

TRIPLE-S MANAGEMENT CORP

Form DEF 14A

March 29, 2007

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A

**PROXY STATEMENT
PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934**

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 §240.14a-12

Triple-S Management 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)(4) 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:
-

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March 29, 2007

Dear Shareholders:

We cordially invite you to our Annual Meeting of Shareholders. The meeting will be held on Sunday, April 29, 2007 at 9:00 a.m. at the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, 999 Ashford Avenue in San Juan, Puerto Rico. At the meeting, among other matters, shareholders will be asked to elect nominees for the Board of Directors, amend our Amended and Restated Articles of Incorporation and act on a shareholder proposal.

Your vote is very important. Please take the time to carefully read each of the proposals described in the attached Proxy Statement. It is important that your shares be represented and voted at the meeting. Whether you plan to attend or not, please sign, date, and return the proxy form solicited by our Board of Directors. You may send the enclosed proxy form to the attention of Jesús R. Sánchez-Colón, DMD, Secretary of the Board of Directors, at the following faxes or addresses:

Fax:	In Person or By Messenger:	By Mail:
(787) 749-4191 or (787) 706-4023	Secretary of the Board of Directors Triple-S Management Corporation 1441 FD Roosevelt Ave., 6 th Floor San Juan, Puerto Rico 00920	Secretary of the Board of Directors Triple-S Management Corporation PO Box 363628 San Juan, Puerto Rico 00936-3628

You may personally register your proxy at the Office of the Secretary of the Board of Directors, before the day set for the meeting and during our office hours, Monday through Friday from 8:00 a.m. to 4:30 p.m., except holidays.

You will also have the opportunity to personally register your proxy at the Panamá Room of the Condado Plaza Hotel in San Juan, Puerto Rico, on Saturday, April 28, 2007, from 1:00 p.m. until 3:00 p.m.

Shareholders who do not register their proxies before the day of the meeting may register them on Sunday, April 29, 2007, from 7:30 a.m. until 9:00 a.m.

To accelerate the process of registration, we enclose a proxy form, printed with your name and the amount of shares registered in your name. We are sure that this will contribute to the success of the proxy registration process.

This proxy statement and the accompanying proxy form are being mailed to our shareholders beginning on or about March 29, 2007.

Your Board of Directors is counting on your participation. Your vote is important!

Sincerely,

Wilmer Rodríguez-Silva, MD
Chairman of the Board

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**Triple-S Management Corporation
P.O. Box 363628
San Juan, Puerto Rico 00936-3628**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
to be held on Sunday, April 29, 2007**

To our Shareholders:

NOTICE IS HEREBY GIVEN that our Annual Meeting of Shareholders for 2007 will be held at 9:00 a.m. on Sunday, April 29, 2007, at the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, 999 Ashford Avenue, San Juan, Puerto Rico.

At the meeting, shareholders will be asked to:

- (1) Elect seven Group 3 directors for a three-year term;
- (2) Amend Article TENTH A of the Amended and Restated Articles of Incorporation of the Corporation;
- (3) Amend Article TENTH C of the Amended and Restated Articles of Incorporation of the Corporation;
- (4) Act on a shareholder proposal; and
- (5) Consider any other business properly brought before the meeting.

Shareholders of record entitled to vote at the close of business on March 29, 2007, shall receive notice of and shall vote at the meeting.

You are cordially invited to attend the meeting. Whether you plan to attend or not, please sign and return the enclosed proxy form so that we may be assured of the presence of a quorum at the meeting. A postage-paid envelope is enclosed for your convenience. **For further details please refer to the enclosed proxy form.**

San Juan, Puerto Rico, March 29, 2007.

By order of the Board of Directors,

JESÚS R. SÁNCHEZ-COLÓN,
DMD
Secretary

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ABOUT THE MEETING

This proxy statement and the accompanying proxy form are being mailed to shareholders beginning on or about March 29, 2007.

Who is soliciting my vote?

The Board of Directors of the Corporation is soliciting your vote at the meeting.

What will I be voting on?

The election of seven Group 3 directors for a three-year term (*see* page 5).

How many votes do I have?

You will have one vote for every share of our common stock, entitled to vote, that you owned as of the close of business on March 29, 2007, the record date for the annual meeting.

How many votes can be cast by all shareholders?

As of the record date there were 8,913 issued and outstanding shares of common stock entitled to vote, consisting of one vote each. The shares are entitled to vote by any proxy form that is properly executed and received before 9:00 a.m. on the day of the meeting.

How many shares must be present to hold the meeting?

A majority of the voting shares of capital stock of the Corporation issued and outstanding; however, if at the designated time quorum is not reached, the meeting will be postponed for a half hour, after which one-third (1/3) of the voting shares issued and outstanding will constitute a quorum. We urge you to vote by proxy even if you plan to attend the meeting so that we will know as soon as possible that enough voting shares will be present for us to hold the meeting.

How do I vote?

You can vote either in person at the meeting or by proxy whether or not you attend the meeting.

To vote by proxy, you must fill out the enclosed proxy form, date and sign it, and return it in the enclosed postage paid envelope.

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Who will bear the cost of soliciting proxies?

We will bear the entire cost of the solicitation of proxies for the annual meeting, including the preparation, assembly, printing and mailing of this proxy statement, the proxy form and any additional solicitation materials furnished to shareholders. The original solicitation of proxies by mail may be supplemented by solicitation in person, telephone, facsimile, email or any other means by our directors, officers or certain persons on behalf of the members of the Board of Directors. No additional compensation will be paid to those individuals for any such services. In addition, the board may engage one or more solicitation agents to aid in the solicitation of proxies. We will bear the additional costs of such a solicitation, which, together with the costs of the preparation, assembly, printing and mailing of this proxy statement, the proxy form and any additional solicitation materials furnished to shareholders, are not expected to exceed \$100,000.

Can I change my vote?

Yes. Just send in a new proxy form with a later date or send a written notice of revocation to the Chairman of the Board or Secretary of the Corporation at the address on the cover page of this proxy statement. Any revocation must be delivered before the proxy is exercised. If you attend the meeting and want to vote in person, you can request that your previously submitted proxy not be used.

How are my votes counted?

