

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

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 Road, N.E.
Atlanta, Georgia 30319

ATLANTIC AMERICAN CORPORATION
401(k) RETIREMENT SAVINGS PLAN

The following exhibits are filed herewith:

Exhibit 99.1 Financial Statements and Schedules as of December 31, 1996 and 1995 together with auditor's report.

Exhibit 99.2 Consent of Arthur Andersen LLP

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Atlantic American Corporation
401(k) Retirement Savings Plan

(Name of Plan)

Date: June 30, 1997

John W. Hancock

Senior Vice President - Treasurer
Atlantic American Corporation

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Administrative Committee of the
Atlantic American Corporation 401(k)
Retirement Savings Plan:

We have audited the accompanying financial statements and supplemental schedules of the ATLANTIC AMERICAN CORPORATION 401(k) RETIREMENT SAVINGS PLAN as of December 31, 1996 and 1995 and for the year ended December 31, 1996, as listed in the accompanying table of contents. These financial statements and the schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 plan benefits of the Atlantic American Corporation 401(k) Retirement Savings Plan as of December 31, 1996 and 1995 and the changes in its net assets available for plan benefits for the year ended December 31, 1996 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur Andersen, LLP
Atlanta, Georgia
May 16, 1997

ATLANTIC AMERICAN CORPORATION
401(k) RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS AND SCHEDULES
DECEMBER 31, 1996 AND 1995

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ATLANTIC AMERICAN CORPORATION
 401(k) RETIREMENT SAVINGS PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 DECEMBER 31, 1996 AND 1995

	1996 -----	1995 -----
ASSETS:		
Cash	\$ 28,963	\$ 3,109
Investments, at market value:		
Participant-directed:		
Common stock--Atlantic American Corporation	450,033	294,991
INVESCO Industrial Income Fund	415,985	332,442
INVESCO Intermediate Government Bond Fund	299,669	330,226
INVESCO Total Return Fund	539,575	493,790
INVESCO Dynamics Fund	644,193	444,160
INVESCO Cash Reserves Fund	426,508	605,051
Nonparticipant-directed:		
Common stock--Atlantic American Corporation	35,269	11,635
Participant loans	1,240	0
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$2,841,435	\$2,515,404
	=====	=====

The accompanying notes are an integral part of these statements.

SCHEDULE II

ATLANTIC AMERICAN CORPORATION

401(k) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1996

	Nonparticipant-	Participant-Directed			
	Directed Atlantic American Corporation Common Stock	Atlantic American Corporation Common Stock	INVESCO Cash Reserves Fund	INVESCO Industrial Income Fund	INVESCO Intermediate Government Bond Fund
ADDITIONS:					
Participant contributions	\$ 0	\$ 18,832	\$ 10,271	\$ 73,321	\$ 17,109
Employer contributions	16,686	73,398	0	0	0
Total contributions	16,686	92,230	10,271	73,321	17,109
Net appreciation (depreciation) in fair market value of investments	6,948	89,261	0	46,069	(15,301)
Interest and dividend income	0	0	21,870	10,935	17,530
Total additions	23,634	181,491	32,141	130,325	19,338
DEDUCTIONS:					
Benefit payments to participants	0	(13,492)	(209,339)	(19,411)	(40,663)
Participant loans	0	0	0	(387)	(346)
Total deductions	0	(13,492)	(209,339)	(19,798)	(41,009)
TRANSFERS BETWEEN FUNDS	0	(12,957)	(1,345)	(26,984)	(8,886)
NET INCREASE (DECREASE)	23,634	155,042	(178,543)	83,543	(30,557)
NET ASSETS AVAILABLE FOR BENEFITS:					
Beginning of year	11,635	294,991	605,051	332,442	330,226
End of year	\$35,269	\$450,033	\$426,508	\$415,985	\$299,669

Participant-Directed

	INVESCO Total Return Fund	INVESCO Dynamics Fund	Other	Total

ADDITIONS:				
Participant contributions	\$ 60,348	\$ 78,448	\$ 0	\$ 258,329
Employer contributions	0	0	13,404	103,488
	-----	-----	-----	-----
Total contributions	60,348	78,448	13,404	361,817
Net appreciation (depreciation) in fair market value of investments	42,568	80,121	(1,514)	248,152
Interest and dividend income	17,969	648	15	68,967
	-----	-----	-----	-----
Total additions	120,885	159,217	11,905	678,936

