



KINGSWAY ANNOUNCES US\$175 MILLION CREDIT FACILITY

Toronto, Ontario (June 26, 2006) – (TSX:KFS, NYSE:KFS) Kingsway Financial Services Inc. announced that it has entered into a US\$175 million 3 year revolving credit facility which matures in June 2009 with a syndicate of three banks. This new credit facility replaces the existing Cdn\$150 million 364 day revolving credit facility, and contains similar terms, conditions and financial covenants to the facility it replaces. In the new facility, The Bank of Nova Scotia acted as Administrative Agent, Co-Lead Arranger and Bookrunner, LaSalle National Bank as Syndication Agent and Co-Lead Arranger, and Royal Bank of Canada acted as Documentation Agent.

“We are pleased to have extended the maturity of our bank facility,” commented Bill Star, President & Chief Executive Officer. “We expect this facility will provide us with greater flexibility to continue to support the profitable growth in our business.”

About the Company

Kingsway Financial Services Inc. is the largest truck insurer in North America and the seventh largest non-standard automobile insurer in North America based on A.M. Best data that we have compiled. 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 eleven 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, Zephyr 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, American Service Insurance Company, Southern United Fire Insurance Company, Jevco Insurance Company, Kingsway Reinsurance Corporation, Barbados and Kingsway Reinsurance (Bermuda) Ltd. all rated “A-” (Excellent) by A.M. Best. Kingsway General and York Fire are rated “B++” (Very Good) and American Country and U.S. Security are rated “B+” (Very Good) by A.M. Best. The Company's senior debt is rated investment grade “BBB-”(stable) by Standard and Poor's and A.M. Best 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".

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