

SECURITIES  
AND  
EXCHANGE  
COMMISSION  
Washington,  
D.C. 20549  
Form 11-K

(Mark One)  
~~[X]~~ ANNUAL  
REPORT  
PURSUANT  
TO SECTION  
15(d) OF  
THE  
SECURITIES  
EXCHANGE  
ACT OF  
1934 For  
the fiscal  
year ended  
December  
31, 2005

~~OR [ ]~~  
TRANSACTION  
REPORT  
PURSUANT  
TO SECTION  
15(d) OF  
THE  
SECURITIES  
EXCHANGE  
ACT OF  
1934  
Commission  
file  
number 0-  
3722

A. Full  
title of  
the plan  
and the  
address of  
the plan,  
if  
different  
from that  
of the  
issuer  
named  
below:  
Atlantic  
American  
Corporation  
401(k)  
Retirement  
Savings  
Plan B.  
Name of  
issuer of  
the  
securities  
held  
pursuant  
to the  
plan and  
the  
address of  
its  
principal  
executive  
office:  
Atlantic  
American  
Corporation  
4370  
Peachtree

Read, N.E.  
Atlanta,  
GA 30319

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Financial  
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and  
Schedules

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Consent of  
Gifford,  
Hillegass  
&  
Ingwersen,  
LLP

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~~ATLANTIC AMERICAN CORPORATION~~  
~~401(K) RETIREMENT SAVINGS PLAN~~

~~The following exhibits are filed herewith:~~

~~Exhibit 1: Financial Statements and Supplemental Information for  
the years ended December 31, 2005 and 2004 together  
with Report of Independent Registered Public  
Accounting Firm.~~

~~Exhibit 2: Consent of Gifford , Hillegass & Ingwersen, LLP  
Independent Registered Public Accounting Firm.~~

~~CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002~~

~~In connection with the Annual Report for the Atlantic American Corporation 401(k) Retirement Savings Plan (the "Plan") on Form 11-K for the period ended December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John G. Sample, Jr., on behalf of Atlantic American Corporation, as Senior Vice President & CFO, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that:~~

~~(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and~~

~~(2) The information contained in the Report fairly presents, in all material respects, the net assets available for the benefits and changes in net assets available for benefits of the Plan.~~

~~/s/ John G. Sample, Jr.  
John G. Sample, Jr.  
Senior Vice President & CFO for Atlantic American Corporation  
June 15, 2006~~

~~Exhibit 1~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULE~~

~~For the Years Ended December 31, 2005 and 2004~~

~~with  
Report of Independent Registered Public Accounting Firm~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT PLAN~~

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~~December 31, 2005~~

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~~REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM~~

~~To the Plan Administrator and Plan Participants Atlantic American Corporation  
401(k) Retirement Savings Plan:~~

~~We have audited the accompanying statements of net assets available for benefits of the Atlantic American Corporation 401(k) Retirement Savings Plan as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.~~

~~We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.~~

~~In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Atlantic American Corporation 401(k) Retirement Savings Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.~~

~~Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the index is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.~~

~~GIFFORD, HILLEGASS & INGWERSEN, LLP~~

~~June 14, 2006  
Atlanta, Georgia~~

ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2005 and 2004

	2005	2004
Investments, at fair value		
Common/Collective Trusts	\$ 2,128,203	\$ 1,652,256
Employer Securities	1,199,720	1,337,690
Registered Investment Companies	7,324,164	7,121,381
Participant Loans	146,308	127,105
TOTAL INVESTMENTS	10,798,395	10,238,432
Employer Contribution Receivable	18,954	
NET ASSETS AVAILABLE FOR BENEFITS	\$ 10,817,349	\$ 10,238,432

The accompanying notes are an integral part of these financial statements.



~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS~~

~~December 31, 2005~~

~~Additions to Net Assets~~

<del>Contributions:</del>		
<del>Participants</del>	<del>\$</del>	<del>800,275</del>
<del>Company</del>		<del>269,077</del>
<del>Rollover</del>		<del>102,772</del>

~~TOTAL CONTRIBUTIONS 1,172,124~~

~~Interest and dividend income 357,480~~

~~Net depreciation in fair market value of investments (17,806)~~

~~TOTAL ADDITIONS TO NET ASSETS 1,511,798~~

~~Deductions from Net Assets~~

<del>Benefit payments to participants</del>		<del>925,886</del>
<del>Fees</del>		<del>6,995</del>