You may either vote *for* or *withhold authority* to vote for each nominee for the board. You may vote *for* or *against* or you may *abstain* on the other proposals. If you *withhold authority* to vote with respect to any nominee, your shares will be counted for purposes of establishing a quorum, but will have no effect on the election of that nominee. If you *abstain* from voting on the other proposals, your shares will be counted as present for purposes of establishing a quorum, and the abstention will have the same effect as a vote *against* that proposal.

How many votes are required to elect directors and to adopt the other proposals?

Directors are elected (Proposal 1) by a majority of the votes cast at the meeting.

The amendment of the Amended and Restated Articles of Incorporation of the Corporation (Proposals 2 and 3) and the shareholder proposal requires the affirmative vote of a majority of the common stock issued and outstanding entitled to vote as of the record date.

Could other matters be decided at the meeting?

We do not know of any other matters that may come before the meeting. However, if any new matter requiring the vote of the shareholders is properly presented before the meeting, proxies may be voted with respect thereto at the discretion of the proxy holders.

What happens if the meeting is postponed or adjourned?

Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

What should I receive?

This proxy statement, our Annual Report, the Notice of Annual Meeting of Shareholders and the proxy form, which are being mailed to you on or about March 29, 2007. Our Annual Report includes our audited financial statements for the year ended December 31, 2006, duly audited by KPMG LLP, as independent registered public accounting firm.

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As of March 29, 2007, there is no person, persons, entity or entities which, by itself or as a group, as these terms are defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, are beneficial owners of five percent (5%) or more of the shares of our common stock.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table shows the beneficial ownership of our common stock by our directors, nominees and certain executive officers as of March 29, 2007, and the number of shares beneficially owned by all directors and executive officers as a group:

COMMON STOCK

Name and Position	Amount and Nature of Beneficial Ownership¹	Percent of Class²
Wilmer Rodríguez-Silva, MD, Chairman of the Board	15	
Valeriano Alicea-Cruz, MD, Director	2	
José Arturo Álvarez-Gallardo*, Director	1	
Mario S Belaval*, Director ^D	1	
Luis A. Clavell-Rodríguez, MD, Director	17	
Arturo R. Córdova-López, MD, Director	1	
Carmen Ana Culpeper-Ramírez*, Director	1	
Porfirio E. Díaz-Torres, MD, Director	3	
Antonio F. Faría-Soto, Nominee ^a	0	
Manuel Figueroa-Collazo, PE, PhD*, Director	1	
José Hawayek-Alemañy, MD, Director	10	
Vicente J. León-Irizarry, CPA*, Director	1	
Wilfredo López-Hernández, MD, Director	2	
Jaime Morgan-Stubbe, Esq., Nominee ^a	0	
Roberto Muñoz-Zayas, MD, Nominee ^a	21	
Miguel A. Nazario-Franco*, Director	1	
Juan E. Rodríguez-Díaz, Esq.*, Director	1	
Jesús R. Sánchez-Colón, DMD, Director	1	
Adamina Soto-Martínez, CPA*, Director	1	
Manuel Suárez-Méndez, PE*, Director ^D	1	
Fernando J. Ysern-Borras, MD, Director ^D	1	
Ramón M. Ruiz-Comas, CPA*, President, Chief Executive Officer, and Director	1	
Arturo Carrión-Crespo, CPA, Executive Officer	0	
Luis A. Marini-Mir, DMD, Executive Officer	1	
Roberto Morales-Tirado, Esq., Executive Officer	0	
Socorro Rivas-Rodríguez, CPA, Executive Officer	0	
Juan Jose Rodríguez-Gilibertys, Esq., Executive Officer	0	
Juan J. Román-Jiménez, CPA, Executive Officer	0	
Eva G. Salgado-Micheo, Executive Officer	0	
Carlos Torres-Diaz, Executive Officer	0	
All our directors, nominees and executive officers as a group (30 persons)	84	

1.

For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

2. Based on the number of shares of common stock as of March 29, 2007.

D Mr. Belaval, Mr. Suárez Méndez and doctor Ysern-Borrás third and final term as members of the board of directors expire on April 29, 2007, the date of the 2007 annual meeting of shareholders.

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* These persons are directors representing the community and received one qualifying share of common stock in order to comply with the requirements established in our Bylaws before amended on April 30, 2006. Shares will be returned when the director leaves the board, or when the corporation requests it.

à Antonio F. Faría-Soto, Jaime Morgan-Stubbe, and Roberto Muñoz-Zayas are nominees for the vacancies on the Board to substitute Mr. Mario S Belaval, Mr. Manuel Suárez Méndez and Dr. Fernando J. Ysern Borrás.

CPA Ramón M. Ruiz-Comas is the President and Chief Executive Officer. Pursuant to our Amended and Restated Articles

of Incorporation and Bylaws, the President must be a member of the board of directors as long as such person is serving as President.

Less than one percent.

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our directors and executive officers file with the Securities and Exchange Commission, or the SEC, reports of ownership and changes in ownership of our common stock and to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of the copies of such reports we received or written representations that no other reports were required, we believe that, during 2006, all filing requirements applicable to our officers and directors were satisfied.

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BOARD OF DIRECTORS

The Amended and Restated Articles of Incorporation and Bylaws of the Corporation establish that the board shall consist of nineteen (19) persons, from which at least ten (10) must be representatives of the community, as such term is defined by the Blue Cross and Blue Shield Association, or BCBSA.

The board of directors of the Corporation is a staggered board, which is divided into three groups as nearly equal in number as possible, with each group having at least five members and with the term of office of one class expiring each year. Each director serves for a term ending on the date of the third annual meeting of shareholders following the annual meeting at which such director was elected or until his successor has been elected and qualified. In the event that there is a vacancy on the board of directors that has to be substituted by the board of directors the person elected to fill the vacancy on the board of directors will serve the rest of the term of the person who is being substituted and may be reelected for two additional successive terms. In accordance with the Amended and Restated Bylaws of the Corporation, the President and Chief Executive Officer, who is also a member of the board of directors, is excluded from the three groups of directors. In addition, the Amended and Restated Articles of Incorporation and Bylaws of the Corporation provide that, with the exception of the President and Chief Executive Officer, directors may not be elected to the board for more than three terms or serve as such for more than nine years. Accordingly, Mr. Mario S Belaval, Mr. Manuel Suárez-Méndez and Dr. Fernando J. Ysern-Borrás are not being nominated for election at the meeting.

