

KINGSWAY ANNOUNCES WITHDRAWAL OF PROSPECTUS

Toronto, Ontario (June 14, 2002)--Kingsway Financial Services Inc. (TSE:KFS, NYSE:KFS) today announced that, due to market conditions, it intends to withdraw the public offering of common shares previously announced by way of its press release dated June 7, 2002.

“Since announcing the transaction, the shares have been trading at a level which we believe is below their intrinsic value”, said Bill Star, President and Chief Executive Officer. “In view of the extremely strong growth opportunities in our core markets, we will continue to evaluate our capital position, which we recently strengthened by entering into an unsecured Cdn. \$66.5 million credit facility.”

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, American Country 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 and Dominion Bond Rating Service. 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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