

TRIPLE-S MANAGEMENT CORP

Form DEF 14A

March 18, 2011

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**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**

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement

Definitive proxy statement

Confidential, for Use of
the Commission Only (as
permitted by
Rule 14a-6(e)(2))

Definitive additional materials

Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

TRIPLE-S MANAGEMENT CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than 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 transactions 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 18, 2011

Dear Shareholder:

You are cordially invited to our 2011 Annual Meeting of Shareholders. The meeting will be held on Friday, April 29, 2011, at 9:00 a.m., local time, at the Miramar Room of the Sheraton Puerto Rico Convention Center and Casino Hotel, 200 Convention Boulevard, San Juan, Puerto Rico 00907. This proxy statement describes the matters to be acted upon at the meeting. In addition to voting, we will review the company's major developments of 2010 and answer your questions. I hope that you will participate in this review of our company's business.

We are providing access to our proxy materials over the Internet as permitted by rules of the Securities and Exchange Commission. On or about March 18, 2011, we will mail a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders of record of our class B common stock at the close of business on March 2, 2011, and on or about the same date we will mail shareholders of our class A common stock a printed copy of this proxy statement, our 2010 Annual Report, and a proxy card. On the mailing date of the Notice, all shareholders will have the ability to access all of the proxy materials on a website referred to in the Notice and this proxy statement. If you receive the Notice by mail, you will not receive a paper copy of the proxy materials unless you request one. The Notice will instruct you as to how you may access and review the proxy materials on the Internet and how to cast your vote over the Internet. The Notice also contains instructions in how to request a paper copy of our proxy materials.

It is important that your shares be represented and voted at the meeting. Therefore, we urge you to vote over the Internet or by telephone according to the instructions on the proxy statement and the Notice. As an alternative, if you received a printed copy of the proxy card by mail, you may complete, sign, date and fax the proxy card in accordance with the instructions set forth in the proxy statement, or return the completed proxy card in the postage-paid envelope we have provided.

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

Sincerely,

Luis A. Clavell-Rodríguez, 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 Friday, April 29, 2011

To our Shareholders:

NOTICE IS HEREBY GIVEN that the 2011 Annual Meeting of Shareholders will be held on Friday, April 29, 2011, at 9:00 a.m., local time, at the Miramar Room of the Sheraton Puerto Rico Convention Center Hotel and Casino, 200 Convention Boulevard, San Juan, Puerto Rico 00907.

At the meeting, shareholders will be asked to consider and vote on the following matters:

1. Elect three Group 1 directors to serve for three-year terms;
2. Ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2011;
3. Conduct an advisory vote on the compensation of our named executive officers;
4. Conduct an advisory vote on the frequency of an advisory vote on the compensation of our named executive officers; and
5. Act on any other business that may properly come before the meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on March 2, 2011, the record date for the meeting, are entitled to notice of and to vote at the meeting.

We urge all shareholders to attend the meeting in person or by proxy. Your vote is important no matter how many shares you own. Whether you plan to attend the meeting or not, please vote your shares over the Internet or by telephone as we describe in the accompanying materials and the Notice. As an alternative, if you received a printed copy of the proxy card by mail, you may complete, sign, date and fax the proxy card in accordance with the instructions set forth in the proxy statement, or return the completed proxy card in the postage-paid envelope we have provided. Your prompt response is necessary to ensure that your shares are represented at the meeting. You can change your vote and revoke your proxy at any time before the polls close at the meeting, as explained in the accompanying proxy statement.

By order of the Board of Directors,

Roberto García-Rodríguez
General Counsel and Secretary
San Juan, Puerto Rico
March 18, 2011

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TRIPLE-S MANAGEMENT CORPORATION
P.O. Box 363628
San Juan, Puerto Rico 00936-3628
PROXY STATEMENT
Annual Meeting of Shareholders
April 29, 2011

This proxy statement is being made available to our shareholders in connection with a solicitation of proxies by the Board of Directors of Triple-S Management Corporation (Triple-S Management, the Corporation, we, us, or o for use at the 2011 Annual Meeting of Shareholders and at any adjournment or postponement of the meeting. The meeting will be held on Friday, April 29, 2011, beginning at 9:00 a.m., local time, at the Miramar Room of the Sheraton Puerto Rico Convention Center Hotel and Casino, 200 Convention Boulevard, San Juan, Puerto Rico 00907.

