

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): January 2, 2008 (December 26, 2007)

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 December 27, 2007, Atlantic American Corporation (the "Company") announced that it had entered into a Stock Purchase Agreement (the "Agreement"), dated December 26, 2007, with Columbia Mutual Insurance Company ("Columbia"). Pursuant to the Agreement, the Company has agreed to sell to Columbia 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"). Georgia Casualty, Association Casualty and Risk Management comprise the Company's Regional Property & Casualty business unit.

The purchase price, to be paid in cash, will be equal to the adjusted statutory capital and surplus, as defined in the Agreement, of each of the companies at December 31, 2007, plus \$4.5 million. The transactions contemplated by the Agreement are expected to close not later than March 31, 2008, pending the receipt of all relevant regulatory approvals.

In addition to the required receipt of all relevant regulatory approvals, the consummation of the transactions contemplated by the Agreement is subject to the satisfaction of a number of conditions customary for transactions of this nature, and the prior completion of the transfer by the Company of certain of its investment assets out of the Regional Property & Casualty business unit. If either the Company or Columbia terminate the Agreement in certain instances as set forth therein, such party would be liable to the other for a fee in the amount of \$2.0 million.

A copy of the press release announcing the entry into the Agreement is attached hereto as Exhibit 99.1 and is incorporated herein by this reference.

Section 9 - Financial Statements and Exhibits.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibit is filed with this Current Report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press release, dated December 27, 2007

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: January 2, 2008

EXHIBIT INDEX

Exhibit No.

Exhibit Description

99.1

Press release, dated December 27, 2007

ATLANTIC AMERICAN CORPORATION ANNOUNCES ENTRY INTO AGREEMENT TO SELL REGIONAL PROPERTY & CASUALTY OPERATIONS

ATLANTA, Georgia, December 27, 2007 - Atlantic American Corporation (Nasdaq- AAME) (the "Company") today announced that it has entered into a definitive agreement with Columbia Mutual Insurance Company of Columbia, Missouri, part of the Columbia Insurance Group ("Columbia"), pursuant to which the Company has agreed to sell to Columbia the businesses comprising the Company's regional property and casualty business unit. The regional property and casualty business unit consists of Georgia Casualty & Surety Company, Association Risk Management General Agency and Association Casualty Insurance Company. The transaction, which is subject to various conditions and the receipt of certain regulatory approvals, is expected to close in the first quarter of 2008. The purchase price, to be paid in cash, is equal to the adjusted statutory capital and surplus, as defined, of each company at December 31, 2007, plus \$4.5 million.

Commenting on the transaction, Hilton Howell, President and Chief Executive Officer of the Company stated, "We are pleased to find a larger property and casualty organization that closely resembles ours with such a high degree of respect for their customers, agents and employees. We believe that the employees of our regional property and casualty business unit will become valued participants in Columbia's success." Bob Wagner, President and Chief Executive Officer of Columbia also commented, "We are very excited about this strategic acquisition. The talented staff of Association Casualty and Georgia Casualty and the strong agency relationships they have developed will allow us to enhance and expand our presence in the Southern United States."

Benfield Advisory, Inc. served as financial advisor to Atlantic American Corporation with respect to this transaction.

Columbia Mutual Insurance Company is part of the Columbia Insurance Group which is a regional multi-line insurance carrier marketing its products through a network of approximately 650 independent agencies in the Midwest and Southeastern United States. Gross written premiums in 2007 are estimated at \$220 million with total assets of approximately \$400 million.

Atlantic American is an insurance holding company involved through its subsidiary companies in specialty markets of the life, health, property and casualty insurance industries. Its principal subsidiaries include American Southern Insurance Company, American Safety Insurance Company, Bankers Fidelity Life Insurance Company, Georgia Casualty & Surety Company, Association Risk Management General Agency, Association Casualty 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:

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Senior Vice President and Chief Financial Officer
Atlantic American Corporation
404-266-5501