



A.M. BEST AFFIRMS A- (EXCELLENT) RATING OF LINCOLN GENERAL

Toronto, Ontario (September 17, 2003) – Kingsway Financial Services Inc. (TSX:KFS, NYSE:KFS) announced today that A.M. Best Co. has affirmed the financial strength rating of its largest insurance subsidiary, Lincoln General Insurance Company of A- (Excellent). The rating was removed from under review and assigned a negative outlook. This rating action is a result of Lincoln's strengthened capital position, following Kingsway's capital raising initiatives and the infusion of new capital into Lincoln. A.M. Best remains concerned about Lincoln's underwriting leverage position as well as its ability to effectively manage the additional volume of business. A.M. Best's negative outlook reflects its concern that Lincoln may need additional capital by year-end if Lincoln continues to strain surplus through premium growth or if loss reserves continue to adversely develop.

"We are committed to maintaining our A.M. Best ratings and ensuring that our insurance subsidiaries are strongly capitalized," said Bill Star, President and Chief Executive Officer.

A.M. Best represents independent opinions of an insurer's financial strength and ability to meet policyholder obligations. According to A.M. Best, companies rated as A and A- (Excellent) have an excellent ability to meet their ongoing obligations to policyholders.

About the Company

Kingsway's primary business is trucking insurance and 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 insurance 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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