PROPOSAL 1: ELECTION OF SEVEN GROUP 3 DIRECTORS FOR A THREE-YEAR TERM

At the meeting, seven directors assigned to Group 3 will be elected to serve until the 2010 annual meeting of shareholders or until their respective successors are elected and qualified. The remaining eleven directors will continue to serve as directors, as follows: until the 2008 annual meeting of shareholders, in the case of the five directors assigned to Group 1, and until the 2009 annual meeting of shareholders, in the case of the six directors assigned to Group 2, or in each case until their successors are elected and qualified.

The persons named as proxies in the accompanying proxy form have advised us that, unless otherwise instructed, they intend to vote at the meeting the shares covered by the proxies **FOR** the election of the seven nominees named below, and that if any one or more of such nominees should become unavailable for election they intend to vote such shares **FOR** the election of such substitute nominees as your board may propose. We have no knowledge that any nominee will become unavailable for election.

Information relating to principal occupation, business experience and directorships during the past five years (including positions held with us, age and the period during which each director has served) is set forth below.

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Table of Contents**NOMINEES FOR ELECTION****Group 3 Directors Terms Expiring in 2010**

Carmen Ana Culpeper-Ramírez (61). She has served on the Board of Directors of the Corporation since 2004. She is the Treasurer of the Board of Directors of Triple-S, Inc. (a subsidiary of the Corporation) and Interactive Systems, Inc. (a subsidiary of the Corporation). She is also the Vice Chairman of Seguros Triple-S, Inc. (a subsidiary of the Corporation). Since April 2004, she has been the Director of the Small Business Administration (SBA) for the Puerto Rico and U.S. Virgin Islands District. From 2000 to March 2004, she was President and Chief Executive Officer of C. Culpeper & Associates, a management consulting business, which offered organizational development, project and financial management services. She serves as a member of the Board of Directors of Levitt Homes, Inc. Ms. Culpeper-Ramírez has served as Chairman of the Board of the San Juan Human Capital Development Board, and as a member of the Board of Directors of Santander BanCorp, Centennial Communications Corporation and of Intech de Puerto Rico. From 1997 to 1999, Ms. Culpeper-Ramírez worked as President of the Puerto Rico Telephone Company, the tenth largest telephone company in the United States, and was responsible for its sale to GTE/Verizon. From 1999 to 2000, she also served as President of the Puerto Rico Chamber of Commerce. She holds a BBA in Finance from the University of Puerto Rico and an MBA from the University of Pennsylvania, Wharton School of Business (International Business).

Antonio F. Faría-Soto (58). From 2005 to 2006, Mr. Faría-Soto was Chairman of the Board of Directors and CEO of Doral Bank. Also he was President of Doral Money, a subsidiary of Doral Bank. From 2003 to 2004, Mr. Faría-Soto was President and CEO of the Government Development Bank of Puerto Rico, and he served as ex-officio member and Chairman of the Boards of AFICA (infrastructure development financing vehicle for profit and non-profit organizations), the Economic Development Bank of Puerto Rico, the Tourism Development Fund, and the Children's Trust Fund. He also served as a member of the Boards of the Public Buildings Authority, Government Employees Retirement System Administration, Puerto Rico Telephone Authority Holdings Corp., Puerto Rico Industrial Development Corp, Teacher's Retirement System, Ultracom, and Convention Center District Administration. Also, he has served as a member of the Governor's Economic Development Council for the Government of Puerto Rico, and as member ex-officio of FIDA and Promo Expo. From 2002 to 2003, he served as President of the Economic Development Bank of Puerto Rico and from 2001 to 2002 he was Commissioner of the Office of Financial Institutions. Mr. Faría-Soto holds a BBA from the Catholic University of Puerto Rico, and a MBA in Finance from the Inter American University of Puerto Rico. Mr. Faría-Soto has been nominated by the Board of Directors to fill one of the vacancies left by the directors whose term as a member of the Board of Directors expires on the date of the annual meeting.

Manuel Figueroa-Collazo, PE, PhD (55). Since 2004, he has served on the Board of Directors of the Corporation. He is the Assistant Treasurer of Triple-S, Inc. He also serves as a member and Chairman of the Board of Directors of Interactive Systems, Inc. and as member of the Board of Directors of Great American Life Assurance Company of Puerto Rico. Since 1999, Mr. Figueroa-Collazo is President of VERNET, Inc., an educational software development Company located in Caguas, Puerto Rico. Mr. Figueroa-Collazo is also member of the Board of Directors of INTECO, Puerto Rico Products Association, EPSCOR, and *Vivero de Tecnología y Ciencia de Puerto Rico (VITEC)*. He has twelve years of experience in senior management positions and over twenty years of exposure at all management levels within the communications and systems industries. He was General Manager for Lucent Technologies, Mexico and a Department Head at AT&T Bell Laboratories. Mr. Figueroa-Collazo holds a BS, MS, and PhD in Electrical Engineering from the Florida Institute of Technology, and he attended Advanced Management Programs in INSEAD Fontainebleau, France, and The University of Pennsylvania, Wharton School of Business.

Jaime Morgan-Stubbe, Esq. (48). Since 2000 he is an active member of the Board of Directors of the Puerto Rico Homebuilders Association and member of the Board of Trustees of the Palmas del Mar Academy. From 2002 to 2004 he served as a member of the Board of Trustees of the Baldwin School of Puerto Rico. Since 2000, he is President of Palmas del Mar Properties, Inc., a land and real estate development company and owner of the largest master planned residential-resort community in Humacao, Puerto Rico. Prior to becoming a real estate developer Mr. Morgan was a business, corporate, real estate and tax attorney. He worked for the Law Firm of Goldman Antonetti & Córdova, P.S.C. He was director of the Economic Development Administration (FOMENTO), President of the Puerto Rico

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the Puerto Rico Maritime Shipping Authority (Navieras de Puerto Rico), during his tenure in Government from 1993 to 1999. He graduated from Tulane University in New Orleans in 1980 and continued graduated studies in Law at the University of Puerto Rico. Mr. Morgan-Stubbe has been nominated by the Board of Directors to fill one of the vacancies left by the directors whose term as a member of the Board of Directors expires on the date of the annual meeting.

