



KINGSWAY LAUNCHES U.S. PUBLIC TRUST PREFERRED OFFERING

Toronto, Ontario (September 17, 2003) - Kingsway Financial Services Inc. (TSX:KFS, NYSE:KFS) announced today that it has commenced the marketing of its public offering of trust preferred securities. The public offering is for US\$50 million of trust preferred securities (not including an over-allotment option). The trust preferred securities will carry a dividend rate to be determined when marketing is completed. The securities will be sold in the United States through a group of underwriters, including Advest, Inc., as lead managing underwriter, and Ferris, Baker Watts Incorporated, Keefe, Bruyette & Woods, Inc., Raymond James, Sandler O'Neill & Partners, L.P., Putnam Lovell NBF Securities Inc. and RBC Capital Markets, as co-managing underwriters. The trust preferred securities have been approved for listing on the New York Stock Exchange under the symbol "KFS PrA."

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

A written prospectus relating to the public offering may be obtained from Advest, Inc. at 392 Boston Neck Road, Suffield, Connecticut 06078.

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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