We are furnishing the proxy materials over the Internet under the rules of the Securities and Exchange Commission (SEC). On or about March 18, 2011, we will mail a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders of record of our class B common stock and on or about the same date we will mail shareholders of our class A common stock a printed copy of this proxy statement, our 2010 Annual Report and a proxy card. If you receive the Notice by mail, you will not receive a paper copy of the proxy materials unless you request one. The Notice will instruct you as to how you may access and review the proxy materials on the Internet and how to cast your vote over the Internet or by telephone. The Notice also contains instructions on how to request a paper copy of our proxy materials, free of charge.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on April 29, 2011: This proxy statement, our 2010 Annual Report, the form of proxy and voting instructions are being made available to shareholders on or about March 18, 2011, at www.proxyvote.com. If you receive the Notice and would still like to receive a printed copy of the proxy materials or our 2010 Annual Report, including audited financial statements, for the year ended December 31, 2010, you may request a printed copy by any of the following methods: (a) telephone at 1-800-579-1639; (b) Internet at www.proxyvote.com; or (c) e-mail at sendmaterial@proxyvote.com. Please make the request as instructed above on or before April 17, 2011 to facilitate timely delivery.

All proxies will be voted in accordance with the instructions they contain. If you do not specify your voting instructions on your proxy card with respect to a particular matter, your shares will be voted in accordance with the recommendations of our Board.

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INFORMATION ABOUT VOTING, SOLICITATION AND THE ANNUAL MEETING

Who can vote?

To be able to vote, you must have been a shareholder of record of our common stock at the close of business on March 2, 2011. This date is the record date for the annual meeting. Shareholders of record on the record date are entitled to vote on each proposal at the meeting or any postponement or adjournment of the meeting. As of the close of business on the record date, there were 28,731,829 shares of our common stock outstanding, consisting of 9,042,809 issued and outstanding shares of class A common stock (Class A shares) and 19,689,020 issued and outstanding shares of class B common stock (Class B shares). Class A shares and Class B shares are sometimes referred to collectively in this proxy statement as common stock.

How many votes do I have?

Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on. All shares of each class of our common stock will vote together as a single class on all matters brought before the annual meeting.

How do I vote if I am the shareholder of record of my shares?

If your shares of common stock are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, and not through a broker, bank or other nominee, you are considered the shareholder of record with respect to those shares. We have sent the Notice or the printed proxy materials directly to you. If you are the shareholder of record or record holder of your shares, you may vote in one of the following five ways:

Through the Internet at www.proxyvote.com. You may vote from any location in the world by following the instructions on the Notice or going to the Internet address stated on your proxy card. If you vote through the Internet, you do not need to return a proxy card.

By telephone. You may vote by calling the number on your proxy card. If you receive only the Notice, you may follow the procedures contained in the Notice to request a proxy card. If you vote by telephone, you do not need to return a proxy card.

By fax. You may vote by completing and signing your proxy card and faxing both sides of the completed proxy card to (787) 749-4148. If you receive only the Notice, you may follow the procedures outlined in the Notice to request a proxy card to submit your vote by fax.

By mail. You may vote by completing and signing your proxy card and mailing it in the enclosed postage-prepaid envelope. You do not need to affix a stamp on the enclosed envelope if you mail it in the United States. If you do not have the postage-prepaid envelope, please mail your completed proxy card to the following address: Triple-S Management Corporation c/o Broadridge Financial Solutions, Inc. at 51 Mercedes Way, Edgewood, NY 11717. If you receive only the Notice, you may follow the procedures outlined in the Notice to request a proxy card to submit your vote by mail.

In person. You may vote by attending the annual meeting and voting in person or you may vote by submitting a proxy at the meeting.

The Internet and telephone voting facilities will close at 11:59 p.m. Atlantic Standard Time (Eastern Daylight Time) on April 28, 2011. If you plan to vote by fax or by mail, your proxy card must be received no later than 12:00 p.m. Atlantic Standard Time (Eastern Daylight Time) on April 28, 2011.

