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U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 5

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or  
Section 30(f) of the Investment Company Act of 1940

- Check box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported
- Form 4 Transactions Reported

1. Name and Address of Reporting Person\*

Thompson Scott G.  
-----  
(Last) (First) (Middle)  
421 Hollydale Court  
-----  
(Street)  
Atlanta Georgia 30342  
-----  
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Atlantic American Corporation - AAME

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

###-##-####

4. Statement for Month/Year

December, 1998

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person to Issuer  
(Check all applicable)

- Director  10% Owner
- Officer (give title below)  Other (specify below)

President & CEO of Subsidiary - American Southern Insurance Company

7. Individual or Joint/Group Filing  
(Check applicable line)

- Form filed by one Reporting Person
- Form filed by more than one Reporting Person

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Table I -- Non-Derivative Securities Acquired, Disposed of,  
or Beneficially Owned  
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1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or Indirect (I) (Instr.4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount	Price			
Common Stock	N/A				1,000	D	

\* If the form is filed by more than one Reporting Person, see Instruction 4(b)(v).

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

(Over)

(Form 5-07/98)

FORM 5 (continued)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) ----- (A) (D)	6. Date Exercisable and Expiration Date (Month/Day/Year) ----- Date Expira- tion Date		7. Title and Amount of Underlying Securities (Instr. 3 and 4) ----- Amount or Number of Shares	8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Benefi- cially Owned at End of Year (Instr. 4)	10. Owner- ship of Deriv- ative Secur- ity: Direct (D) or In- direct (I) (Instr. 4)	11. Nature of In- direct Bene- ficial Owner- ship (Instr. 4)
Employee Stock Option(1)	\$3.734	10/27/98	A	5,000	10/27/98	10/27/03	Cmn. Stk. 5,000			D	
Employee Stock Option(1)	\$3.734	10/27/98	A	2,500	10/27/99	10/27/03	Cmn. Stk. 2,500			D	
Employee Stock Option(1)	\$3.734	10/27/98	A	2,500	10/27/00	10/27/03	Cmn. Stk. 2,500			D	
Employee Stock Option(2)	\$4.25	10/31/97	D	15,000	10/31/97	10/31/02	Cmn. Stk. 15,000			D	
Employee Stock Option(3)	\$3.75	12/14/98	A	15,000	10/31/97	10/31/02	Cmn. Stk. 15,000	90,000		D	

Explanation of Responses:

- Option to buy 100,000 shares Common Stock, exempt under Rule 16b-3, of which 50% were exercisable on 10/27/98; an additional 25% are exercisable 10/27/99; and the remaining 25% are exercisable on 10/27/00. These options are granted under the Atlantic American Corporation 1992 Incentive Plan.
- Cancellation of option in connection with grant of replacement option.
- The reported transaction involved the repricing of existing options that were originally granted on October 31, 1997 for 15,000 shares, of which 50% were exercisable on October 31, 1997, an additional 25% were exercisable on October 31, 1998 and the remaining 25% are exercisable on October 31, 1999. The vesting terms were not amended at the time of repricing.

2/2/99

Scott G. Thompson  
\*\*Signature of Reporting Person

Date

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