~~TOTAL DEDUCTIONS 932,881~~

~~Net Increase 578,917~~

~~Net Assets Available for Benefits at Beginning of Year 10,238,432~~

~~Net Assets Available for Benefits at End of Year \$ 10,817,349~~  
~~=====~~

~~The accompanying notes are an integral part of these financial statements.~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN~~

~~The following description of the Atlantic American Corporation 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participating members ("Participants") should refer to the Plan document for a more complete description of the Plan's provisions. Information with regard to eligibility, contributions, distributions, vesting, withdrawals, restoration, loans, fund redistribution, and definitions of all terms are contained in that document.~~

~~General: The Plan is a defined contribution plan available to all U.S. employees of Atlantic American Corporation (the "Company"). All employees of the Company, except collective bargaining employees, nonresident aliens, and leased employees are eligible to participate, until December 31, 2005, on the first day of the upcoming calendar quarter in which the individual became an employee of the Company. Effective January 1, 2006, the Plan adopted an automatic enrollment feature for all new employees to be effective on the date of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.~~

~~Plan Administration: AMVESCAP National Trust Company (the "Trustee") is the Trustee of the Plan and has custodial responsibility for the Plan's assets, except for company stock that is held by State Street Bank and Trust Company, including the authority and power to, among other things, invest the principal and income of the Plan's assets. Subsequent to year end, the Company signed a contract with Merrill Lynch Trust Company FSB to serve as Trustee of the Plan, due to Merrill Lynch's purchase of AMVESCAP Retirement, Inc.~~

~~Contributions: Participants may elect to contribute in 1% increments up to 25% of their annual compensation, as defined by the Plan, subject to certain limitations under the Internal Revenue Code (the "Code"), into any of the investment funds offered by the Plan. A participant may change his or her deferral percentage at any time. Participants may also contribute amounts representing distributions from other qualified benefit plans. These contributions are classified as rollover contributions in the statement of changes in net assets available for benefits for the year ended December 31, 2005. The Company provides a matching contribution equal to a certain percentage of the participant's contributions. For the year ended December 31, 2005, the Company's matching contribution equaled 50% of the first 6% of each participant's tax deferred contribution. All Company matching contributions are in Company common stock. A participant can elect to transfer the Company contributions into another investment fund only after the participant is fully vested in the Company matching contributions. The Company may also elect to make additional discretionary matching and/or profit sharing contributions. There were no such discretionary contributions made during 2005.~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~Vesting: Participants are always fully vested in their own contributions. Each participant becomes vested in the Company contributions based on years of continuous service. The vesting percentage for the Company matching contributions are as follows:~~

<del>Years of service:</del>	
<del>Less than one</del>	<del>0%</del>
<del>One</del>	<del>20%</del>
<del>Two</del>	<del>40%</del>
<del>Three</del>	<del>60%</del>
<del>Four</del>	<del>80%</del>
<del>Five</del>	<del>100%</del>

~~In addition, participants become fully vested upon retirement, death, or disability.~~

~~Benefits: Upon termination of service due to death, disability, retirement, or separation from service, a participant or his or her beneficiary with a vested balance greater than \$5,000 may elect to receive an amount equal to the value of the participant's vested interest in his or her account. The form of payment, selected by the participant or his or her beneficiary, is either a lump sum distribution, an annuity to be paid in monthly installments over a fixed number of years, or a direct rollover into a qualified retirement plan or individual retirement account. Terminated participants with a vested balance less than \$5,000 will be distributed after termination.~~

~~Participant Accounts: Individual accounts are maintained for each of the Plan's participants and reflect the participant's contributions, employer contributions, and the participant's share of the Plan's investment income (loss). Allocations of income (loss) are based on the proportion that each participant's account balance bears to the total of all participant account balances and their investment elections.~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~Investment Options: Participants may direct their contributions and any related earnings into several investment options in 1% increments. Participants may change their investment elections at any time. The participants in the Plan can invest in any of the following investment options:~~

~~INVESCO Stable Value Trust seeks the preservation of principal and interest income reasonably obtained under prevailing market conditions and rates, consistent with seeking to maintain required liquidity.~~

~~INVESCO Core Fixed Income Trust seeks current income, with a secondary objective of capital appreciation. Under normal market conditions, this Fund will primarily invest in investment grade fixed income securities of varying maturities, coupon rates, issuer classes, yield characteristics, and other characteristics. However, this Fund also may invest in money market instruments or other securities.~~