In order to ensure that your proxy is voted according to your instructions and avoid delays in ballot taking and counting, we request that you provide your full title when signing a proxy as attorney-in-fact, executor,

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administrator, trustee, guardian, authorized officer of a corporation, or on behalf of a minor. If shares are registered in the name of more than one record holder, all record holders must sign the proxy card.

How do I vote if my shares are held in street name ?

If you hold your shares of common stock in street name you will receive the Notice from your broker, bank or other nominee that includes instructions on how to vote your shares. Your broker, bank or other nominee will allow you to deliver your voting instructions via the Internet and may also permit you to submit your voting instructions by telephone. In addition, you may request paper copies of our proxy statement and proxy card by following the instructions on the Notice provided by your broker, bank or other nominee.

If your shares are held in street name, you must present a legal proxy, issued in your name by your broker, bank or other nominee, to be admitted to the meeting and vote your shares in person.

Can I change or revoke my vote?

Yes. You can change your vote and revoke your proxy at any time before it is voted by:
delivering a written notice of revocation to our Secretary at or before the meeting;

submitting another proxy by telephone or via the Internet;

submitting another proxy by fax or mail;

presenting to our Secretary, before or at the meeting before polls close with respect to a particular matter, a later dated proxy executed by the person who executed the prior proxy; or

voting in person at the meeting.

If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. Attendance at the meeting will not, by itself, revoke a proxy. Any written notice or revocation or delivery of a subsequent proxy by a stockholder of record may be sent to Triple-S Management Corporation, 1441 F.D. Roosevelt Avenue, 6th Floor, San Juan, Puerto Rico 00920, Attention: Secretary, or hand delivered to our Secretary at or before the voting at the annual meeting.

If your shares are held in street name by a broker, bank or other nominee, you must contact that institution to change your vote or, if you intend to be present and vote at the annual meeting, bring the legal proxy issued in your name by such broker, bank or other nominee to the meeting.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of this proxy statement and proxy card. For example, if you hold your Class B shares in more than one brokerage account, you may receive a separate Notice for each brokerage account in which you hold shares. Please vote each proxy card that you receive.

Who may be present at the annual meeting?

Only shareholders of record and beneficial owners with a legal proxy issued in their name by their respective broker, bank or other nominee may be present at the annual meeting. No other person, including those persons accompanying a shareholder, will be allowed at the annual meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the annual meeting.

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What constitutes a quorum for the annual meeting?

In order for business to be conducted at the meeting, a quorum must be present in person or represented by valid proxies at the beginning of the meeting. On the record date, 28,731,829 shares of common stock were issued and outstanding. The presence, in person or by proxy, of one third (1/3) of those shares will constitute a quorum for the meeting. Shares of common stock represented in person or by proxy (including broker non-votes (as discussed below) and shares that abstain or do not vote with respect to a particular proposal) will be treated as shares that are present for purposes of determining whether a quorum exists at the meeting.

Any broker holding shares of record for you is not entitled to vote on certain matters unless the broker receives voting instructions from you, as you are the beneficial owner of the shares. Uninstructed shares, or broker non-votes, result when shares are held by a broker who has not received instructions from the beneficial owner on such matters and the broker has so notified us on a proxy form in accordance with industry practice or has otherwise advised us that the broker lacks voting authority.

We urge you to vote by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough shares will be present for us to hold the annual meeting.

What vote is required to approve each proposal?

Proposal 1 Election of Directors. Our bylaws provide that a nominee must be elected to our Board by the affirmative vote of a majority of the votes cast with respect to such nominee by the shares of common stock entitled to vote and present at the meeting. A majority of votes cast means that the votes cast for the nominee's election exceeds the votes cast against the nominee. Abstentions and broker non-votes will not count as a vote for or against a nominee's election and thus will have no effect in determining whether a director nominee has received a majority of the votes cast. If shareholders do not elect a director nominee who is already serving as a director, Puerto Rico corporation law provides that the director will continue to serve on our Board as a holdover director until his or her successor is elected.

