

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, 2001  
OR~~

TRANSACTION  
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.

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SIGNATURES

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Financial  
Statements  
and  
Schedules

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Consent of  
Gifford,  
Hillegass  
&  
Ingwersen,  
P.C.

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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 26, 2002~~

~~/s/  
Hilton  
H.  
Howell~~

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\_\_\_\_\_

\_\_\_\_\_  
Hilton  
H.  
Howell  
President  
and CEO

Table of Contents

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

~~The following exhibits are filed herewith:~~

~~Exhibit 1: Financial Statements and Schedules as of December 31,~~  
~~2001 and 2000 together with auditor's report.~~

~~Exhibit 2: Consent of Gifford , Hillegas & Ingwersen, P.C.~~

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

~~Financial Statements and Supplemental Schedule~~

~~For the Years Ended December 31, 2001 and 2000~~

~~with  
Report of Independent Auditors~~

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

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~~December 31, 2001 and 2000~~

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<del>Supplemental Schedule:</del>	
<del>    Schedule H, Line 4i: Schedule of Assets Held for Investment Purposes</del>	

~~INDEPENDENT AUDITORS' REPORT~~

~~To the Plan Administrator and Plan Participants of 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, 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. 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 audit. The financial statements of Atlantic American Corporation 401(k) Retirement Savings Plan as of December 31, 2000 were audited by other auditors, whose report dated June 1, 2001 expressed an unqualified opinion on those statements.~~

~~We conducted our audit in accordance with auditing standards generally accepted in the 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. An audit 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 audit provides 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, 2001, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States.~~

~~Our audit of the Plan's financial statements as of and for the year ended December 31, 2001 was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule 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 schedule is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit 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 & INCWERSEN, P.C.~~

~~Atlanta, Georgia  
May 31, 2002~~

ATLANTIC AMERICAN CORPORATION 401(k) RETIREMENT SAVINGS  
PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2001 and 2000

	2001	2000
Investments, at fair value	\$ 4,325,844	\$ 4,834,695
Cash	34,876	1,547
Participant Contributions Receivable		28,721
Employer Contributions Receivable		33,314
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 4,360,720	\$ 4,898,277

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~~

~~For the Year Ended December 31, 2001~~

~~Additions to Net Assets~~

~~Investment income:~~

~~Interest and dividend income \$ 107,510~~

~~TOTAL INVESTMENT INCOME 107,510~~

~~Contributions:~~

~~Participants 442,959~~

~~Company 158,292~~

~~Rollover~~

~~TOTAL CONTRIBUTIONS 601,251~~

~~TOTAL ADDITIONS TO NET ASSETS 708,761~~

~~Deductions from Net Assets~~

~~Benefit payments to participants (399,711)~~

~~Net depreciation in fair market value of investments (846,607)~~

~~TOTAL DEDUCTIONS (1,246,318)~~

~~Net Decrease in Benefits (537,557)~~

~~Net Assets Available for Benefits at Beginning of Year 4,898,277~~

~~Net Assets Available for Benefits at End of Year \$ 4,360,720~~

~~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, 2001 and 2000~~

~~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 on the first day of the upcoming quarter in which the individual became an employee of the Company. 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.~~

~~Contributions: Participants may elect to contribute in 1% increments up to 16% 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, however the changes take effect once a month. 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 plan benefits for the year ended December 31, 2001. The Company provides a matching contribution equal to a certain percentage of the participant's contributions. For the year ended December 31, 2001, the Company's matching contribution equaled 50% of the first 6% of each participant's 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.~~

~~Vesting: Participants are always fully vested in their own contributions. Each participant becomes vested in the company contributions based on years of continuous service. Effective October 1, 2000, the vesting percentage for company contributions was amended as follows:~~

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

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2001 and 2000~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

	<del>Prior to</del> <del>October 1,</del> <del>2000</del>	<del>Effective</del> <del>October 1,</del> <del>2000</del>
<del>Years of service:</del>		
<del>Less than one</del>	<del>0%</del>	<del>0%</del>
<del>One</del>	<del>10</del>	<del>20</del>
<del>Two</del>	<del>20</del>	<del>40</del>
<del>Three</del>	<del>30</del>	<del>60</del>
<del>Four</del>	<del>40</del>	<del>80</del>
<del>Five</del>	<del>60</del>	<del>100</del>
<del>Six</del>	<del>80</del>	<del>100</del>
<del>Seven or more</del>	<del>100</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 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.~~