Roberto Muñoz-Zayas, MD (77). He was President of the Board of Directors of the Regional Bank of Bayamón and the Bayamón Mortgage Loan Corp. He also served as a member of the Board of Directors of the Hospital Matilde Brenes, Inc. Dr. Muñoz-Zayas was President of the Athletics Federation of Puerto Rico, and he was President of the Hispano-American Colony of Puerto Rico, the Club Exchange in Bayamón, and the Federation of Sport Medicine of Puerto Rico. From 1994 to 2004, Dr. Muñoz-Zayas was Medical Director of the Olympic Committee of Puerto Rico and the Caribbean Series of Puerto Rico. He holds a BA in Science from the University of Puerto Rico, a PhD in Medicine from the University of Santiago de Compostela, and a Post-Graduate Degree from the Jacoby Municipal Hospital in New York. Dr. Muñoz-Zayas has been nominated by the Board of Directors to fill one of the vacancies left by the directors whose term as a member of the Board of Directors expires on the date of the annual meeting.

Miguel A. Nazario-Franco (59). Since 2004, he has served on the Board of Directors of the Corporation and Triple-S, Inc. Mr. Nazario is Assistant Secretary of the Board of Directors of the Corporation and Assistant Treasurer of the Board of Directors of Triple-C, Inc. Mr. Nazario-Franco is an active member of the Board of Directors of Ferré Investment Fund, and *Empresas Santana*. He is also a member of the Advisory Board of Cortez Industrial Organization. From 1994 to 2002, Mr. Nazario-Franco worked for Puerto Rican Cement Co., Inc. where he held various positions, including those of President, Chief Executive Officer, and President of the Board of Directors. From 1995 to 2005 he served as a member of the Board of Directors of El Día, Inc. From 2002 to 2004, he served as a member of the Advisory Board of the Puerto Rico Department of Education and *Consejo Asesor de la Industria de la Construcción*. He also served on the Board of Directors of the Puerto Rico Aqueduct and Sewer Authority and *Compañía para el Desarrollo Integral de la Península de Cantera* until December 2005 and in the Board of Directors of Puerto Rico Electric Power Authority until January of 2006. Mr. Nazario-Franco holds a BBA in Accounting from the University of Puerto Rico.

Juan E. Rodríguez-Díaz, Esq. (65). Since December 2004, he has served on the Board of Directors of the Corporation and Triple-S, Inc. Mr. Rodríguez-Díaz is also Vice Chairman of Great American Life Assurance Company of Puerto Rico. Mr. Rodríguez-Díaz is a commercial, corporate and tax attorney authorized to practice law in Puerto Rico and New York who currently works as Senior and Managing Partner of Totti & Rodríguez Díaz. He has worked in various prestigious law firms including Baker & McKenzie, McConnell Valdés, and Sweeting, Pons, González & Rodríguez. Mr. Rodríguez-Díaz also served as Undersecretary of the Department of Treasury of Puerto Rico from 1971-1973. He serves as a member of the Board of Directors of *Industrias Vassallo, Inc.*, Vassallo Research and Development, Inc., Syroco, Inc., Ochoa Industrial Sales Corp., Triangle Cargo Services, Inc., and Luis Ayala Colón Sucrs., Inc. Mr. Rodríguez-Díaz holds a BA degree from Yale University, a *Juris Doctor* (JD) from Harvard University and a Masters of Laws (LLM in taxation) from New York University School of Law.

Table of Contents**MEMBERS OF THE BOARD OF DIRECTORS****Group 1 Directors Terms Expiring in 2008**

Arturo R. Córdova-López, MD (63). Since 1999, he has served on the Board of Directors of the Corporation and Triple-S, Inc. (a subsidiary of the Corporation). He currently is a member and the Assistant Secretary of the Board of Directors of Triple-C, Inc. (a subsidiary of the Corporation). Doctor Córdova-López is also a member and the Chairman of the Board of Directors of Great American Life Assurance Company of Puerto Rico (a subsidiary of the Corporation). In addition, Doctor Córdova-López is an Ad-Honorem Associate Professor of Medicine at the University of Puerto Rico, School of Medicine, since 1986. Doctor Córdova-López has served as a Staff Pneumologist and Critical Care Consultant at Pavía Hospital since 1990. He is a member of the American Thoracic Society, the American College of Physicians, the American Lung Association, the College of Physicians and Surgeons of Puerto Rico, the American Society of Bariatric Physicians, NAASO the Obesity Society, the Sociedad Puertorriqueña de Neumología, and the American College of Chest Physicians (ACCP), where he was the previous Governor for Puerto Rico. He is Board Certified in Internal Medicine, Pulmonary Diseases, Critical Care, Managed Care Medicine, and Bariatric Medicine. He is the Medical Director and Secretary of the Board of Directors of Clínica Las Américas Guaynabo. He is active in the private practice of Pulmonology and Bariatric Medicine. He holds a BS degree in Electrical Engineering from the University of Puerto Rico, an MD degree from the same institution, and a MS degree in Epidemiology from the Harvard University School of Public Health.

José Hawayek-Alemañy, MD (58). Since 2005, he has served on the Board of Directors of the Corporation. He is the Vice Chairman of Triple-S, Inc., and the Chairman of Triple-C, Inc. He also serves as member of the Board of Directors of Interactive Systems, Inc. Since 1976, he serves as Professor at the University of Puerto Rico, School of Medicine. From 1988 to 1998, he was director of the Office of Graduate Medical Education at the University of Puerto Rico, School of Medicine and, from 1998 to 2002, he was Dean of Academic Affairs at the University of Puerto Rico, School of Medicine. He is President of the OB-GYN Section of the Puerto Rico Medical Association. Since 2000, he represents Puerto Rico in the Maternal Mortality & Morbidity Committee of the American College of OB-GYN. From 2003 to 2005, he was Senate Member and Treasurer of the OB-GYN Section of the Medical College of Puerto Rico. He also served as President of the Medicare Carrier Advisory Committee in Puerto Rico. He holds a BS degree in pre-medicine from the University of Puerto Rico, Mayagüez Campus, an MD degree from the University of Puerto Rico, School of Medicine, and a Specialty in OB-GYN from University Hospital.

