

## **KINGSWAY ANNOUNCES COMPLETION OF ITS TENDER OFFER FOR THE STOCK OF AMERICAN COUNTRY**

**Toronto, Ontario (April 2, 2002)**--Kingsway Financial Services Inc. (TSE:KFS, NYSE:KFS) announced the purchase of 9,158,745 shares of Common Stock of American Country Holdings Inc. (American Country) (Nasdaq: ACHI) at a price of \$2.10 per share, together with 305,000 shares of Series A Convertible Preferred Stock of American Country at \$12.00 per share (plus an amount equal to \$0.001973 per share to account for accrued and unpaid dividends) and 257,143 Class A Common Stock Purchase Warrants of American Country at \$0.175 per warrant. Kingsway is purchasing all of these securities of American Country pursuant to a tender offer announced on February 27, 2002.

The offering period expired at 12:00 midnight, New York City time, on April 1, 2002. Based upon a report from the depository, at the expiration of the offer, 9,158,745 shares of American Country common stock had been validly tendered into the offer (including 555,471 common shares owned by subsidiaries of Kingsway), which represents approximately 95.2% of American Country's outstanding common stock (based upon 9,624,795 common shares outstanding). In addition, all of the 305,000 outstanding shares of American Country's Series A Preferred Stock had been validly tendered into the offer, together with 257,143 Class A Common Stock Purchase Warrants, representing approximately 31.6% of the outstanding class of warrants. KFS Acquisition Corp., the wholly-owned subsidiary through which Kingsway made the tender offer, has accepted for payment all validly tendered shares and warrants and will make payment to the depository for the accepted shares promptly.

Kingsway expects to merge American Country with and into KFS Acquisition Corp. as soon as practicable, with the surviving company becoming a wholly-owned subsidiary of Kingsway. Under the tender offer, Kingsway will acquire at least 90% of each class of equity security of American Country entitled to vote on the merger. As a result, the merger will be accomplished under short-form merger procedures without a vote of American Country shareholders. Following the merger, all remaining American Country shareholders who did not tender their shares in the tender offer will receive the same \$2.10 per common share in cash paid in the tender offer. Warrantheolders exercising warrants after the merger will be entitled to receive the cash that they would have received if they had exercised their warrants immediately prior to the merger. Kingsway will promptly mail relevant information to remaining American Country stockholders on how to receive payment for their shares.

"The acquisition of American Country is a continuation of our focused growth strategy", said Bill Star, President & Chief Executive Officer of Kingsway Financial. "Through the acquisition we will strengthen our position in the Chicago Metropolitan area, where American Country is the dominant writer of taxicab insurance."

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During 2001, American Country wrote U.S. \$83.4 million in gross premiums, and at December 31, 2001 had total assets of U.S. \$196.2 million. In the quarter ended December 31, 2001, American Country reported net premiums earned of U.S. \$16.5 million, income before taxes of U.S. \$1.1 million and net income of U.S. \$2.2 million. Following the acquisition, Kingsway will operate American Country as an independent subsidiary of Kingsway America, and John Dore will remain as President and Chief Executive Officer.

### **Forward Looking Statements**

The statements contained in this press release that are not statements of historical fact, including without limitation, statements containing the words “believes”, “intends”, “expects”, and words of similar import, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties that are difficult to predict. Moreover, from time to time Kingsway may issue other forward-looking statements. Actual outcomes and results may differ materially from what is expressed or forecast in forward-looking statements. Factors that could cause or contribute to actual results differing materially from such forward looking statements are discussed in greater detail in Kingsway’s SEC filings. Kingsway disclaims any obligation to update forward-looking statements to reflect future events or revised expectations.

### **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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