QUEENSWAY FINANCIAL HOLDINGS LIMITED

MATERIAL CHANGE REPORT

<u>Item 1 - Reporting Issuer</u>

Queensway Financial Holdings Limited ("Queensway")
90 Adelaide Street West
Suite 500
Toronto, Ontario
M5H 3V9

<u>Item 2 - Date of Material Change</u>

April 11, 2001

<u>Item 3 - Press Release</u>

A copy of the press release issued on April 11, 2001 is attached to this material change report.

<u>Item 4 - Summary of Material Change</u>

On April 11, 2001, Queensway announced that it has entered into a binding letter of intent to sell the shares of its subsidiaries, Coachman Insurance Company, to SGI Canada Insurance Services Ltd. The transaction is subject to the completion of due diligence, an audit of the April 30, 2001 accounts and obtaining regulatory and other approvals and consents. The transaction is expected to close by May 31, 2001.

Queensway also announced that it has entered into a letter of intent to sell the shares of its subsidiary, Queensway Investment Counsel Limited ("QICL"), to Kevin Charlebois, a director of Queensway and QICL's President. The transaction is subject to mutually acceptable definitive documentation and is expected to close by May 9, 2001.

<u>Item 5 - Full Description of Material Change</u>

A full description of the material change is set forth in the attached press release.

<u>Item 6 - Confidentiality</u>

Not applicable.

<u>Item 7 - Omitted Information</u>

Not applicable

Item 8 - Senior Officer

The following senior officer of Queensway is knowledgeable about the material change and this report:

Harold J. Meloche
Chief Financial Officer and Vice President
Tel: (416) 955-0244

Item 9 - Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario, this 19th day of April, 2001.

QUEENSWAY FINANCIAL HOLDINGS LIMITED

"Harold J. Meloche"

Harold J. Meloche
Chief Financial Officer and Vice President

QUEENSWAY FINANCIAL HOLDINGS LIMITED

TSE SYMBOL: “QFH”

QUEENSWAY SIGNS LETTER OF INTENT FOR SALE OF COACHMAN INSURANCE COMPANY

TORONTO, April 11, 2001/CCN/QUEENSWAY FINANCIAL HOLDINGS LIMITED ("Queensway") announced that it has entered into a binding letter of intent to sell the shares of its subsidiary, Coachman Insurance Company, to SGI Canada Insurance Services Ltd. The transaction is subject to the completion of due diligence, an audit of the April 30, 2001 accounts and obtaining regulatory and other approvals and consents. The transaction is expected to close by May 31, 2001.

Queensway also announced that it has entered into a letter of intent to sell the shares of its subsidiary, Queensway Investment Counsel Limited ("QICL"), to Kevin Charlebois, a director of Queensway and QICL's President. The transaction is subject to mutually acceptable definitive documentation and is expected to close by May 9, 2001.

These sales together with the previously announced sale of substantially all of Queensway's U.S. operations to Argonaut Group Inc. would, when completed, effectively represent the disposition of all of Queensway's operating companies. The proceeds of these sales will be applied to outstanding indebtedness. Queensway's Board of Directors continue to manage the sale process and to consider the alternatives which remain available to the company.

Queensway is a specialty insurance group that provides a range of individual and commercial insurance coverages.

For further information, please contact:

Harold J. Meloche
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Queensway Financial Holdings Limited
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