Wilfredo López-Hernández, MD (63). Since 1999, he has served on the Board of Directors of the Corporation and Triple-S, Inc. He is currently the Chairman of the Board of Triple-S, Inc. and a member of the Board of Directors of Triple-C, Inc. Doctor López-Hernández has a private medical practice since 1979. He was an Associate Professor at the University of Puerto Rico, School of Medicine, an Associate Professor at the San Juan Bautista School of Medicine, and Chief of Service at San Rafael Hospital. Doctor López is a partner in Quadrangle Development, SE. Since 1979, he has been a member of the Puerto Rico Urological Association, *Société Internationale D Urologie*, American Confederation of Urology, and the American Urological Association. He holds a BS degree from the University of Puerto Rico, an MD degree from the University of Santiago de Compostela, Spain, and a Specialty in Urology from the University of Puerto Rico, School of Medicine.

Adamina Soto-Martínez, CPA (59). Since 2002, she has served on the Board of Directors of the Corporation and Triple-S, Inc. She is Assistant Treasurer of the Board of Directors of the Corporation and a member of the Board of Directors of Great American Life Assurance Company of Puerto Rico and Seguros Triple-S, Inc. She is a Certified Public Accountant (CPA) and a partner and a founding member of the firm Kevane Grant Thornton, LLP, certified public accountants. Ms. Soto-Martínez is a member of the Puerto Rico Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She is a graduate of the University of Puerto Rico.

Wilmer Rodríguez-Silva, MD (53). He currently serves as Chairman of the Board of Directors of the Corporation. Since 1999, he has served on the Board of Directors of the Corporation and Triple-S, Inc. Doctor Rodríguez-Silva also serves on the Board of Directors of Great American Life Assurance Company of Puerto Rico, Seguros Triple-S, Inc., Interactive Systems, Inc., Triple-C, Inc., and Signature Insurance Agency, Inc. (a wholly

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owned subsidiary of Seguros Triple-S, Inc.). Doctor Rodríguez-Silva is the former Chief of the Gastrointestinal Section of the San Pablo Medical Center. He is also a member of the American College of Physicians, the American Gastroenterology Association, the American Society for Gastrointestinal Endoscopy, the Puerto Rico Medical Association, former President of the Puerto Rico Society of Gastroenterology, and the American College of Gastroenterology. Doctor Rodríguez-Silva holds a BS degree from the University of Puerto Rico and an MD degree from the University of Puerto Rico, School of Medicine.

Group 2 Directors Terms Expiring in 2009

Valeriano Alicea-Cruz, MD (61). Since 2000, he has served on the Board of Directors of the Corporation and Triple-S, Inc. (a subsidiary of the Corporation). He also serves as Secretary of the Board of Directors of Triple-S, Inc. and as member and Vice-Chairman of the Board of Directors of Interactive Systems, Inc. (a subsidiary of the Corporation) and Triple-C, Inc. (a subsidiary of the Corporation). Since February 2006 he serves as a member of the Board of Directors of Great American Life Assurance Company of Puerto Rico (a subsidiary of the Corporation). He has been an Ophthalmologist with a private practice since 1976, and has offices in two municipalities of Puerto Rico. He is an active member of the Puerto Rico Medical Association, the American Academy of Ophthalmology, the Puerto Rican Society of Ophthalmology, the University Of Puerto Rico School Of Medicine Alumni Society, and the Pan-American Society of Ophthalmology. He has served on the Medical Board of the Department of Transportation and Public Works, and the Board of Directors of *Ojos, Inc.* Doctor Alicea-Cruz holds a BS degree from the University of Puerto Rico, an MD degree from the University of Puerto Rico, School of Medicine, and a Postgraduate Degree in Ophthalmology from the Puerto Rico Medical Center and Affiliate Hospitals.

José Arturo Álvarez-Gallardo (64). Since 2000, he has served on the Board of Directors of the Corporation and Triple-S, Inc. He also serves as Chairman of the Board of Directors of Seguros Triple-S, Inc. and of Signature Insurance Agency, Inc., a wholly owned subsidiary of Seguros Triple-S, Inc. He is also a member of the Board of Directors of Great American Life Assurance Company of Puerto Ric. Since 1964, Mr. Álvarez-Gallardo has served in various positions with *Méndez & Co., Inc.*, where he serves as President since 1998. He has served on the Board of Directors of *Méndez & Co., Inc.*, Bamco Products Corporation, International Shipping Agency, Menaco Corporation, and Méndez Realty Equities, Inc. Mr. Álvarez-Gallardo holds a BBA degree in Business Administration from Iona College.

Luis A. Clavell-Rodríguez, MD (55). Since 2006 he has served on the Board of Directors of the Corporation and Triple-S, Inc. He also serves as Secretary of the Board of Directors of Triple-C and member of the Board of Directors of Interactive Systems, Inc. Doctor Clavell-Rodríguez serves as the Medical Director at the San Jorge Children's Hospital and as the Principal Investigator for the Children's Oncology Group and the Dana Farber Acute Lymphoblastic Leukemia Consortium. He held positions as Professor of Pediatrics and Pathology at the University of Puerto Rico, School of Medicine and is a former Director of Pediatric Oncology and the Training Program in Pediatric Hematology/Oncology. He is certified by the National Board of Medical Examiners, the American Board of Pediatrics, and the Sub-Board of Pediatric Hematology/Oncology. He is also a member of the American Society of Hematology, American Society of Clinical Oncology and the American Society of Pediatric Hematology/Oncology. Doctor Clavell-Rodríguez received a BS degree from the Catholic University of Puerto Rico and an MD degree from the University of Puerto Rico School of Medicine. He completed his training in Pediatrics at the University of California School of Medicine and fellowships training from Harvard Medical School, Children's Hospital Medical Center in Boston, MA, and the Sidney Farber Cancer Institute.

