

SCHEDULE 14A
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Atlantic American Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:
- Fee paid previously with preliminary materials:
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

ATLANTIC AMERICAN CORPORATION
4370 PEACHTREE ROAD, N.E.
ATLANTA, GEORGIA 30319-3000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 15, 2001

Notice is hereby given that the Annual Meeting of Shareholders of Atlantic American Corporation (the "Company") will be held at the offices of the Company at 4370 Peachtree Road, N.E., Atlanta, Georgia at 9:00 A.M., Eastern Standard Time, on May 15, 2001, for the following purposes:

- (1) To elect eleven (11) directors of the Company for the ensuing year;
- (2) To ratify the appointment of Arthur Andersen LLP as the Company's independent public accountants for the year 2001; and
- (3) To transact such other business as may properly come before the meeting or any adjournments thereof.

Only shareholders of record at the close of business on March 19, 2001, will be entitled to notice of and to vote at the meeting, or any postponements or adjournments thereof.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY. NO POSTAGE IS REQUIRED WHEN MAILED IN THE UNITED STATES.

By Order of the Board of Directors

Janie L. Ryan
Corporate Secretary

April 11, 2001
Atlanta, Georgia

has been a Director of the Company since July 1992.

Mark C. West, Audit Committee Member
Dom H. Wyant, Audit Committee Member

March 27, 2001

COMPENSATION OF DIRECTORS

The Company's policy is to pay all Directors an annual retainer fee of \$6,000, to pay fees to Directors at the rate of \$1,000 for each Board meeting attended and \$500 for each committee meeting attended, and to reimburse Directors for actual expenses incurred in connection with attending meetings of the Board of Directors and Committees of the Board. In addition, pursuant to the Company's 1996 Director Stock Option Plan (the "Director Plan"), all Directors who are not employees or officers of the Company or any of its subsidiaries are entitled to receive an initial grant of options to purchase 5,000 shares of Common Stock upon first becoming a Director and annual grants of options to purchase 1,000 shares of Common Stock.

5,000 shares owned by the George West Mental Health Foundation, for which Mr. West is the President. Mr. West disclaims any beneficial ownership of these foundations.

- (11) Includes 9,000 shares issuable upon exercise of options granted under the Director Plan exercisable within 60 days and 6,000 shares owned by spouse as custodian for daughter.
- (12) Includes 22,000 shares subject to presently exercisable options held by Mr. Renaud and 3,091 shares held pursuant to the Company's 401(k) Plan.
- (13) Includes 412,000 shares subject to presently exercisable options held by all directors and executive officers as a group. Also includes shares held pursuant to the Company's 401(k) Plan described in notes 2, 5, and 11 above.

Hilton H. Howell, Jr.	100,000	\$(6,250)(2)	200,000/20,000	\$0 / \$0
J. Mack Robinson	20,000	\$(1,250)(2)	100,000/-0-	\$0 / \$0
Robert A. Renaud	0	0	22,000/5,000	\$0 / \$0

(1) Value is calculated on the difference between the option exercise price and the closing price for the Company's Common Stock as reported by the Nasdaq National Market on December 31, 2000, which was \$2.00, multiplied by the number of shares of Common Stock underlying the option.

(2) Value realized is calculated on the difference between the option exercise price, which was \$2.50, and the closing price for the Company's Common Stock as reported by the Nasdaq National Market on October 31, 2000, which was \$2.4375, multiplied by the number of shares of Common Stock underlying the option.

PERFORMANCE GRAPH

The graph below compares the cumulative total return to shareholders on the Common Stock for the period from December 31, 1995 through December 31, 2000, with (i) the Russell 2000 Index, (ii) the Nasdaq Insurance Index and (iii) a peer group of various insurance companies (the "Insurance Peer Group").

	1995	1996	1997	1998	1999	2000
Atlantic American Corporation	\$100.00	\$132.45	\$218.94	\$210.81	\$100.02	\$85.51
Russell 2000 Index	\$100.00	\$116.44	\$142.29	\$138.40	\$163.08	\$156.73
Nasdaq Insurance Index	\$100.00	\$132.45	\$169.28	\$138.40	\$119.33	\$149.62
Peer Group Index	\$100.00	\$88.35	\$112.06	\$72.96	\$50.33	\$49.31

12/31/99	338.545	164.29
12/31/98	436.003	211.58
12/31/97	489.464	237.52
12/31/96	333.674	161.92
12/31/95	292.72	142.05
12/31/94	206.071	100

In last year's Proxy Statement, the Performance Graph showed a comparison of the Company's stock performance to that of the Nasdaq Insurance Index. The Company has determined that the market capitalization of the companies included in the Nasdaq Insurance Index is generally not comparable to that of the Company, and that a comparison of return to shareholders with that index is not meaningful. Accordingly, the Company has elected to change its peer group comparison to a group of more comparable companies that more closely approximates the market capitalization and liquidity of Atlantic American Corporation's that is comprised of the following: American Safety Insurance Company, Donegal Insurance Group, Gainesco, Inc., Siebels-Bruce Group, Inc., Cotton States Life Insurance, National Securities Group, Meadowbrook Insurance Group, Danielson Holding Group and Highlands Insurance Company. The Company believes that a comparison to this peer group is more meaningful for shareholders.