DEDUCTIONS:				
Benefit payments to participants	(50,516)	(19,484)	0	(352,905)
Participant loans	(507)	0	1,240	0
	-----	-----	-----	-----
Total deductions	(51,023)	(19,484)	1,240	(352,905)

TRANSFERS BETWEEN FUNDS	(24,077)	60,300	13,949	0

NET INCREASE (DECREASE)	45,785	200,033	27,094	326,031
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of year	493,790	444,160	3,109	2,515,404
	-----	-----	-----	-----
End of year	\$539,575	\$644,193	\$30,203	\$2,841,435
	=====			

The accompanying notes are an integral part of this statement.

ATLANTIC AMERICAN CORPORATION
401(k) RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS AND SCHEDULES
DECEMBER 31, 1996 AND 1995

1. PLAN DESCRIPTION

General

The Atlantic American Corporation 401(k) Retirement Savings Plan (the "Plan") is a defined contribution plan established by the Atlantic American Corporation (the "Company") under the provisions of Section 401(a) of the Internal Revenue Code (the "Code"), which includes a qualified cash or deferred arrangement as described in Sections 401(k) and 401(m) of the Code, for the benefit of eligible employees of the Company. All employees of the Company who have completed one year of service, as defined, are eligible to participate. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. Participants should refer to the plan agreement for a complete description of the Plan.

Plan Administration

Effective May 1, 1995, INVESCO Trust Company (the "Trustee") was appointed Trustee of the Plan. The Trustee has custodial responsibility for the Plan's assets and has been given the authority and power to, among other things, invest the principal and income of the Plan's assets.

Contributions

Eligible employees can contribute an amount up to 16% of annual compensation, as defined by the Plan, subject to certain limitations under the Code. The Company provides a matching contribution equal to 50% of the first 6% of each participant's contribution. All company matching contributions are invested in Atlantic American Corporation common stock. A participant can elect to transfer the company contribution into another investment fund only after the participant is fully vested in the company matching contributions.

Vesting

Participants are always fully vested in their own contributions. Each participant becomes vested in the employer contributions based on years of continuous service. Participants become fully vested after seven years of service with no intervening breaks in service of five years or more. A participant is credited with one year of service each calendar year in which the participant works 1,000 hours. A break in service is deemed to be any year in which the participant does not complete more than 500 hours of service. The participants vested percentage in employer contributions with years of service is as follows:

Years of Service	Vested Percentage
Less than one	0%
One	10
Two	20
Three	30
Four	40
Five	60
Six	80
Seven or more	100

Benefits

Upon termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his/her account. The form of payment, selected by the participant, is either a lump-sum distribution, an annuity to be paid in monthly installments over a fixed period of years, or a direct rollover into a qualified retirement plan or IRA.

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 income. Allocations are based on the proportion that each participant's account balance bears to the total of all participant account balances.

Investment Options

Participants may direct their contributions and any related earnings into several investment options in 10% increments. Participants may change their investment elections once each calendar quarter. The participants in the Plan can invest in any of the following options:

- o Atlantic American Corporation Stock--Funds are invested in common stock of Atlantic American Corporation.

- o INVESCO Cash Reserves Fund--Funds are invested in short-term obligations such as commercial paper, U.S. government and government agency obligations, and repurchase agreements.

- o INVESCO Intermediate Government Bond Fund--Funds are invested in obligations of the U.S. government and government agencies maturing in three to five years.

- o INVESCO Total Return Fund--Funds are invested in common stocks and in fixed and variable income securities.

- o INVESCO Industrial Income Fund--Funds are invested in dividend-paying common stocks of large U.S. companies and in convertible bonds, debt issues, and preferred stocks.

- o INVESCO Dynamics Fund--Funds are invested with rapidly growing companies, traded essentially on national exchanges and over-the-counter.

Forfeitures

Amounts forfeited from nonvested accounts are used to reduce future employer contributions.