Proposal 2 Ratification of Independent Registered Public Accounting Firm. The approval of Proposal 2 requires the affirmative vote of a majority of the shares of common stock entitled to vote and present at the meeting. Abstentions will have the same effect as a vote against this proposal. The approval of Proposal 2 is a routine proposal on which a broker or other nominee is generally empowered to vote. Accordingly, it is likely that we will not receive broker non-votes as a result of this proposal.

Proposal 3 Advisory Vote on the Compensation of Our Named Executive Officers. The approval of Proposal 3 requires the affirmative vote of a majority of the shares of common stock entitled to vote and present at the meeting. Abstentions will have the same effect as votes against this proposal. Broker non-votes will have no effect on this proposal as brokers are not entitled to vote on proposals related to executive compensation in the absence of voting instructions from the beneficial owner.

Proposal 4 Advisory Vote on the Frequency of An Advisory Vote on the Compensation of Our Named Executive Officers. The approval of Proposal 4 requires the affirmative vote of a majority of the shares of common stock entitled to vote and present at the meeting. Abstentions will have the same effect as votes against this proposal. Broker non-votes will have no effect as brokers are not entitled to vote on proposals related to executive compensation in the absence of voting instructions from the beneficial owner. With respect to this proposal, if none of the frequency alternatives receive a majority vote, we will consider the frequency that receives the highest number of votes by shareholders to be the frequency that has been selected by shareholders. However, because this vote is advisory and not binding on us or our Board in any way, our Board may decide that it is in our and our shareholders' best interests to hold an advisory vote on executive compensation more or less frequently than the alternative approved by our shareholders.

For the vote related to any other item voted upon at the meeting, the affirmative vote of a majority of the shares of common stock entitled to vote and present at the meeting will be required for approval.

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Who will count the votes?

Representatives of Broadridge Financial Solutions, Inc, an independent third party, will act as inspectors of the election and tabulate the votes cast by proxy or in person at the annual meeting.

What are the Board's recommendations?

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our Board. The Board's recommendation for each proposal is set forth below.

Election of Directors (page 7).	The Board recommends a vote FOR each of these directors.
Ratification of the Selection of the Independent Registered Public Accounting Firm (page 11)	The Board recommends a vote FOR this proposal.
Advisory Vote on the Compensation of Our Named Executive Officers (page 12)	The Board recommends a vote FOR this proposal.
Advisory Vote on the Frequency of An Advisory Vote on the Compensation of Our Named Executive Officers (page 14)	The Board recommends a vote for THREE (3) YEARS in this proposal.

With respect to any other matter that properly comes before the meeting (and at any postponement or adjournment thereof), the proxy holders will vote as recommended by our Board or, if no recommendation is given, in their own discretion.

Will any other matters be voted on at this meeting?

We do not know of any other matters that may come before the annual meeting other than as described in the notice of meeting. The chairman of the meeting will declare out of order and disregard any matter not properly presented. However, if any new matter requiring the vote of our shareholders is properly presented before the annual meeting, proxies may be voted with respect thereto at the discretion of the proxy holders.

Where can I find the voting results?

We will report the voting results in a Current Report on Form 8-K within four business days after the end of our annual meeting.

What is the cost of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have engaged two independent contractors, Ms. Iris Pérez and Ms. Ivette Colón, to assist us with the solicitation of proxies for an estimated fee of \$2,500 each. In addition, our directors, officers and employees may solicit proxies in person, by telephone, facsimile or email without additional compensation. We also will reimburse banks, brokers or other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials to shareholders and obtaining their votes.

How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2012 annual meeting of shareholders?

If you are interested in submitting a proposal for inclusion in the proxy statement for the 2012 annual meeting of shareholders, you need to follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act). To be eligible for inclusion, we must receive your shareholder proposal for

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our proxy statement for the 2012 annual meeting of shareholders at our principal corporate offices in San Juan, Puerto Rico at the address below no later than November 23, 2011.

