

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): October 31, 2008 (October 28, 2008)

ATLANTIC AMERICAN CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Georgia
(State or Other Jurisdiction of Incorporation)

0-3722
(Commission File Number)

58-1027114
(I.R.S. Employer Identification No.)

4370 Peachtree Rd., N.E.
Atlanta, Georgia
(Address of Principal Executive Offices)

30319
(Zip Code)

Registrant's Telephone Number, Including Area Code: (404) 266-5500

N/A

(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On October 28, 2008, Atlantic American Corporation (the “Company”) redeemed (the “Redemption”) all 134,000 issued and outstanding shares of the Company’s Series B Preferred Stock, par value \$1.00 per share (the “Series B Stock”). The Series B Stock has a stated value of \$100.00 per share.

The Company paid to the holders of the Series B Stock an aggregate of \$13,400,000 to redeem the shares of Series B Stock at their stated value. In addition, the Company paid the holders of the Series B Stock, on a pro rata basis, an aggregate of \$1,675,000 in satisfaction of a portion of the \$15,376,500 of accrued but unpaid dividends on the outstanding shares of Series B Stock, and the holders of the Series B Stock waived their rights to, and discharged the Company from any obligation to pay, the remaining amount of accrued but unpaid dividends on the Series B Stock, which was deemed contributed to the capital of the Company.

In connection with the foregoing, the Company entered into the Second Amendment to Credit Agreement, dated as of October 28, 2008, by and between the Company and Wachovia (“Wachovia”) (the “Second Amendment”). The Second Amendment allowed for the Redemption and the related payment of the portion of the accrued but unpaid dividends thereon. A copy of the Second Amendment is attached hereto and incorporated herein by this reference.

Also in connection with the Redemption, the Company entered into a letter agreement with the holders of its Series D Preferred Stock, par value \$1.00 per share (“Series D Stock”) pursuant to which the holders of Series D Stock consented to the Redemption.

All of the shares of Series B Stock were held by, and all of the shares of Series D Stock are held by, affiliates of Mr. J. Mack Robinson, the chairman of the board of directors of the Company, Mrs. Harriett J. Robinson, wife of Mr. Robinson and a director of the Company, and Mr. Hilton H. Howell, Jr., the Company’s chief executive officer.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Second Amendment to Credit Agreement, dated as of October 28, 2008, by and between Atlantic American Corporation and Wachovia Bank, National Association.
10.2	Form of Redemption Letter Agreement entered into by the Company and each holder of shares of Series B Preferred Stock.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLANTIC AMERICAN CORPORATION

/s/ John G. Sample, Jr.

By: John G. Sample, Jr.
Senior Vice President and Chief Financial Officer

Date: October 31, 2008

EXHIBIT INDEX

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**SECOND AMENDMENT TO
CREDIT AGREEMENT**

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of the 28th day of October, 2008, between ATLANTIC AMERICAN CORPORATION, a Georgia corporation (the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION (the "Bank").

Recitals:

The Borrower and the Bank have entered into that certain Credit Agreement dated as of December 22, 2006 as amended by that certain First Amendment to Credit Agreement and Pledge Agreement dated March 28, 2008 (as so amended the "Credit Agreement"). The Borrower and the Bank desire (a) to provide for an acknowledgement and consent to a certain redemption of Borrower's Series B Preferred Stock and the payment of a dividend in connection therewith, and (b) to amend the Credit Agreement in respect thereof, as hereinafter provided.

NOW, THEREFORE, in consideration of the Recitals and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Bank, intending to be legally bound hereby, agree as follows:

SECTION 1. Recitals. The Recitals are incorporated herein by reference and shall be deemed to be a part of this Amendment.

SECTION 2. Definitions. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings assigned to them in the Credit Agreement.

SECTION 3. Acknowledgement and Consent.

(a) The Borrower has requested that the Bank consent to, and subject to the conditions stated herein, the Bank does hereby consent to, the Borrower's intention to (a) redeem all shares of its Series B Preferred Stock (the "Planned Redemption") at par value for an amount not to exceed \$13,400,000 (the "Planned Redemption Limit") and pay a dividend in connection therewith (the "Planned Dividend") in an amount not to exceed \$1,675,000 (the "Planned Dividend Limit"). Pursuant to Section 5.12 of the Agreement, the Borrower is currently prohibited from making a redemption of the nature of the Planned Redemption. Pursuant to 5.06 of the Agreement, the Borrower is currently prohibited from making a Restricted Payment of the nature of the Planned Dividend.

