



KINGSWAY ANNOUNCES CONSOLIDATION OF REPORTING STRUCTURE

Toronto, Ontario (January 13, 2004) – (TSX:KFS, NYSE:KFS) Kingsway Financial today announced the consolidation of the reporting structures of both its U.S. and Canadian operations through the Toronto based holding company. Henceforth, the presidents of all U.S. Subsidiaries will report directly to Mr. Bill Star, Chairman, President and Chief Executive Officer of the corporation. As a result of this restructuring, Mr. James Zuhlke has decided to tender his resignation as an officer and director and will pursue other interests.

Mr. Zuhlke has been a director of Kingsway Financial since 1989 and President and Chief Executive Officer of Kingsway America since 1998. The Board of Directors would like to thank Mr. Zuhlke for his contributions as a director and executive and wish him success in the future.

Brian Williamson has assumed the primary responsibility for the Kingsway America office and has been appointed Vice President and Chief Financial Officer of Kingsway America Inc. Pursuant to the restructuring, Brian's primary responsibility will be the consolidation of the financial reporting for the U.S. subsidiaries and Brian will report directly to Kingsway Financial.

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 investment grade 'BBB-' (stable) by Standard and Poor's and 'BBB' (stable) 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".

- 30 -

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