

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): April 4, 2008 (March 31, 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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Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On March 31, 2008, Atlantic American Corporation (the "Company") completed its previously announced sale (the "Disposition") of all of the stock of the Company's wholly owned subsidiaries Georgia Casualty & Surety Company ("Georgia Casualty"), Association Casualty Insurance Company ("Association Casualty") and Association Risk Management General Agency, Inc. ("Risk Management") to Columbia Mutual Insurance Company ("Columbia"). The sale was completed in accordance with the previously disclosed terms and conditions of the Stock Purchase Agreement, dated December 26, 2007, between the Company and Columbia, subject to certain potential post-closing adjustments to the purchase price. The gross proceeds were invested by the Company. Georgia Casualty, Association Casualty and Risk Management comprised the Company's Regional Property & Casualty business unit.

As a part of the overall transactions related to the completion of the Disposition, the Company and Columbia entered into a Non Competition Agreement, dated March 31, 2008 (the "Noncompete Agreement"). The Noncompete Agreement provides that, until March 31, 2010, the Company generally will not compete with Columbia in certain territories in connection with the underwriting of primary standard property and casualty insurance.

Also in connection with the completion of the Disposition, the Company and Wachovia Bank, National Association ("Wachovia") entered into a First Amendment to Credit Agreement and Pledge Agreement, dated as of March 28, 2008 (the "First Amendment"). The First Amendment amended the Company's existing credit, and related pledge, agreement with Wachovia to permit the Company's sale of the Regional Property & Casualty business unit and conform certain terms in those agreements after taking into account the Disposition.

Additionally, the Company, its subsidiary Bankers Fidelity Life Insurance Company, Georgia Casualty and Delta Life Insurance Co. ("Delta Life"), a company controlled by the Company's chairman and majority shareholder, entered into a First Amendment to Lease Agreement (the "Lease Amendment"), dated March 31, 2008, pursuant to which that certain lease agreement under which Delta Life leases certain office space to the Company and various of its subsidiaries was modified to reduce the rented space, and related rental fees and expenses, on a pro rata basis to reflect the completion of the Disposition.

Item 1.02 Termination of a Material Definitive Agreement.

In connection with the completion of the Disposition, the Company and Georgia Casualty also entered into a Termination of Management Agreement, dated as of March 31, 2008 (the "Termination Agreement"). The Termination Agreement terminates that certain Management Agreement, dated as of July 31, 1993, between the Company and Georgia Casualty pursuant to which the Company had provided certain management and related services to Georgia Casualty.

Section 2 - Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information contained in the first paragraph under "Item 1.01 – Entry into a Material Definitive Agreement" is incorporated herein by reference.

On March 31, 2008, the Company issued a press release (the "Press Release") announcing, among other things, the completion of the Disposition. A copy of the press release is attached hereto as Exhibit 99.1.

Item 2.02 Results of Operations and Financial Condition.

On March 31, 2008, the Company reported its results for its fourth quarter and year ended December 31, 2007. The second paragraph of the Press Release is incorporated herein by this reference.

The information contained in this Item 2.02 and in the second paragraph of the accompanying exhibit shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this Item 2.02, including in the second paragraph of the exhibit hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

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

By: /s/ John G. Sample, Jr.

John G. Sample, Jr.
Senior Vice President & Chief Financial Officer

Date: April 4, 2008

EXHIBIT INDEX

Exhibit No.

Exhibit Description

99.1

Press release, dated March 31, 2008

ATLANTIC AMERICAN CORPORATION REPORTS CLOSING OF SALE OF ITS REGIONAL PROPERTY AND CASUALTY OPERATIONS AND FOURTH QUARTER AND YEAR END RESULTS

ATLANTA, Georgia, March 31, 2008 - Atlantic American Corporation (Nasdaq- AAME) reported that today it closed the sale of its regional property and casualty operations (including Association Casualty Insurance Company, Association Risk Management General Agency, Inc. and Georgia Casualty & Surety Company) to Columbia Mutual Insurance Company of Columbia, Missouri. The sale was originally announced on December 27, 2007 and Benfield Advisory, Inc. served as financial advisor to Atlantic American Corporation.

