



A.M. BEST REAFFIRMS FINANCIAL STRENGTH RATINGS OF KINGSWAY SUBSIDIARIES

Toronto, Ontario (October 22, 2004) – (TSX:KFS, NYSE:KFS) Kingsway Financial Services Inc. today announced that A.M. Best has reaffirmed the financial strength ratings of its subsidiaries. A.M. Best further commented that the affirmation of the ratings is due to Kingsway Financial's continued financial support and its subsidiaries improved capital position offset by A.M. Best's concerns about strong growth in certain of its subsidiaries and potential for inadequate loss reserves.

"We are pleased that our largest insurance company, Lincoln General, had its A- (Excellent) rating affirmed", said Bill Star, President & Chief Executive Officer. "Our insurance companies are well capitalized and we continue to strengthen our reserves and capital position. We are optimistic that our improving performance will be viewed favourably by A.M. Best in the future."

A.M. Best publishes independent opinions of an insurers financial strength and ability to meet policyholder obligations.

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. Lincoln General Insurance Company, Universal Casualty Insurance Company, Jevco and Kingsway Reinsurance (Bermuda) are all rated "A-" Excellent by A.M. Best. American Service, Kingsway General and York Fire are rated "B++" (very good). The Company's senior debt is rated investment grade "BBB-" by Standard and Poor's and "BBB" 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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