or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state, province or jurisdiction. Copies of the Canadian short form prospectus and the U.S. prospectus relating to the offering may be obtained from HSBC Securities (Canada) Inc., Toronto Dominion Bank Tower, P.O. Box 67, Suite 5300, Toronto, Ontario M5K 1E7.

About Kingsway

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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