Porfirio E. Díaz-Torres, MD (64). Since 2000, he has served on the Board of Directors of the Corporation. He is Assistant Secretary of the Board of Directors of Triple-S, Inc. and member of the Board of Directors of Seguros Triple-S, Inc. He is also the Secretary of the Board of Directors of Interactive Systems, Inc. and the Vice Chairman of Signature Insurance Agency, Inc. Since 1988, Doctor Díaz-Torres serves as the Director of the Cardiology Division of the Cardiology and Nuclear Center in San Juan, Puerto Rico. Doctor Díaz-Torres is also President of Old Harbor Brewery of Puerto Rico, Inc. and Di Rome Productions, Inc. He is an active member of the American College of Cardiologists and American Medical Association. He is active on the medical staff of *Centro Cardiovascular de Puerto Rico y del Caribe* and Auxilio Mutuo Hospital. Doctor Díaz-Torres holds a BBA degree in Business Administration from the University of Puerto Rico and an MD degree from *Universidad Central del Este* in the

Dominican Republic.

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Vicente J. León-Irizarry, CPA (68). Since 2000, he has served on the Board of Directors of the Corporation and Triple-S, Inc. He is currently Treasurer of the Board of Directors of the Corporation and of Triple-C, Inc. He is a Certified Public Accountant (CPA) and since January 2002, he has been a business consultant. He worked as consultant for Falcón-Sánchez & Associates, a certified public accounting firm, from February 2000 to December 2001, and as a business consultant from January 1999 to February 2000. He is a member of the Puerto Rico Society of Certified Public Accountants. He holds a B.B.A. degree with a major in Accounting from the University of Puerto Rico.

Jesús R. Sánchez-Colón, DMD (51). Since 2000, he has served on the Board of Directors of the Corporation and Triple-S, Inc. He is Secretary of the Board of Directors of the Corporation since 2002. He is also a member of the Board of Directors of Seguros Triple-S, Inc. and Triple-C, Inc. Doctor Sánchez-Colón is a dentist with a private practice since 1982. He is member of the College of Dental Surgeons of Puerto Rico, where he served as Secretary and Auditor, and he is also a member of the American Dental Association. He currently serves as Chairman of the Board of Directors of *B. Fernández & Hermanos, Inc.* He has been Chairman of the Board of Directors of Delta Dental Plan of Puerto Rico and Vice-Chairman of the Board of Directors of the Corporation for the Economic Development of the City of San Juan. Doctor Sánchez-Colón holds a BA in Psychology from St. Louis University, a DMD from the University of Puerto Rico, and a Postgraduate General Practice Residency at the Veterans Administration Hospital in San Juan, Puerto Rico.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

Scheduled meetings of the board are held at least quarterly. Special board meetings are held when convened by the Chairman, or by at least five directors. The board of directors met nineteen times during 2006. All directors, with the exception of Mr. Manuel Suárez-Méndez, attended at least 75% of the scheduled Board of Directors meetings and meetings held by Committees of which they were members. Do to family health related issues, this percentage was not met by Mr. Suárez-Méndez.

While we encourage directors to attend our annual meeting of shareholders, we have not adopted a formal policy that all directors must attend annual meetings of shareholders. All of our directors attended the last annual meeting of shareholders.

BOARD OF DIRECTORS INDEPENDENCE

The board has determined that Mr. Álvarez-Gallardo, Ms. Culpeper-Ramírez, Mr. Figueroa-Collazo, Mr. León-Irizarry, Mr. Nazario-Franco, Mr. Rodríguez-Díaz, and Ms. Soto-Martínez have no material relationship with the Corporation. Also, Mr. Faría-Soto, Mr. Morgan-Stubbe and Dr. Muñoz-Zayas are nominees for the Board of Directors and have no material relationship with the Corporation. Although our capital stock is not listed for trading on the New York Stock Exchange, or NYSE, and we are not subject to the NYSE listing standards, our board has adopted the NYSE director independence standards for corporate governance policy. The previously mentioned directors are independent under these director independence standards as determined and approved by the Board. A copy of the Independence Standards adopted by the Board of Directors is attached to this Proxy Statement as Exhibit A.

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SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Any shareholder who desires to contact the board or any of its members individually may do so by writing to: Triple-S Management Corporation, Board of Directors, P.O. Box 363628, San Juan, P.R. 00936-3628. The board will give appropriate attention to written communications that are submitted by the shareholders and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters and subject to any required assistance or advice from legal counsel, the Chairman of the Board is responsible for monitoring communications from shareholders and for providing copies or summaries of such communications to the other directors as he considers appropriate. The Chairman will forward communications to all directors if they relate to

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important substantive matters or include important suggestions or comments that merit a director's attention. In general, communications related to corporate governance and long-term corporate strategy are more likely to be forwarded than communications related to ordinary business affairs, personal grievances, and matters as to which we tend to receive repetitive or duplicative communications.

Alternatively, a shareholder may confidentially contact our Audit Committee by telephonically calling our EthicsPoint services at the toll-free number 1-866-384-4277 or electronically through www.ethicspoint.com. Communications will be received by the Audit Committee, and communications that are not related to accounting or auditing matters, may be discretionally forwarded by the Audit Committee or any of its members to other committees of the Board of Directors or management for review. Communications received by EthicsPoint are completely confidential and allow for shareholders and employees to report any violations or irregularities that could affect the Corporation.

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STANDING COMMITTEES

The Bylaws of the Corporation provide that the Board of Directors shall have the following standing committees: Corporate Governance Committee, Finance Committee, Resolutions and Regulations Committee, Nominations Committee, Compensation Committee, and Audit Committee. The Board may create any other committee it deems necessary for the proper operation of our business.

A brief description of each of the Nominations Committee, Compensation Committee and the Audit Committee is set forth below:

Nominations Committee

The duties of the Nominations Committee are to: (1) recommend individuals who are best qualified to become members of the board that will be presented as candidates to be endorsed by the board at the annual meetings, (2) recommend to the board the best qualified candidates that can fill vacancies in the board, (3) develop and periodically review the qualifications of the candidates to be endorsed by the board, and (4) recommend to the board the best qualified candidates to occupy the position of President of the Corporation. A complete list of all the duties of the Nominations Committee is found in its charter, which is included as Exhibit B to this proxy statement.

The committee met six times during the fiscal year ended on December 31, 2006. As of March 29, 2007, the members of the committee are: Doctor Ysern-Borrás, Chair of the committee, Mr. Álvarez-Gallardo, Doctor Clavell-Rodríguez, Doctor Córdova-López, Doctor Díaz-Torres, Doctor Hawayek-Alemañy, Doctor Rodríguez-Silva, Doctor Sánchez-Colón and Mr. Suárez-Méndez. Dr. Ysern-Borrás and Mr. Suarez-Méndez are not nominees for re-election for the Board of Directors at this Annual Meeting.