~~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.~~

~~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:~~

~~Atlantic American Corporation Common Stock Funds are invested in common stock of the Company.~~

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

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2001 and 2000~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

~~INVESCO Cash Reserves Fund Mutual fund that invests in short-term obligations, such as commercial paper, U.S. government and government agency obligations, and repurchase agreements.~~

~~INVESCO Core Equity Fund Mutual fund that invests in dividend paying common and preferred stocks of large U.S. companies and in convertible bonds, debt issues, and preferred stocks.~~

~~INVESCO Select Income Fund Mutual fund that invests primarily in bonds and marketable debt securities of established companies.~~

~~INVESCO Balanced Fund Mutual fund that invests in common stocks and in fixed income securities, including preferred stocks, convertible securities, and bonds.~~

~~INVESCO Dynamics Fund Mutual fund that invests in common stocks of mid sized companies in addition to preferred stocks, convertible securities, and bonds.~~

~~INVESCO Small Company Growth Fund Mutual fund which invests in small capitalization companies in the developing stage.~~

~~IRT 500 Index Fund Funds are invested in a collective trust that seeks to provide total returns that closely replicate those of the Standard and Poor's 500 composite index.~~

~~AIM Basic Value Fund Mutual fund that invests in under valued securities, investment grade nonconvertible debt securities, U.S. government securities, high quality money market instruments, and foreign securities.~~

~~Janus Twenty Fund Mutual fund that invests primarily in common stocks selected for long term growth potential.~~

~~Janus Advisor Worldwide Fund Mutual fund that invests primarily in common stocks of companies of any size located throughout the world.~~

~~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 that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.~~

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

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2001 and 2000~~

~~NOTE 1 DESCRIPTION OF THE PLAN Continued~~

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

~~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 of not less than \$10 per pay period or in a single lump sum.~~

~~Administrative Expenses: The Company pays all administrative expenses of the Plan, including trustee fees.~~

~~NOTE 2 ACCOUNTING POLICIES~~

~~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 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.~~

~~Valuation of Investments: 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.~~

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

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

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2001 and 2000~~

~~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, 2001 and 2000 are as follows:~~

	<del>2001</del>	<del>2000</del>
<del>Atlantic American Corporation common stock</del>	<del>\$ 691,653</del>	<del>\$ 541,018</del>
<del>INVESCO Cash Reserves Fund</del>	<del>381,894</del>	<del>277,210</del>
<del>INVESCO Core Equity Fund</del>	<del>772,458</del>	<del>970,297</del>
<del>INVESCO Select Income Fund</del>	<del>259,570</del>	<del>267,618</del>
<del>INVESCO Balanced Fund</del>	<del>640,823</del>	<del>798,512</del>
<del>INVESCO Dynamics Fund</del>	<del>1,266,348</del>	<del>1,945,293</del>

~~Net depreciation in fair value of investments by major investment type for the year ended December 31, 2001 is as follows:~~

<del>Common stock Atlantic American Corporation</del>	<del>\$ (35,259)</del>
<del>Mutual funds</del>	<del>(811,348)</del>
	<del>\$ (846,607)</del>

~~NOTE 4 NONPARTICIPANT DIRECTED INVESTMENTS~~

~~Information about the net assets as of December 31, 2001 and 2000 and the significant components of the change in net assets for the year ended December 31, 2001 relating to the Company's common stock (nonparticipant directed investments) is as follows:~~

	<del>2001</del>	<del>2000</del>
<del>Net Assets:</del>		
<del>Common Stock Atlantic American Corporation</del>	<del>\$ 164,362</del>	<del>\$ 68,642</del>
<del>Changes in Net Assets:</del>		
<del>Contributions employer</del>	<del>\$ 103,434</del>	
<del>Net appreciation in fair value of common stock</del>	<del>10,991</del>	
<del>Benefits paid to participants</del>	<del>(10,927)</del>	
<del>Transfers to participant directed investments</del>	<del>(7,778)</del>	
	<del>\$ 95,720</del>	