EXECUTIVE COMPENSATION

REPORT OF THE STOCK OPTION AND COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

COMPENSATION PHILOSOPHY

The Committee believes that compensation of executives should be designed to motivate those persons to perform at their potential over both the short and the long term. The Committee believes that equity-based incentives can benefit the Company by increasing the retention of executives while aligning their long-term interests with those of the Company's shareholders. Compensation determinations are primarily based on the performance of the Company and the individual executive officer during a particular year, and expectations and objectives for performance in the succeeding year. The Committee also believes that compensation packages for executives must be structured to take into account the nature and the growth of the Company's lines of business in appropriate circumstances.

CASH COMPENSATION. The compensation packages for the executive officers consist of three components: base salaries, cash bonuses and equity incentives.

The Chairman annually reviews executive officer compensation and recommends to the Committee proposed salaries and bonuses for himself and for each of the other executive officers. Factors considered by the Chairman and the Committee are based upon the growth of the Company with regard to net income, total assets, premiums and shareholders' equity. All of these factors were considered in establishing salary levels for each of the executive officers, as were their individual duties and the growth and effectiveness of each in performing those duties. In establishing compensation levels for the executive officers for 2000, the Committee sought to structure compensation packages that were designed both to achieve the objective of the Committee's compensation philosophy and to be competitive with those offered by similarly situated companies. For 2000, the Chairman elected not to recommend an increase in his own salary, and the Committee did not implement an increase. The Committee did increase the base salary for the other named executive officers for 2000, having taken into consideration the factors identified above. Upon the Chairman's recommendation, the Committee awarded cash bonuses to each of the named executive officers, including to the Chief Executive Officer as described below. The bonuses are generally determined as a percentage of the executive officer's base salary for the succeeding fiscal year. The bonuses, which were actually paid in the first quarter of 2001, reflect an evaluation of the individual performance of the officers, as well as the performance of the Company as a whole during 2000.

EQUITY-BASED COMPENSATION. The Committee believes that equity-based compensation in the form of stock options or other stock awards serves to motivate executives to seek to improve the Company's short- and long-term prospects and to align the interests of the Company's executives with those of the shareholders. During 2000, the Committee determined not to make any additional grants of stock options to the executive officer of the Company; however, the Committee is in the process of considering the grant of stock options, or other stock awards permitted under the Company's 1992 Incentive Plan, that would be designed to reward the executive officers for their contributions in 2000 and be structured to provide the long-term incentive contemplated by the Committee's philosophy.

CHIEF EXECUTIVE OFFICER. Mr. Howell's compensation is generally evaluated on the same basis as the Company's other executive officers. The Committee approved an increase of 6% in Mr. Howell's base salary for 2000, and in 2001 awarded Mr. Howell a cash bonus of \$126,000 in recognition of his contributions during 2000.

Edward E. Elson
D. Raymond Riddle
Mark C. West
Dr. William Whaley

Company may exercise discretionary authority to vote proxies with respect to any shareholder proposal to be presented at the Company's 2001 annual meeting but not

included in the Company's proxy statement for such meeting if the shareholder has not given notice to the Company by February 10, 2001.

APPENDIX A

ATLANTIC AMERICAN CORPORATION

AUDIT COMMITTEE CHARTER

I. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities related to the financial information provided by the Corporation to any governmental body or the public, as well as legal compliance and business ethics. The primary duties and responsibilities of the audit committee are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system.
- Facilitate and maintain an open avenue of communication among the Board of Directors, the independent auditors, the internal audit department and financial and senior management.
- Review and appraise the efforts of the independent accountants.

While the Committee has the powers and responsibilities set forth in this Charter and the Company's Certificate of Incorporation, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in compliance with generally accepted accounting principles, which is the responsibility of management and the outside auditor. Likewise, it is not the responsibility of the Committee to conduct investigations, to resolve disputes, if any, between management and the outside auditor or to assure compliance with laws or the Company's corporate compliance program or code of ethics.

II. COMPOSITION

The Audit Committee will be comprised of three or more directors as determined by the Board, each of whom shall be independent directors and free from any relationship that, in the opinion of the Board would interfere with the exercise of his or her independent judgement. All members of the committee will have a working familiarity with basic finance and accounting practices and at least one member must have accounting or related financial management expertise. In assessing the qualifications of the directors to serve on the committee, the Board will exercise its business judgment and will observe the applicable requirements of the NASD. In determining independence, the Board will observe the requirements of Rules 4200(a)(15) and 4310(c)(26) of the NASD Manual.