In addition, our bylaws require that we be given advance written notice for nominations for election to our Board of Directors and other matters that shareholders wish to present for action at an annual meeting other than those to be included in our proxy statement under Rule 14a-8. The Secretary must receive such notice at the address noted below not less than 120 days or more than 150 days before the first anniversary of the preceding year's annual meeting. However, if the date of our annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from the anniversary date, then we must receive such notice at the address noted below not later than the close of business on the tenth day after the day on which public disclosure of the meeting was made. Assuming that the 2012 annual meeting is not advanced by more than 30 days nor delayed by more than 60 days from the anniversary date of the 2011 annual meeting, you would need to give us appropriate notice at the address noted below no earlier than November 30, 2011, and no later than December 30, 2011. If a shareholder does not provide timely notice of a nomination or other matters to be presented at the 2012 annual meeting, it will not appear in the notice of meeting.

Our bylaws also specify requirements relating to the content of the notice that shareholders must provide to our Secretary for any matter, including a shareholder proposal or nomination for director, to be properly presented at a shareholder meeting. A copy of the full text of our bylaws is on file with SEC and available on our Internet website, www.triplesmanagement.com.

Any proposals, nominations or notices should be sent to:

Roberto García Rodríguez
General Counsel and Secretary
Triple-S Management Corporation
1441 F.D. Roosevelt Avenue, 6th Floor
San Juan, Puerto Rico 00920

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 at any time before it is voted.

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Our Board is divided into three groups, with one group being elected each year and members of each group holding office for a three-year term. Our Board currently consists of thirteen members, three of whom are Group 1 directors (with terms expiring at the 2011 annual meeting), four of whom are Group 2 directors (with terms expiring at the 2012 annual meeting), and four of whom are Group 3 directors (with terms expiring at the 2013 annual meeting). The president and chief executive officer is an *ex-officio* member of our Board and is excluded from the three director groups. At the annual meeting, shareholders will have an opportunity to vote for three (3) nominees to serve as Group 1 directors until the 2015 annual meeting or until his/her successor is elected or qualified. The affirmative vote of a majority of the total number of votes cast at the meeting is required to elect each nominee.

The persons named as proxies in the proxy card will vote for each of these nominees unless you instruct otherwise on the proxy card. Each nominee has indicated his/her willingness to serve, if elected. However, if any or all of the nominees should be unable or unwilling to serve, the proxies may be voted for a substitute nominee designated by our Board or our Board may reduce the number of directors. We have no knowledge that any nominee will become unavailable for election.

Director Qualifications

The following paragraphs provide information as of the date of this proxy statement about each nominee and director. The information presented includes information the nominees and directors have given us about their age, all positions held, their principal occupation, business experience and directorships (including positions held in our Board's committees) for the past five years. In addition to the information presented below regarding each nominee's and director's specific experience, qualifications, attributes and skills that led our Board to the conclusion that the nominees and directors should serve as members of the Board, we also believe that all of our nominees and directors have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to us and our Board, which taken as a whole, enable the Board to satisfy its oversight responsibilities in light of our business and structure.

Information about the number of shares of common stock beneficially owned by each director appears below under the heading Security Ownership of Certain Beneficial Owners and Management. See also Other Relationships, Transactions and Events. There are no family relationships among any of our directors and executive officers.

Nominees for Election

Our Board has nominated the following candidates for election as directors and recommends a vote FOR each of the nominees.

Adamina Soto-Martínez, CPA, *Director since 2002*. Ms. Soto-Martínez, age 63, is a Certified Public Accountant and a founding partner of the accounting firm of Kevane Grant Thornton, LLP, where she worked from 1975 until her retirement in October 2009. She was the managing partner of the firm during the last sixteen years of her professional career. She is the chairwoman of the Board's Compensation Committee and a member of the Audit Committee and the Executive Committee. We believe Ms. Soto-Martínez's qualifications to sit on our Board of Directors include her profound knowledge of public and financial accounting, audit and business advisory matters as a result of over 30 years experience advising complex business organizations.

