



KINGSWAY FINANCIAL TO WORK WITH HOULIHAN LOKEY AND SCOTIA CAPITAL AS CO-FINANCIAL ADVISORS

Toronto, Ontario (November 21, 2008) – (TSX:KFS, NYSE:KFS) Kingsway Financial has announced that the Company and its Board of Directors (“Board”) will be working with both Houlihan Lokey and Scotia Capital as co-financial advisors. In that regard, Houlihan Lokey and Scotia Capital will provide independent financial advice to the Company and its Board on matters which may arise over time. The Company also noted that management has been working on certain matters with Houlihan Lokey for a number of months. Scotia Capital has been a long-term advisor to the Company and its Board and was advisor to the Company in connection with the disposition of York Fire & Casualty Insurance Company in September 2008.

F. Michael Walsh, Chairman of the Board, stated: "We look forward to continuing to work with our financial advisors who will provide the Company and its Board with independent advice regarding a number of matters that may from time to time be under consideration. Management continues to focus each day on enhancing shareholder value and we believe that working with both Scotia Capital and Houlihan Lokey can provide another important element to that continued effort."

About the Company

Kingsway Financial Services Inc. is one of the largest non-standard automobile insurers and truck insurers in North America based on A.M. Best data that we have compiled. Kingsway's primary business is the insuring of automobile risks for drivers who do not meet the criteria for coverage by standard automobile insurers and trucking insurance. The Company currently operates through eleven wholly-owned insurance subsidiaries in Canada and the U.S. Canadian subsidiaries include Kingsway General 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, Mendota Insurance Company and Mendakota Insurance Company. The Company also operates reinsurance subsidiaries in Barbados and Bermuda. 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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