~~AIM Income Fund seeks current income consistent with safety of principal. The Fund invests primarily in investment grade corporate debt, convertibles and U.S. government debt. It may invest up to 35% of assets in lower rated debt. The Fund may also invest in dividend paying stocks. It may invest up to 40% of assets in foreign securities.~~

~~Fidelity Puritan Fund seeks income consistent with preservation of capital. The Fund invests in a diversified array of high yielding securities such as common stocks, preferred stocks, and bonds. The relative holdings vary in response to changing market conditions. The bonds may have any quality rating or maturity; the Fund may invest up to 35% of assets in lower quality, higher yielding assets. The Fund may purchase foreign securities, zero coupon bonds and indexed securities. It may also engage in futures contracts, short sales, and swap agreements.~~

~~AIM Basic Balanced Fund seeks long term growth of capital and current income. The Fund invests in a broadly diversified portfolio of common stocks, preferred stocks, convertible securities and bonds. It invests without regard to market capitalization. The Fund normally invests a minimum of 30% and a maximum of 70% of total assets in equity securities and a maximum of 70% of total assets in investment grade non convertible debt securities. It may also invest up to 25% of total assets in convertible securities and up to 25% of total assets in foreign securities.~~

December 31, 2005

NOTE 1 DESCRIPTION OF THE PLAN Continued

American Funds American Balanced Fund seeks capital preservation, current income, and long term growth of capital and income. The Fund normally invests in a diversified array of equities, debt and cash instruments. The purchases may include common stocks, preferred stocks, corporate bonds or U.S. government securities. The equity portion includes foreign and domestic issues. Fixed income securities must be rated investment grade at the time of purchase. The Fund primarily seeks securities that management believes demonstrate fundamental values at reasonable prices.

AIM Basic Value Fund seeks long term capital appreciation. The Fund normally invests at least 65% of assets in equities of U.S. companies with market capitalizations of more than \$500 million. It may invest the balance in companies with market capitalizations smaller than \$500 million, investment grade convertibles and U.S. government securities. Up to 25% of assets may be invested in foreign securities.

American Funds Washington Mutual Investors Fund seeks income and the opportunity for growth of principal. The Fund invests in common stocks or equivalent securities that are legal for the investment of trust funds in the District of Columbia. It intends to be fully invested and well diversified. Management tries to select a portfolio that an investor with fiduciary responsibility might select under the Prudent Investor Rule of the Superior Court of the District of Columbia.

INVESCO 500 Index Trust holds all of the 500 stocks that make up Standard & Poor's 500 Composite Stock Price Index in proportion to their weighting in the Index. The Fund attempts to match the performance of the Index and remains fully invested in stocks at all times. Its management does not speculate on the direction of the Index. Though the Fund seeks to match the Index, its performance typically can be expected to fall short by a small percentage representing operating costs.

AIM Diversified Dividend Fund primary objective is growth of capital with a secondary objective of current income. The Fund invests, normally, at least 80% of its assets in dividend paying equity securities. The Fund may invest 20% of assets in master limited partnerships or in investment grade debt securities of U.S. issuers. The Fund also has the option to invest up to 25% of its total assets in foreign securities.

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~American Century Ultra Investor Fund typically invest at least 90% of assets in equity securities selected for their appreciation potential. The majority of these securities are common stocks issued by companies that meet management's standards for earnings and revenue growth. The Fund may only purchase securities of companies that have operated continuously for three or more years. It may invest without limit in foreign securities, including depository receipts.~~

~~Janus Twenty Fund seeks capital appreciation consistent with preservation of capital. The Fund invests primarily in a concentrated portfolio of between 20 and 30 common stocks. The advisor also seeks stocks with strong current financial positions and the potential for future growth. It may invest without limit in foreign securities.~~

~~American Funds Growth Fund of America seeks capital growth. The Fund normally invests at least 65% of assets in common stocks and convertible securities. It may invest in a wide range of companies, including growing and profitable companies, turnaround situations and unseasoned companies. The Fund may invest up to 15% of assets in foreign securities. It may also invest up to 10% of assets in debt securities rated below investment grade.~~

~~Janus Mid Cap Value Fund seeks capital appreciation. The Fund normally invests at least 65% of assets in equity securities of companies whose market capitalization falls within a range of \$1 billion to the 12-month average of the maximum market capitalization for companies included in the S&P Mid Cap 400 Index. It may invest the balance of assets in companies with smaller or larger market capitalizations, government securities or other short term investments.~~

