

AFFIRMATIVE INSURANCE HOLDINGS INC
 Form 4
 March 02, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
VESTA INSURANCE GROUP INC

2. Issuer Name and Ticker or Trading Symbol
AFFIRMATIVE INSURANCE HOLDINGS INC [AFFM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
02/28/2005

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

3760 RIVER RUN DRIVE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ____ Form filed by One Reporting Person
 Form filed by More than One Reporting Person

BIRMINGHAM, AL 35243

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock ⁽¹⁾	02/28/2005		J ⁽²⁾	304,922 ⁽²⁾	D ⁽²⁾ 3,045,600 ⁽³⁾	D ⁽³⁾	
Common Stock	02/28/2005		J ⁽²⁾	304,922 ⁽²⁾	A ⁽²⁾ 4,172,628 ⁽⁴⁾	D ⁽⁴⁾	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VESTA INSURANCE GROUP INC 3760 RIVER RUN DRIVE BIRMINGHAM, AL 35243		X		
Vesta Fire Insurance CORP 3760 RIVER RUN DRIVE BIRMINGHAM, AL 35243		X		

Signatures

/s/ John W. McCullough, Vice President and Associate General Counsel, Vesta Insurance Group, Inc.	03/02/2005
**Signature of Reporting Person	Date
/s/ John W. McCullough, Authorized Representative, Vesta Fire Insurance Corporation	03/02/2005
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This form is being filed to report an intercompany transfer among Vesta Insurance Group, Inc. ("Vesta") and Vesta Fire Insurance Corporation ("Vesta Fire"), joint filers of this report. Vesta Fire is a wholly-owned subsidiary of Vesta. From the date of the joint filers' last report on Form 4, there has been no change in the total amount of shares owned, directly or indirectly, by Vesta (7,218,228 shares). The joint filers consider the reported transactions to be exempt changes in form of beneficial ownership.
 - (2) On February 28, 2005, Vesta transferred 304,922 shares to its wholly-owned subsidiary, Vesta Fire, in exchange for \$5.2 million in principal amount of Vesta's 12.50% Senior Notes due 2005 (subsequently redesignated 8.00% Senior Notes due 2008) held by Vesta Fire.
 - (3) Shares owned directly by Vesta.
 - (4) Shares owned directly by Vesta Fire. Vesta is an indirect beneficial owner of the reported securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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