At the same time, the Company also announced net income for the year ended December 31, 2007 of \$7.3 million, or \$0.25 per diluted share, as compared to \$8.9 million, or \$0.33 per diluted share, for the year ended December 31, 2006. The loss from discontinued operations was \$4.3 million, or \$0.20 per diluted share, for the year ended December 31, 2007 compared to income from discontinued operations of \$1.8 million, or \$0.06 per diluted share, for the year ended December 31, 2006. Total revenue for 2007 was \$123.0 million, a 1.9% decline from 2006 total revenue of \$125.4 million. Premiums during 2007 decreased \$11.8 million, or 10.7%, to \$97.8 million from 2006 premiums of \$109.6 million. Premium decreases were primarily attributable to the significant price and product competition in all lines of business. Realized investment gains for 2007 were \$12.6 million as compared to \$3.1 million for 2006 with the increase resulting primarily from the sale of a common stock holding in Wachovia Corporation. During the fourth quarter ended December 31, 2007, the Company reported net income of \$4.2 million, or \$0.15 per diluted share, compared to \$3.0 million, or \$0.11 per diluted share, during the same period in 2006. For the fourth quarter ended December 31, 2007, total revenue increased 23.2% to \$38.4 million from \$31.2 million for the fourth quarter of 2006. Premiums for the fourth quarter of 2007 decreased 10.9% to \$23.7 million compared to \$26.6 million for the fourth quarter of 2006. The increase in fourth quarter 2007 total revenue was the result of the sale of the common stock holding in Wachovia Corporation which increased realized investment gains. Excluding consideration of realized investment gains (losses), pre-tax operating earnings from continuing operations for the year ended December 31, 2007 were \$6.5 million, which is comparable to that for the year ended December 31, 2006. Pre-tax operating earnings from continuing operations for the quarter ended December 31, 2007 were \$2.9 million, a 78.6% increase over the \$1.6 million in the comparable quarter of 2006.

Commenting, Hilton H. Howell, Jr., president and chief executive officer, stated, "While we will deeply miss the daily interaction we had with those individuals who contributed so much to our regional property and casualty operations, we believe that the future of those companies is in good hands with the Columbia Insurance Group. As the United States economy grows more uncertain, we are entering a period in which we have now narrowed our business focus in the specialty markets to those products and markets in which we believe we can concentrate and excel. "

Atlantic American is an insurance holding company involved through its subsidiary companies in specialty markets of the life, health, and property and casualty insurance industries. Its principal subsidiaries include American Southern Insurance Company, American Safety Insurance Company, Bankers Fidelity Life Insurance Company and Self-Insurance Administrators, Inc.

Note regarding Private Securities Litigation Reform Act: Except for historical information contained herein, this press release contains forward-looking statements that involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements due to a number of factors and risks detailed from time to time in statements and reports that Atlantic American Corporation has filed with the Securities and Exchange Commission.

For further information contact:

John G. Sample, Jr.
Senior Vice President and Chief Financial Officer
Atlantic American Corporation
404-266-5501

Atlantic American Corporation
Financial Data
As of December 31, 2007

<i>(Unaudited; In thousands, except per share data)</i>	Three months ended		Year ended	
	Dec. 31,		Dec. 31,	
	2007	2006	2007	2006
Insurance premiums	\$ 23,734	\$ 26,649	\$ 97,824	\$ 109,580
Investment income	2,926	3,061	11,722	11,926
Realized investment gains, net	11,556	1,304	12,627	3,084
Other income	200	170	799	768
Total revenue	38,416	31,184	122,972	125,358
Insurance benefits and losses incurred	13,478	16,242	58,701	65,460
Commissions and underwriting expenses	7,441	8,077	32,663	36,404
Interest expense	1,045	1,212	4,160	4,605
Other	1,982	2,717	8,350	9,265
Total benefits and expenses	23,946	28,248	103,874	115,734
Income from continuing operations before taxes	14,470	2,936	19,098	9,624
Income tax expense	5,696	244	7,513	2,458
Income from continuing operations	8,774	2,692	11,585	7,166
Income (loss) from discontinued operations, net of tax	(4,613)	272	(4,333)	1,770
Net income	\$ 4,161	\$ 2,964	\$ 7,252	\$ 8,936
Basic income (loss) per common share:				
Income from continuing operations	\$ 0.38	\$ 0.11	\$ 0.46	\$ 0.27
Income (loss) from discontinued operations	(0.21)	0.01	(0.20)	0.09
Net income	\$ 0.17	\$ 0.12	\$ 0.26	\$ 0.36
Diluted income (loss) per common share:				
Income from continuing operations	\$ 0.32	\$ 0.10	\$ 0.45	\$ 0.27
Income (loss) from discontinued operations	(0.17)	0.01	(0.20)	0.06
Net income	\$ 0.15	\$ 0.11	\$ 0.25	\$ 0.33

Selected Balance Sheet Data	December 31, December 31,	
	2007	2006
Total investments	\$ 178,059	\$ 193,197
Assets of discontinued operations	196,154	194,248
Total assets	458,254	459,152
Insurance reserves and policy funds	128,078	134,316
Debt	53,988	53,988
Total shareholders' equity	87,794	94,188
Book value per common share	3.09	3.44