~~AIM Dynamics Fund seeks long term capital appreciation. The Fund invests primarily in common stocks of mid capitalization companies. Management targets companies with rapidly accelerating earnings growth that have leadership positions in their respective markets. The Fund may also invest a limited amount in foreign securities.~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~AIM Capital Development Fund seeks long term capital appreciation. Income is incidental. The Fund invests primarily in securities of small and medium size companies. To select investments, the advisor considers a company's prospects for product growth; the economic outlook for its industry; new products; management skill; the relationship between the security price and its estimated fundamental value; market, economic and political environments; and balance sheet analyses and return on assets. It may also invest in initial public offerings.~~

~~Fidelity Advisor Mid Cap Fund seeks long term growth of capital. The Fund normally invests at least 65% of assets in companies with medium market capitalizations. These companies generally have market capitalizations that fall within the ranges of the S&P Mid Cap 400 Index. The Fund may invest the balance of assets in other types of securities and in issuers of other sizes.~~

~~INVESCO Structured Small Cap Value Equity Trust seeks long term capital appreciation. The Fund is designed to: (1) outperform the Russell 2000 Small Cap Value Index over time, based on the performance of the stocks ranked by a proprietary Stock Selection Model, and (2) control risk by having an overall risk profile, which is similar to that of the Russell 2000 Small Cap Value Index in terms of beta, styles and industries.~~

~~AIM Small Company Growth Fund seeks long term growth of capital. The Fund normally invests at least 65% of assets in equities of companies with market capitalizations of less than \$1 billion. Management typically selects undervalued companies it judges to have the potential for accelerating earnings growth resulting from management changes, rapid sales growth or new products. The Fund may invest up to 25% of assets in foreign securities; American Depository Receipts are not subject to this limitation.~~

~~Baron Growth Fund seeks capital appreciation; investment income is not a consideration. The Fund invests primarily in common stocks but may also invest in other equity type securities, such as convertible bonds and debentures, preferred stocks, warrants and convertible preferred stocks. It invests primarily in small sized companies with market values under \$1.5 billion.~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~Janus Advisor Worldwide Growth Fund seeks long term capital growth. The Fund invests primarily in foreign and domestic stocks. It normally invests in at least five countries, including the United States. It typically invests no more than 35% of assets in high yielding securities. It may invest up to 25% of assets in mortgage and asset backed securities and step coupon securities. It may invest without limit in index/structured securities. The Fund may also invest in preferred stocks, warrants convertibles and debt.~~

~~AIM International Core Equity Fund seeks high total return. The Fund normally invests at least 65% of assets in securities of blue chip foreign companies identified by applying both a quantitative analysis and an individual company analysis. Such securities may take the form of American depository receipts. The Fund may invest in companies located in various areas of the world.~~

~~Atlantic American Corporation Common Stock Fund is comprised of Atlantic American common stock and a small percentage of cash to allow for daily transfers in and out of the Fund. Fund performance will differ from the actual performance of Atlantic American common stock because of the cash held in the Fund for liquidity.~~

~~Forfeitures: Amounts forfeited from non-vested accounts are used to reduce future employer contributions. Forfeitures of \$14,375 were used in 2005 to reduce employer contributions. At December 31, 2005, \$36,209 was available to be used in the future.~~

~~Participant Loans: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Participants may elect to have their loans disbursed from specific investment funds. Loan terms range from six months to five years or within a reasonable time if used for the purchase of a primary residence. The loans are secured by the vested value of the participants' account balance and bear interest at the prime rate of interest on the date of the loan plus 1%. Principal and interest are paid ratably through payroll deductions.~~



~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~Administrative Expenses: The Company pays all separately charged administrative expenses of the Plan, including trustee fees. Fees resulting from individual participant transactions, such as loan origination and benefit payments, or certain investment elections, are paid by the participant and are included in the fee amount on the statement of changes in net assets available for benefits.~~

~~NOTE 2 ACCOUNTING POLICIES~~

~~Basis of Accounting: The financial statements of the Plan are prepared in conformity with the basis of accounting prescribed by U.S. generally accepted accounting principles (GAAP).~~

~~Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported additions and deductions during the reporting period. Actual results could differ from those estimates.~~