(b) The Bank expressly reserves all of its rights and remedies with respect to any present or future Default arising under the Credit Agreement.

SECTION 4. Amendments to Credit Agreement. The Credit Agreement is amended as set forth in this Section 4.

(a) New Definitions. Article I of the Credit Agreement is hereby amended to add the following new definitions in alpha order:

"Planned Dividend" has the meaning ascribed to such term in the second Amendment to Credit Agreement between the Borrower and the Bank dated as of October 28, 2008 (the "Second Amendment").

"Planned Dividend Limit" has the meaning ascribed to such term in the Second Amendment.

"Planned Redemption" has the meaning ascribed to such term in the Second Amendment.

"Planned Redemption Limit" has the meaning ascribed to such term in the Second Amendment.

(b) Amendment to Section 5.06. Section 5.06 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 5.06 Restricted Payments The Borrower will not declare or make any Restricted Payment during any Fiscal Year; provided that: (1) the Borrower may redeem shares of the Borrower's capital stock for the purpose of satisfying the Borrower's obligations under its 401K plan and stock options provided by the Borrower to its executive officers, in the ordinary course of business and consistent with practices existing on the Closing Date; (2) the total number of shares of the Borrower's capital stock redeemed pursuant to the preceding subsection (1) shall not exceed five hundred thousand in the aggregate in any Fiscal Year; and (3) the aggregate amount expended by the Borrower in connection with the redemptions made pursuant to the preceding subsection (1) shall not exceed \$2,000,000 in the aggregate in any Fiscal Year; and provided further that the Borrower may make Restricted Payments on or in connection with the Series D Preferred Stock, so long as, (a) the dividend rate payable on such Series D Preferred Stock shall not exceed seven and one quarter of one percent (7.25%) per annum, (b) the redemption value of the Series D Preferred Stock shall not be greater than \$1,000,000 per Fiscal Year, and (c) no Event of Default shall be in existence or shall result from the making of such Restricted Payment; provided that the making of the Planned Dividend in an amount not to exceed the Planned Dividend Limit shall not be prohibited by this Section.

(c) Amendment to Section 5.12. Section 5.12 of the Credit Agreement hereby amended and restated in its entirety to read as follows:

Section 5.12 Dissolution. Neither the Borrower nor any of its Subsidiaries shall suffer or permit dissolution or liquidation either in whole or in part or redeem or retire any shares of its own stock or that of any Subsidiary, except through corporate reorganization to the extent permitted by Section 5.13 or as permitted in Section 5.11; provided that the making of the Planned Redemption in an amount not to exceed the Planned Redemption Limit shall not be prohibited by this Section.

SECTION 5. No Other Amendment. Except for the amendments set forth above, the text of the Credit Agreement shall remain unchanged and in full force and effect. This Amendment is not intended to effect, nor shall it be construed as, a novation. The Credit Agreement and this Amendment shall be construed together as a single instrument and any reference to the "Agreement" or any other defined term for the Credit Agreement in the Credit Agreement, the Loan Documents or any certificate, instrument or other document delivered pursuant thereto shall mean the Credit Agreement as amended hereby and as it may be amended, supplemented or otherwise modified hereafter. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Credit Agreement, except as herein amended, or any of the other Loan Documents nor affect nor impair any rights, powers or remedies under the Credit Agreement, as hereby amended or any of the other Loan Documents. The Bank does hereby reserve all of its rights and remedies against all parties who may be or may hereafter become secondarily liable for the repayment of the Obligations. The Borrower promises and agrees to perform all of the requirements, conditions, agreements and obligations under the terms of the Credit Agreement, as hereby amended, and the other Loan Documents. The Credit Agreement, as amended, and the other Loan Documents are hereby ratified and affirmed. The Borrower hereby expressly agrees that the Credit Agreement, as amended, and the other Loan Documents are in full force and effect.

