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FOR IMMEDIATE RELEASE

March 28, 2006

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**A.M. Best Takes Various Rating Actions on Kingsway and Its Subsidiaries;
Assigns Stable Outlook to Some**

Ratings Supplement

The ICR of “bbb-” has been affirmed for **Kingsway Financial Services Inc.**, and the rating has been removed from under review and assigned a stable outlook.

The FSR has been upgraded to A- (Excellent) from B++ (Very Good) for **American Service Insurance Company, Inc.**, and the rating has been removed from under review and assigned a stable outlook.

The FSR has been upgraded to A- (Excellent) from B+ (Very Good) for **Southern United Fire Insurance Company**, and the rating has been removed from under review and assigned a stable outlook.

The FSR has been upgraded to B+ (Very Good) from B (Fair) for **U.S. Security Insurance Company, Inc.**, and the rating has been removed from under review and assigned a stable outlook.

The FSRs of A- (Excellent) have been affirmed for **Lincoln General Insurance Company** and **Universal Casualty Company**, and the ratings have been removed from under review and assigned stable outlooks.

The FSRs of B++ (Very Good) have been affirmed for **Kingsway General Insurance Company** and **York Fire & Casualty Company**, and the ratings have been removed from

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—2—

under review and assigned stable outlooks.

The FSRs of A- (Excellent) have been affirmed for **JEVCO Insurance Company** and **Kingsway Reinsurance (Bermuda) Ltd.**, and the ratings have been removed from under review and assigned negative outlooks.

The FSR of B+ (Very Good) has been affirmed for **American Country Insurance Company**, and the rating has been removed from under review and assigned a negative outlook

A FSR of A- (Excellent) and an ICR of “a-” have been assigned with a stable outlook to **Kingsway Reinsurance Corporation**.

The ICRs of “a-” have been assigned with a stable outlook to the following operating companies of Kingsway Financial Services Inc.:

- **American Service Insurance Company, Inc.**
- **Southern United Fire Insurance Company**
- **Lincoln General Insurance Company**
- **Universal Casualty Company**

The ICRs of “a-” have been assigned with a negative outlook to the following operating companies of Kingsway Financial Services Inc.:

- **JEVCO Insurance Company**
- **Kingsway Reinsurance (Bermuda) Ltd.**

An ICR of “bbb-” has been assigned with a stable outlook to **U.S. Security Insurance Company, Inc.**

An ICR of “bbb-” has been assigned with a negative outlook to **American Country Insurance Company**.

The ICRs of “bbb” have been assigned with a stable outlook to the following operating companies of Kingsway Financial Services Inc.:

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—3—

- **Kingsway General Insurance Company**
- **York Fire & Casualty Company**

An ICR of “bbb-” has been assigned with a stable outlook to **Kingsway America Inc.**

The following debt rating has been affirmed, removed from under review and assigned a stable outlook:

Kingsway Financial Services Inc.—

-- “bbb-” on CAD 78 million, 8.25% senior unsecured debentures due 2007

The following debt ratings have been assigned with stable outlooks:

Kingsway America Inc.—

-- “bbb-” on USD 125 million 7.5% senior notes due 2014

-- “bbb-” on USD 74.1 million 7.12% senior notes due 2015

(The senior debt of Kingsway America Inc. is guaranteed by Kingsway Financial Services Inc.)

A.M. Best Co., established in 1899, is the world’s oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best’s Web site at www.ambest.com.

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