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

Cash equivalents are stated at cost, which approximates market value. Marketable securities are stated at fair value. Purchases and sales of securities are reflected on a trade-date basis.

Administrative Expenses

The Company pays all administrative expenses of the Plan, including trustee fees.

3. INVESTMENTS

The fair market values of individual investments that represent 5% or more of the Plan's net assets as of December 31, 1996 and 1995 are as follows:

1996:

Atlantic American Corporation common stock	\$485,302
INVESCO Total Return Fund	539,575
INVESCO Intermediate Government Bond Fund	299,669
INVESCO Industrial Income Fund	415,985
INVESCO Cash Reserve Fund	426,508
INVESCO Dynamics Fund	644,193

1995:

Atlantic American Corporation common stock	306,626
INVESCO Total Return Fund	493,790
INVESCO Intermediate Government Bond Fund	330,226
INVESCO Industrial Income Fund	332,442
INVESCO Cash Reserves Fund	605,051
INVESCO Dynamics Fund	444,160

4. TAX STATUS

The Internal Revenue Service issued a determination letter dated May 21, 1996 stating that the Plan was in accordance with applicable plan requirements as of that date. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Code. Therefore, the plan administrator believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

5. 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 the vested value of their account balance. Participants may elect to have their loans disbursed from specific investment funds. Loan terms ranged 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 of not less than \$10 per pay period, or in a single lump sum.

6. SUBSEQUENT EVENT

The third amendment to the Plan reflecting recent changes in federal law was adopted on May 6, 1997 and was effective January 1, 1997. The plan administrator believes that this amendment will have no effect on the Plan's tax-exempt status.

SCHEDULE I

ATLANTIC AMERICAN CORPORATION
 401(k) RETIREMENT SAVINGS PLAN
 ITEM 27a--SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 1996

	Units	Cost	Current Value
MONEY MARKET FUND:			
* INVESCO Cash Reserves Fund	426,508	\$ 426,508	\$ 426,508
MUTUAL FUNDS:			
* INVESCO Total Return Fund	22,205	454,138	539,575
* INVESCO Intermediate Government Bond Fund	24,051	296,546	299,669
* INVESCO Industrial Income Fund	30,905	373,894	415,985
* INVESCO Dynamics Fund	49,976	611,082	644,193
COMMON STOCK:			
* Atlantic American Corporation	158,440	407,706	485,302
* PARTICIPANT LOANS (9.25%)	1,240	1,240	1,240
Total	713,325	\$2,571,114	\$2,812,472

*Indicates a party in interest.

The accompanying notes are an integral part of this schedule.

ATLANTIC AMERICAN CORPORATION
 401(k) RETIREMENT SAVINGS PLAN
 ITEM 27d--SCHEDULE OF REPORTABLE TRANSACTIONS (a)
 FOR THE YEAR ENDED DECEMBER 31, 1996

Identity of Party Involved -----	Including Rate of Interest and Maturity in Case of Loans -----	Purchase Price	Cost	Selling Price	Net Gain
INVESCO TRUST COMPANY	Cash Reserve Fund: 48 purchases 36 sales	\$ 33,697 0	\$ 0 212,240	\$ 0 212,240	\$ 0 0
INVESCO TRUST COMPANY	Dynamics Fund: 32 purchases 13 sales	204,751 0	0 22,293	0 24,048	0 1,755
INVESCO TRUST COMPANY	Atlantic American Corporation: 31 purchases 12 sales	113,816 0	0 25,402	0 31,348	0 5,946
INVESCO TRUST COMPANY	Industrial Income Fund: 29 purchases 19 sales	116,229 0	0 46,627	0 51,448	0 4,821
INVESCO TRUST COMPANY	Total Return Fund: 27 purchases 16 sales	81,898 0	0 69,089	0 76,875	0 7,786

(a) Represents transactions or a series of transactions in excess of 5% of the fair value of plan assets at the beginning of the year.

The accompanying notes are an integral part of this schedule.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated May 16, 1997, included in this Annual Report of The Atlantic American Corporation 401(k) Retirement Savings Plan on Form ii-K for the year ended December 31, 1996, into the Plan's previously filed Registration Statement No. 33-90890.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
June 30, 1997