~~Investment Valuation: All investments are stated at fair value. Securities traded on national securities exchanges are valued at the closing price on a daily basis. Investments traded in over the counter markets and listed securities for which no sale was reported on that date are valued at the last reported bid price. Purchases and sales of securities and mutual funds are reflected on a trade date basis. Participant loans are valued at the discounted value of expected future cash flows, which approximates market value.~~

~~Investment securities, in general, are exposed to various risks, including interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of net assets available for benefits.~~

~~Interest and Dividend Income: Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.~~

~~Net Appreciation (Depreciation): Net realized gains (losses) and unrealized appreciation (depreciation) are recorded in the accompanying statement of changes in net assets available for benefits as net appreciation (depreciation) in fair market value of investments.~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 3 INVESTMENTS~~

~~The fair market values of individual investments that represent 5% or more of the Plan's net assets as of December 31, 2005 and 2004 are as follows:~~

~~2005 2004~~

<del>INVESCO</del>	
<del>Stable</del>	
<del>Value</del>	
<del>Trust \$</del>	
<del>1,363,962</del>	
<del>\$</del>	
<del>1,009,608</del>	
<del>Atlantic</del>	
<del>American</del>	
<del>Corporation</del>	
<del>Common</del>	
<del>Stock Fund</del>	
<del>1,199,720</del>	
<del>1,337,690</del>	
<del>Fidelity</del>	
<del>Puritan</del>	
<del>Fund</del>	
<del>870,035</del>	
<del>767,567</del>	
<del>Baron</del>	
<del>Growth</del>	
<del>Fund</del>	
<del>708,248</del>	
<del>638,410</del>	
<del>American</del>	
<del>Funds</del>	
<del>American</del>	
<del>Balanced</del>	
<del>Fund</del>	
<del>672,739</del>	
<del>641,479</del>	
<del>Janus</del>	
<del>Twenty</del>	
<del>Fund</del>	
<del>638,092</del>	
<del>537,371</del>	
<del>INVESCO</del>	
<del>500 Index</del>	
<del>Trust</del>	
<del>613,983</del>	
<del>542,234</del>	
<del>Janus Mid</del>	
<del>Cap Value</del>	
<del>Fund</del>	
<del>554,220 *</del>	
<del>AIM</del>	
<del>Dynamics</del>	
<del>Fund</del>	
<del>548,874</del>	
<del>626,963</del>	
<del>AIM Core</del>	
<del>Stock Fund</del>	
<del>524,585</del>	
<del>Fidelity</del>	
<del>Advisor</del>	
<del>Mid Cap</del>	
<del>Fund *</del>	
<del>613,847</del>	
<del>*not</del>	
<del>greater</del>	
<del>than 5% at</del>	

Net appreciation (depreciation) in fair market value of investments by major investment type for the year ended December 31, 2005 is as follows:

Common stock - Atlantic American Corporation	\$	(175,642)
Mutual funds		121,632
Collective trust funds		36,204
		<hr/>
		<hr/>
	\$	(17,806)
		<hr/> <hr/>

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 4 NONPARTICIPANT DIRECTED INVESTMENTS~~

~~Information about the net assets as of December 31, 2005 and 2004 and the significant components of the change in net assets for the years then ended relating to the Company's common stock (nonparticipant directed investments) is as follows:~~

~~2005 2004~~

~~Net Assets:~~

~~Common Stock~~

~~—Atlantic  
American  
Corporation~~

~~\$ 247,687 \$  
382,117~~

~~Changes in  
Net Assets:~~

~~Contributions~~

~~—employer \$  
114,337 \$~~

~~134,900 Net  
depreciation~~

~~in fair  
value of  
common stock~~

~~(58,213)  
12,918~~

~~Benefits~~

~~paid to~~

~~partially~~

~~vested~~

~~former~~

~~employees~~

~~(36,564)~~

~~(14,255)~~

~~Transfers to  
participant-~~

~~directed~~

~~investments~~

~~(153,990)~~

~~(212,382)~~

~~Total~~

~~activity \$~~

~~(134,431) \$~~

~~78,810~~

~~NOTE 5 TAX STATUS~~

~~The Internal Revenue Service has determined and informed the Sponsor by letter dated June 3, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Accordingly, no provision for income taxes has been made in the accompanying financial statements.~~

~~NOTE 6 PLAN TERMINATION~~

~~Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become fully vested in their accounts as of the termination date.~~