SECTION 6. Representations and Warranties. The Borrower hereby represents and warrants in favor of the Bank as follows:

- (a) The representations and warranties of the Borrower contained in Article IV of the Credit Agreement are true in all material respects on and as of the date hereof (except to the extent they are made specifically with reference to some other date, in which case they are true and correct as of such other date);
- (b) After giving effect to this Amendment, no Default or Event of Default under the Credit Agreement, the Pledge Agreement or any other Loan Document has occurred and is continuing on the date hereof;
- (c) The Borrower has the corporate power and authority to enter into this Amendment and to do all acts and things as are required or contemplated hereunder to be done, observed and performed by it;
- (d) This Amendment has been duly authorized, validly executed and delivered by one or more authorized officers of the Borrower, and this Amendment, the Credit Agreement and Pledge Agreement, as amended hereby, constitute the legal, valid and binding obligations of the Borrower enforceable against it in accordance with their terms; and

(e) Neither the execution and delivery of this Amendment, the Borrower's performance hereunder and under the Credit Agreement, as amended hereby, the making of the Planned Dividend, nor the making of the Planned Redemption require the consent or approval of any regulatory authority or governmental authority or agency having jurisdiction over the Borrower other than those which have already been obtained or given, nor will the aforesaid actions be in contravention of or in conflict with the Articles of Incorporation or Bylaws of the Borrower, or the provision of any statute, or any judgment, order or indenture, instrument, agreement or undertaking, to which the Borrower is a party or by which its assets or properties are or may become bound.

SECTION 7. Conditions to Effectiveness. The effectiveness of this Amendment and the obligations of the Bank hereunder are subject to the following conditions, unless the Bank waives such conditions:

- (a) receipt by the Bank from the Borrower of a duly executed counterpart of this Amendment; and
- (b) the fact that the representations and warranties of the Borrower contained in Section 7 of this Amendment shall be true on and as of the date hereof.

SECTION 8. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

SECTION 9. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of Georgia.

SECTION 10. Attorney's Fees and Expenses. The Borrower hereby agrees that all attorney's fees and expenses incurred by the Bank in connection with the preparation, negotiation and execution of this Amendment shall be payable by the Borrower.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered, or have caused their respective duly authorized officers or representatives to execute and deliver, this Amendment as of the day and year first above written.

ATTEST:

 /s/ John G. Sample, Jr.
 John G. Sample, Jr. , Acting Secretary
[CORPORATE SEAL]

ATLANTIC AMERICAN CORPORATION

By: /s/ John G. Sample, Jr. (SEAL)
Name: John G. Sample, Jr.
Title: Senior Vice President and Chief Financial Officer

WACHOVIA BANK, NATIONAL
ASSOCIATION

By: /s/ Ron Edwards (SEAL)
Name: Ron Edwards
Title: SVP/Commerical Risk Management

FORM OF REDEMPTION LETTER AGREEMENT

Atlantic American Corporation
4370 Peachtree Road, N.E.
Atlanta, Georgia 30319

October 28, 2008

To: Holders of Shares of Series B Preferred Stock of Atlantic American Corporation

Re: Proposed Redemption of Issued and Outstanding Shares of Series B Preferred Stock of Atlantic American Corporation

Ladies and Gentlemen:

Atlantic American Corporation (the "Company") proposes to redeem all 134,000 issued and outstanding shares of Series B Preferred Stock, par value \$1.00 per share (the "Series B Stock") of the Company. This letter sets forth the terms and conditions pursuant to which the Company proposes to effect such redemption (the "Redemption").

By countersigning this letter agreement and returning it to the Company, each holder of issued and outstanding shares of Series B Stock (each, a "Series B Shareholder") agrees to sell to the Company, and the Company agrees to redeem, all outstanding shares of Series B Stock held by such Series B Shareholder at the stated redemption price of \$100 per share. In addition, and also in connection with the Redemption, the Company will pay to the Series B Shareholders, on a pro rata basis determined by reference to the total number of shares of Series B Stock owned by such stockholder, an aggregate of \$1,675,000 in satisfaction of a portion of the accrued and unpaid dividends with respect to the Series B Stock. The Company and the Series B Shareholders acknowledge that, as of September 30, 2008, accrued and unpaid dividends with respect to the outstanding Series B Stock totalled approximately \$15,376,500. In exchange for such payments, each Series B Shareholder agrees to forever waive and forego its respective rights to, and discharge the Company from any obligation to pay, the remaining amount of accrued but unpaid dividends on the Series B Stock through the effective date of the Redemption, and forever waives any and all other rights and claims such Series B Shareholder may have against the Company with respect to the Series B Stock.

Please sign and return to me the enclosed copy of this letter in order to confirm that it accurately reflects our understandings with respect to this matter. This letter may be executed in counterparts, which, when taken together, shall be deemed to constitute one original.

Very truly yours,

Atlantic American Corporation

/s/ John G. Sample, Jr.
By: John G. Sample, Jr.
Senior Vice President and
Chief Financial Officer

Accepted and agreed this 28th day of October, 2008.

[Name of Holder of Series B Stock]