



KINGSWAY GENERAL INSURANCE COMPANY

THE SPECIALTY INSURER

February 27, 2009

To All Kingsway Brokers,

I want to take this opportunity to thank you for your continued support through what has been (and likely will continue to be) a difficult period for Kingsway Financial Services Inc. ("Kingsway Financial") as it works to solve issues arising from one of its US based subsidiary companies. Although very important to the group as a whole, it is less important to Kingsway General's ability to write business and pay claims.

The measure of financial viability for insurance companies operating in Canada is the Minimum Capital Test or "MCT". Kingsway General submitted its financial statements to the Financial Services Commission of Ontario (FSCO) earlier today which includes its MCT as of December 31, 2008 of 185.5%; healthy by most standards and well above the minimum of 150% required by Canadian regulatory authorities.

In challenging economic times, no capital position is safe from the ravages of the markets but Kingsway General has taken steps to protect its capital from erosion driven by a soft insurance market and volatile investment markets. Rate increases have been implemented for all products on both fleets and single units for all of our wheels based products. In addition, Kingsway General and Kingsway Financial have divested themselves of all equity investments and taken steps to reduce costs across the enterprise.

We know 2009 will be a challenging year for all of us due to the ongoing uncertainty and volatility of the Canadian and world economies. During this period of turbulence, we remain focused on our traditional business lines and are committed to providing brokers and policyholders with options to place harder to insure risks.

As developments unfold, I will keep you posted on how changes at Kingsway Financial could affect Kingsway General and your business with us.

Thanks again for your continued support.

Sincerely,

John L. McGlynn
President & CEO