~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN~~

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2005~~

~~NOTE 7 PARTY IN INTEREST TRANSACTIONS~~

~~The Plan held 425,178 and 412,854 shares of Atlantic American Corporation (the Plan Sponsor) as of December 31, 2005 and 2004 with a fair value of \$1,199,720 and \$1,337,690, respectively.~~

~~Certain plan investments are shares of registered investment companies and collective trust funds managed by AMVESCAP National Trust Company. AMVESCAP National Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions.~~

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SUPPLEMENTAL SCHEDULE

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~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN  
PLAN NUMBER 001  
58 1027114~~

~~SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)~~

~~December 31, 2005~~

~~Identity of  
Issue,  
Borrower,  
Description  
of Current  
Lessor, or  
Similar  
Party  
Investment  
Cost Value~~

~~\* AMVESCAP  
National  
Trust  
Company  
INVESCO 500  
Index Trust,  
18,857 units  
(a) \$  
613,983  
INVESCO  
Structured  
Small Cap  
Value Trust,  
788 units  
(a) 89,855  
INVESCO Core  
Fixed Income  
Trust, 1,848  
units (a)  
60,403  
INVESCO  
Stable Value  
Trust,  
1,363,962  
units (a)  
1,363,962 \*  
Atlantic  
American  
Corporation  
Atlantic  
American  
Corporation  
Common Stock  
Fund, 425,178  
shares  
\$1,121,123  
1,199,720 \*  
AIM  
Management  
Group, Inc.  
AIM Basic  
Value Fund,  
5,649 units  
(a) 193,296  
AIM Income~~



Fund, ~~64,085~~  
units (a)  
~~410,145~~ AIM  
Capital  
Development  
Fund, ~~924~~  
units (a)  
~~16,208~~ AIM  
International  
Core Equity  
Fund, ~~14,812~~  
units (a)  
~~182,190~~ AIM  
Diversified  
Dividend  
Fund, ~~38,895~~  
units (a)  
~~482,693~~ AIM  
Dynamics  
Fund, ~~30,141~~  
units (a)  
~~548,874~~ AIM  
Basic  
Balanced  
Fund, ~~28,269~~  
units (a)  
~~346,292~~ AIM  
Small  
Company  
Growth Fund,  
~~9,156~~ units  
(a) ~~121,406~~  
\* Janus  
Janus Twenty  
Fund, ~~13,048~~  
units (a)  
~~638,092~~  
Janus  
Advisor  
Worldwide  
Growth Fund,  
~~3,846~~ units  
(a) ~~111,457~~  
Janus Mid  
Cap Value  
Fund, ~~24,831~~  
units (a)  
~~554,220~~ \*  
Fidelity  
Fidelity  
Puritan  
Fund, ~~46,451~~  
units (a)  
~~870,035~~  
Fidelity  
Advisor Mid  
Cap Fund,  
~~16,035~~ units  
(a) ~~389,173~~  
\* American  
Century  
American  
Century  
Ultra  
Investor  
Fund, ~~7,171~~  
units (a)  
~~215,786~~ \*  
American  
Funds  
American  
Funds Growth  
Fund of  
America,  
~~16,796~~ units  
(a) ~~512,281~~  
American  
Funds  
American  
Balanced  
Fund, ~~37,858~~

~~units (a)~~  
~~672,739~~  
~~American~~  
~~Funds~~  
~~Washington~~  
~~Mutual Fund~~  
~~Investors,~~  
~~11,430 unit~~  
~~(a) 351,029~~

~~ATLANTIC AMERICAN CORPORATION  
401(k) RETIREMENT SAVINGS PLAN  
PLAN NUMBER 001  
58 1027114~~

~~SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR) CONTINUED~~

~~December 31, 2005~~

~~\* Baron Baron  
Growth Fund,  
15,600 units  
(a) 708,248 \*  
Various Plan  
Participants  
Participant  
loans with  
varying  
maturities and  
interest rates  
ranging from 5%  
to 8.5%  
146,308  
TOTAL  
\$ 10,798,395~~

~~=====  
\* Indicates  
party in  
interest (a)  
Participant-  
directed~~

~~\* Indicates party in interest~~

~~(a) Participant directed~~

~~CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM~~

~~We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-90890) pertaining to the Atlantic American Corporation 401(k) Retirement Savings Plan of our report dated June 14, 2006, with respect to the financial statements and schedule of Atlantic American Corporation 401(k) Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2005.~~

~~GIFFORD, HILLEGASS & INGWERSEN, LLP~~

~~Atlanta, Georgia  
June 14, 2006~~