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

~~NOTES TO FINANCIAL STATEMENTS~~

~~December 31, 2001 and 2000~~

~~NOTE 5 TAX STATUS~~

~~The plan is a Prototype Standardized Plan developed by INVESCO. The Internal Revenue Service issued a letter to INVESCO dated April 18, 1990 stating that the prototype plan was in accordance with applicable plan requirements as of that date. Therefore, the plan administrator believes that the plan was qualified and the related trust was tax exempt as of December 31, 2001 and 2000.~~

~~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.~~

~~NOTE 7 NONEXEMPT TRANSACTIONS~~

~~During the year ended December 31, 2000, the Company failed on three occasions to remit participant contributions to the Plan within the time required by the Department of Labor. Such transactions represent nonexempt loans of funds to the Company from the Plan. The Company calculated the lost earnings on the non timely contributions and allocated such lost earnings to affected participants. No such transactions of this type occurred in 2001.~~

~~NOTE 8 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500~~

~~The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as follows for the year 2001:~~

<del>Net assets available for plan benefits per the financial statements</del>	<del>\$</del>	<del>4,360,720</del>
<del>Less amounts allocated to withdrawing participants</del>		<del>(70,146)</del>
<del>Net assets available for plan benefits per the Form 5500</del>	<del>\$</del>	<del>4,290,574</del>
<del>=====</del>		
<del>Benefits paid to participants per the financial statements</del>	<del>\$</del>	<del>399,711</del>
<del>Plus amounts allocated for withdrawing participants</del>		<del>70,146</del>
<del>Benefits paid to participants per the Form 5500</del>	<del>\$</del>	<del>469,857</del>
<del>=====</del>		

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SUPPLEMENTAL INFORMATION

Atlantic American Corporation

401(k) Retirement Savings Plan

Schedule H, Line 4i Schedule of Assets (Held at end of year)

December 31, 2001

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

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
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-  
\* INVESCO  
Funds Group  
INVESCO  
Cash  
Reserves  
Fund,  
381,894  
shares (a)  
\$ 381,894  
INVESCO  
Core Equity  
Fund,  
64,051  
shares (a)  
772,458  
INVESCO  
Select  
Income  
Fund,  
48,247  
shares (a)  
259,570  
INVESCO  
Balanced  
Fund,  
43,802  
shares (a)  
640,823  
INVESCO  
Dynamics  
Fund,  
79,495  
shares (a)  
1,266,348  
INVESCO  
Small  
Company  
Growth  
Fund, 1,239  
shares (a)  
15,038 IRT  
500 Index  
Fund, 769  
shares (a)  
21,455 \*  
Atlantic  
American  
Corporation



~~Atlantic  
American  
Corporation  
common  
stock,  
313,817  
shares  
629,936  
691,653 \*  
AIM Fund  
Management  
AIM Basic  
Value Fund,  
6,765  
shares (a)  
192,396  
Janus Fund  
Janus  
Twenty  
Fund, 1,049  
shares (a)  
40,328  
Janus  
Adviser  
Worldwide  
Fund, 400  
shares (a)  
11,735 \*  
Various  
Plan  
Participants  
Participant  
loans with  
varying  
maturities  
and  
interest  
rates  
ranging  
from 7.75%  
to 10%  
32,146  
  
TOTAL \$  
4,325,844~~

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~~\* Indicates party in interest~~

~~(a) Participant directed~~

~~Exhibit Number~~ ~~Title~~

~~2~~ ~~Consent of Independent Accountants~~

~~CONSENT OF PUBLIC ACCOUNTANTS~~

~~As independent public accountants, we hereby consent to the incorporation by reference of our report dated May 31, 2002, included in this Annual Report of the Atlantic American Corporation 401(k) Retirement Savings Plan on Form 11-K for the year ended December 31, 2001, into the Plan's previously filed Registration Statement No. 333-89891.~~

~~GIFFORD, HILLEGASS & INCWERSEN, P.C.~~

~~Atlanta, Georgia  
June 26, 2002~~