On February 20, 2007, the Board of Directors revised the Corporation's Independence Standards to provide that physicians who receive payments from the Corporation may not be deemed independent. Accordingly, the Board has determined that Messrs. Álvarez-Gallardo and Suárez-Méndez are the only members of the Committee who satisfy the applicable independence requirements as approved by the Board of Directors. Following the annual meeting and the election of the nominees, the Board of Directors will revise the composition of the Committee to ensure that it is comprised solely of independent directors.

The nominations process followed by the committee is as follows:

- (1) Shareholders may nominate candidates to the board. Candidates recommended by shareholders will receive the same consideration as candidates recommended otherwise. The information of the candidates nominated by a shareholder must be addressed to the attention of the Secretary of the board.
- (2) A shareholder may present a nominee at the annual meeting if it is made by a shareholder that is a record holder as of the applicable record date and such shareholder has delivered written notice of

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such proposal containing the information specified in our Amended and Restated Bylaws not later than 120 days nor earlier than 150 days prior to the first anniversary of the preceding year's annual meeting.

- (3) The Nominations Committee's duties are to ensure that the board has the plans, procedures, and resources needed to identify, recruit, and retain directors. The Nominations Committee will identify the individuals who, in their judgment, are best qualified to serve on the board and present its recommendations to the board for endorsement at the annual meeting. This committee will also make recommendations to fill any vacancies in the board that might arise from time to time.
- (4) Individuals interested in serving as directors must meet all legal and statutory requirements. These minimum requirements are contained in Article 6-2 of our Bylaws. They include the following: (a) not having filed for bankruptcy, nor granted a fraudulent general cession for the benefit of creditors, (b) not have been convicted of a crime involving moral depravation, (c) not be a director or officer of a bank, a savings and loans association, an institution engaged in the business of receiving deposits and lending money in Puerto Rico or any entity or corporation in which any of the institutions referred to herein have a direct or indirect substantial economic interest or relationship of owner, subsidiary, or affiliate of any entity or corporation which owns, directly or indirectly, a substantial economic interest in any of said institutions, except that a person can fulfill his duties as director or officer of a financial holding company or a depository institution with whom an insurance company affiliated to us has a relationship, directly or indirectly, as owner, subsidiary or affiliate, and (d) comply with any applicable requirements under BCBSA rules.
- (5) The Nominations Committee develops qualifying criteria and is responsible for identifying, interviewing, and recommend to the board those potential candidates that, in their judgment, are best qualified. Throughout this process, the committee may verify that the selected individuals possess the following specific qualities or skills: (a) experience or relevant knowledge, (b) time availability and commitment, (c) good reputation, (d) analytical thinking, (e) ability to work as a team, (f) independent judgment, and (g) ability to verbalize and present ideas in a rational and eloquent fashion. In addition, the Nominations Committee may include other requirements that it may deem necessary to strengthen the Corporation and fulfill its needs as vacancies occur. This practice is aimed at complying with good corporate governance practices.
- (6) The Nominations Committee has the authority to hire and terminate the services of any professional third-party search firm to identify potential candidates for the position of director. During 2006, the Committee hired the services of a third party search firm to evaluate and identify possible candidates for the board.
- (7) The committee identified and recommended the nominations of Ms. Carmen Ana Culpeper, Mr. Miguel Nazario-Franco, Mr. Manuel Figueroa-Collazo and Mr. Juan E. Rodríguez-Díaz, each of whom is currently a member of the Board.
- (8) The committee also identified and recommended three nominees who are not currently serving as directors. Mr. Antonio F. Faría-Soto, Mr. Jaime Morgan-Stubbe, and Dr. Roberto Muñoz-Zayas are being nominated for election for the first time. Dr. Muñoz-Zayas' nomination was submitted to the Board of Directors by a shareholder of the Corporation.

Compensation Committee

The duties of the Compensation Committee are to: (1) develop, recommend, and review the compensation policies for our executive officers, (2) recommend to the board the compensation of our executive officers, and (3) recommend to the board those changes to the compensation levels of our directors that are deemed necessary. A list of all the duties of the Compensation Committee is found in its charter, which is included as Exhibit C to this proxy statement

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The committee met seven times during the fiscal year ended December 31, 2006. As of March 29, 2007, the members of the committee are: Ms. Soto-Martínez, Chair of the committee, Mr. Belaval, Ms. Culpeper-Ramírez, Mr. León-Irizarry, and Dr. Rodríguez-Silva. Mr. Belaval is not standing for re-election for the Board of Directors at this Annual Meeting.

On February 20, 2007, the Board of Directors revised the Corporation's Independence Standards to provide that physicians who receive payments from the Corporation may not be deemed independent. Accordingly, in its best judgment, the Board has determined that Ms. Soto-Martínez, Mr. Belaval, Ms. Culpeper-Ramírez and Mr. León-Irizarry satisfy the applicable independence requirements as currently defined by the board of directors. Following the annual meeting and the election of the nominees, the Board of Directors will revise the composition of the Committee to ensure that it is comprised solely of independent directors.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of the Compensation Committee is or has been one of the Corporation's officers or employees. None of the Corporation's executive officers served on any board of directors' compensation committee of any other company for which any of the Corporation's directors served as an executive officer at any time during 2006. Other than disclosed in Other Relationships, Transactions and Events above, none of the members of the Compensation Committee had any relationship with the Corporation requiring disclosure under Item 404 of the SEC Regulation S-K.

Audit Committee

The Audit Committee reviews the following matters: (1) adequacy of internal controls and compliance with applicable laws and regulations, (2) activities/reports of the Internal Audit Office, (3) results from audits made by regulators, (4) our consolidated financial statements, and (5) the annual audit report prepared by the external auditors. In addition, the Audit Committee appoints the independent public accounting firm to serve as our external auditors and the Vice-President of Internal Audit, when such position becomes vacant.