The Board will appoint the members of the Audit Committee. The Board will, or will delegate to the members of the Committee the responsibility to, appoint a Chairman of the Committee. The Chairman of the Committee will, in consultation with the other members of the Committee, the Company's outside auditors and the appropriate officers of the Company, be responsible for calling meetings of the committee, establish agenda therefore and supervising the conduct thereof.

III. MEETINGS

The committee shall meet at least four times annually or more frequently as circumstances dictate. The committee will meet at least annually with senior management, the head of internal audit and the independent accountants in separate sessions.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

- Review and update this charter as least annually.
- Review with management the Corporation's annual financial statements.
- Review with the independent accountants :
 - The plan and scope of their annual audit.
 - The results of the annual audit.
 - Any significant findings and recommendations with respect to internal controls and other financial

matters as a result of the audit.

- Any significant changes made by management in the basic accounting principles and reporting standards used in the preparation of the Corporation's financial statements.
- Review the annual report in detail.
- Review reports prepared by internal audit.
- Review the performance of the independent accountants.
- Report all findings to the Board of Directors.
- Recommend to the Board of Directors the independent accountants to be nominated, considering independence and effectiveness, and approve the fees to be paid to the independent accountants. The Committee will review all significant relationships the accountants have with the Corporation to insure independence.
- Review compliance by officers and employees with the Corporation's policies on business ethics.

V. OUTSIDE AUDITOR

The outside auditor for the Company is ultimately accountable to the Board and the Committee. The Committee and the Board have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the outside auditor. Alternatively, the Committee and the Board may nominate the outside auditor to be proposed for shareholder approval in any proxy statement.

VI. ANNUAL REPORT

The Committee will prepare, with the assistance of management, the outside auditors and outside legal counsel, a report for inclusion in the Company's proxy or information statement relating to the annual meeting of security holders at which directors are to be elected that complies with the requirements of the federal securities laws.

VII. ANNUAL REVIEW OF CHARTER

The Committee will review and reassess, with the assistance of management, the outside auditors and outside legal counsel, the adequacy of the Committee's charter at least annually.

The above list represents examples of actions the audit committee may take in fulfilling their responsibilities. The list shall not be construed as mandatory functions of the committee nor shall it be construed as being a comprehensive listing of the committee's duties.

PROXY

ATLANTIC AMERICAN CORPORATION
4370 PEACHTREE ROAD, N.E.
ATLANTA, GEORGIA 30319-3000

PROXY SOLICITATION ON BEHALF OF THE BOARD OF DIRECTORS OF
THE COMPANY FOR THE ANNUAL MEETING ON MAY 15, 2001

The undersigned hereby appoints J. Mack Robinson, Hilton H. Howell, Jr. and Robert A. Renaud, or any one of them, proxies with full power of substitution and revocation to vote on the undersigned's behalf at the Annual Meeting of the Shareholders of Atlantic American Corporation, to be held at 9:00 A.M., May 15, 2001, in the offices of the Company, 4370 Peachtree Road, N.E., Atlanta, Georgia and at all adjournments thereof, upon all business as may properly come before the meeting, including the business described in the accompanying Notice of Annual Meeting and Proxy Statement, receipt of which is acknowledged.

PROXIES WILL BE VOTED IN ACCORDANCE WITH ANY INSTRUCTIONS INDICATED BELOW. IF NO SPECIFICATION IS MADE, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED FOR ALL LISTED PROPOSALS. IN THEIR DISCRETION, THE PROXY HOLDERS ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING. THIS PROXY IS REVOCABLE AT ANY TIME PRIOR TO ITS USE.

1. Election Of Directors:

NOMINEES:

- | | | |
|----------------------|-------------------------|---------------------------|
| 1. J. Mack Robinson | 5. Samuel E. Hudgins | 9. Mark C. West |
| 2. Hilton H. Howell | 6. D. Raymond Riddle | 10. William H. Whaley, MD |
| 3. Edward E. Elson | 7. Harriett J. Robinson | 11. Dom H. Wyant |
| 4. Harold K. Fischer | 8. Scott G. Thompson | |

_____ FOR _____ WITHHOLD AUTHORITY
for all nominees

For, except vote withheld from the following nominee(s):

2. To ratify the appointment of independent public accountants.

_____ FOR _____ AGAINST _____ ABSTAIN

Dated: _____, 2001

Signature

Signature

(Sign exactly as your name(s) appears at left. Give full title of executor, administrator, trustee, guardian, etc. Joint owners should each sign personally.)