



## **KINGSWAY ANNOUNCES COMPLETION OF SECOND PRIVATE PLACEMENT OF TRUST PREFERRED SECURITIES**

**Toronto, Ontario (May 22, 2003)**--Kingsway Financial Services Inc. (TSX:KFS, NYSE:KFS) today announced it had completed another private placement of approximately US\$15.0 million in 30-year floating rate trust preferred securities, with net proceeds of approximately US\$14.5 million.

The net proceeds of the offering will be used to provide additional capital to Kingsway's subsidiaries to support the growth of our business and for general corporate purposes, which may include the repayment of existing credit facilities.

This private placement and the transaction completed last week, together with the Company's first quarter net income of \$24.4 million, have enhanced the Company's capital base by approximately \$70 million since the beginning of the year.

"We are pleased to be able to complete these transactions as the additional capital will support the continued profitable growth of our business and allow us to take advantage of the significant opportunities we are seeing in our industry", said Bill Star, President & Chief Executive Officer.

The trust preferred securities have not been registered under the United States Securities Act of 1933 (the "Securities Act") or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy any debentures, trust preferred securities or any other securities, nor will there be any sale of the debentures, the trust preferred securities or any other security in any jurisdiction in which such an offer or sale would be unlawful.

### **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 and trucking insurance. 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, Lincoln General Insurance Company, Universal Casualty Insurance Company, 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 by Dominion Bond Rating Services. 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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