The committee met nine times during the fiscal year ended December 31, 2006. As of March 29, 2007, the members of the committee are: Mr. Mario S Belaval, Chair of the Committee, Ms. Carmen Ana Culpeper-Ramírez, Mr. Manuel Figueroa-Collazo, Mr. Vicente J. León-Irizarry, Mr. Miguel A. Nazario-Franco, Ms. Adamina Soto-Martínez and Mr. Manuel Suárez-Méndez. Mr. Belaval and Mr. Suárez-Méndez are not nominees for re-election for the Board of Directors at this Annual Meeting. Following the annual meeting and the election of the nominees, the Board of Directors will revise the composition of the Committee to ensure that it is comprised solely of independent directors.

Mr. Mario S Belaval is a member of the audit committee of more than three Tax Free Funds. The Board of Directors has determined that Mr. Belaval's simultaneous service does not impair his ability to effectively serve on the Audit Committee of the Corporation.

AUDIT COMMITTEE REPORT

The Audit Committee Charter (Charter) establishes that the Audit Committee (Committee) shall consist of five or more members of the Board of Directors of Triple-S Management Corporation. The Board has determined that each member of the Committee is independent. In making this determination, the Board follows the audit committee independence standards set forth in the NYSE's director independence rules. Currently, the Committee is comprised of seven directors all of whom are independent under such standards. The Committee held nine meetings during the year ended December 31, 2006. Form 10-K and Form 10-Q filings were discussed in four of such meetings.

The role of the Committee is to assist the Board in its oversight of our financial reporting process, as well as our internal and external audit processes, independent auditor's qualifications and performance of internal audit function. The Committee also is responsible for the appointment, compensation, retention and oversight of

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independent auditors and the establishment of procedures for complaints. The Committee can communicate directly with the Board and require corrective plans related to findings included in reports submitted by the internal or external auditors, as well as any other matter brought to the attention of the Committee. The Committee operates pursuant to the Charter that was adopted by the Board and ratified on February 20, 2007. A copy of such Charter, as amended, is attached to this proxy statement as Exhibit D.

The Charter states that: (1) the Chair of the Audit Committee shall be appointed by the members of the Committee and (2) the Committee shall appoint the Vice-President of the Internal Audit Office when such position is vacant. The Committee has the resources and authority to discharge its responsibilities, including the authority to engage external auditors for special audits, reviews, and other procedures and to retain special counsel and other experts, consultants, or advisors. The Committee appoints or terminates the engagement of the external auditors and reviews the external auditors' proposed audit scope and approach, including coordination of the audit effort with the Internal Audit Office.

In the performance of its oversight function, the Committee has considered and discussed our audited consolidated financial statements for the fiscal year ended December 31, 2006 with management and KPMG LLP, our external independent registered public accounting firm.

The Committee has also discussed with the external independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees. In addition, the Committee has received the written disclosures and the letter from KPMG LLP required by Independence Standards Board Standard No. 1 (Independence Discussion with Audit Committees), as currently modified or supplemented. The Committee has also considered whether the provision of non-audit services by the independent registered public accounting firm to us is compatible with maintaining the auditors' independence, and has discussed with the independent auditors the auditors' independence from us and our management.

As set forth in the Charter, our management is responsible for: (1) the preparation, presentation, and integrity of our consolidated financial statements, and (2) maintaining appropriate accounting and financial reporting principles, policies, and internal controls and procedures that comply with accounting standards and applicable laws and regulations. Our external independent registered public accounting firm, KPMG LLP, is responsible for auditing our consolidated financial statements and expressing an opinion as to their consistency with generally accepted accounting principles.

The members of the Committee are not employees of Triple-S Management Corporation or any of its subsidiaries. While some of them may be accountants or auditors by profession, the Committee relies on, and makes no independent verification of, the financial or other information presented to it or representations made by management or the independent auditors. Accordingly, the Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles and policies, or internal controls and procedures, designed to achieve compliance with accounting standards, and applicable laws and regulations.

Based on the Committee's consideration of the audited consolidated financial statements and the discussions referred to above with management and the independent registered public accounting firm, and subject to the limitations on the role and responsibilities of the Committee set forth in the Charter and those discussed above, the Committee recommended and the Board approved that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2006 for filing with the SEC.

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Submitted by:

Mario S Belaval, Chair of the Audit Committee

Carmen Ana Culpeper-Ramírez

Manuel Figueroa-Collazo, PE, PhD

Vicente J. León-Irizarry, CPA

Miguel A. Nazario-Franco

Adamina Soto-Martínez, CPA

Manuel Suárez-Méndez, PE

Dated: March 29, 2007

AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Mr. León-Irizarry is the audit committee financial expert as defined by Item 401(h) of Regulation S-K under the Securities Exchange Act of 1934, as amended, and is independent with the NYSE director independence standards. For a brief listing of the relevant experience of the members of the Audit Committee, please see Board of Directors and Standing Committees above.

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EXECUTIVE OFFICERS

The following information sets forth the names of our executive officers, including their age, education and business experience during the past five years and the period during which each such person has served as one of our executive officers.

Ramón M. Ruiz-Comas, CPA (50). Since May 2002, he has served as President and Chief Executive Officer of the Corporation, and as such, has served as a Director on the Board of Directors of the Corporation. Currently, he also serves as a Director of the Board of Directors of Triple-S, Inc., Seguros Triple-S, Inc., Great American Life Assurance Company of Puerto Rico, Interactive Systems, Inc., Triple-C, Inc., and Signature Insurance Agency, Inc. (a wholly owned subsidiary of Seguros Triple-S, Inc.). Mr. Ruiz-Comas served as Executive Vice-President of the Corporation from November 2001 to April 2002 and as Senior Vice-President and Chief Financial Officer of the Corporation from February 1999 to October 2001. He is a Certified Public Accountant (CPA) and a member of the Puerto Rico Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He holds a *Juris Doctor* (JD) degree and a B.B.A. degree with a major in Accounting from the University of Puerto Rico.

Socorro Rivas-Rodríguez, CPA (59). Ms. Rivas has served as President and Chief Executive Officer of Triple-S, Inc. since May 2002. Prior to her appointment as President and Chief Executive Officer, Ms. Rivas served in various positions in Triple-S, Inc., including General Manager and Executive Vice-President of Triple-S, Inc. from 1999 to 2002, and Executive Vice-President from 1990 to 1999, and Director of Internal Audit from 1982 to 1990. She is a