Jorge L. Fuentes-Benejam, PE, *Director since April 2008*. Mr. Fuentes-Benejam, age 62, was chairman of the board, president and chief executive officer from 1986 until 2010, and is currently chairman and CEO, of Gabriel Fuentes Jr. Construction Co. Inc, a heavy and marine construction business, and of Fuentes Concrete Pile Co. Inc., a precast concrete pile manufacturing business, and related entities. He is a member of the Board's Compensation Committee and the Investment and Finance Committee. Currently, Mr. Fuentes-Benejam is a member of the board of trustees of Interamerican University, Puerto Rico's largest private university. We believe Mr. Fuentes-Benejam's qualifications to sit on our Board include his knowledge of the Puerto Rico business

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environment, particularly in the construction industry one of the key industries we serve as well as his management and board experience, which includes serving as a director on the board of a publicly traded company (Puerto Rican Cement Company, Inc.) for eighteen years, as chairperson of its compensation committee, and as a director of a Puerto Rico bank.

Francisco Toñarely-Barreto. Mr. Toñarely, age 53, is chief executive officer of Stock Spirits Group USA, Inc., a spirits production and distribution company, and president of BrandEquity, a visual marketing and brand communications firm. From 2000 to 2002, he was the vice president for the Global Marketing Tequila Group for Seagram Spirits and Wine Group. From 1994 to 1996, and from 1993 to 1994, he was vice president of marketing for Bacardi International for Latin America and Spain. Also, from 1986 to 1993, he was marketing director of Latin America, Caribbean and Puerto Rico for Pepsi-Cola International. He has particular expertise in brand strategy development, brand introductions, product development and innovation, and domestic and international marketing. We believe Mr. Toñarely qualifications to sit on our Board include his 30 years of experience in marketing and international markets.

We believe these three nominees have particular skills and characteristics that complement those already represented in the Board. Ms. Soto-Martínez has extensive audit and financial expertise. Her experience as an audit and accounting professional within the banking, financial, and advertising industries, including for-profit and not-for-profit organizations, enable her to provide expert financial guidance and oversight to the Board and the Corporation. Mr. Fuentes-Benejam has extensive expertise in the construction and real estate industries. He also has extensive service as a board member in a publicly traded company. Mr. Toñarely has international expertise in sales and marketing through his career in the retail industry. He has led multiple efforts related to introduction of products to new markets and ventures to capitalize on regional opportunities. Mr. Toñarely's experience will provide valuable insight to the Board and the Corporation on matters related to our growth-oriented strategies. We encourage our shareholders to read the Director Nominations Process section of this proxy, at page 17, for further details.

Directors Continuing in Office

Group 2 Directors (Terms Expire at the 2012 annual meeting)

Luis A. Clavell-Rodríguez, MD, *Chairman of the Board of Directors, Director since 2006.*

Dr. Clavell-Rodríguez, age 59, is chief medical officer and president of the Professional Board at San Jorge Children's Hospital in San Juan, Puerto Rico. He is the principal investigator for the Children's Oncology Group and the Dana Farber Acute Lymphoblastic Leukemia Consortium at said institution. He was a professor of pediatrics and pathology from 1980 to 1994, and director of pediatric hematology oncology from 1984 to 1994, at the University of Puerto Rico School of Medicine. He has particular expertise in clinical investigation. He is the chairman of the Board's Executive Committee and member of the Investment and Finance Committee. We believe Dr. Clavell-Rodríguez's qualifications to sit on our Board include his 30 years of experience as a medical doctor and medical service provider, and his successful record of leadership during 20 years as an administrator of medical facilities and related organizations, which are valuable experiences given our managed care business.

Vicente J. León-Irizarry, CPA, *Vice-Chairman of the Board of Directors, Director since 2000.*

Mr. León-Irizarry, age 72, is a Certified Public Accountant and has over 40 years of experience in providing accounting, audit and business advisory services. He was with KPMG from 1977 until his retirement in 1998, and while there, was the partner in charge of rendering audit and advisory services to us for 10 years. He is the chairman of the Board's Audit Committee and a member of the Corporate Governance and Nominations Committee and the Executive Committee. Since February 2008, he has been a member of the board of directors of the UBS Puerto Rico Tax Free Family of Funds. He worked as a 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, and from 2001 until the present. We believe Mr. León-Irizarry's qualifications to sit on our Board include his prior experience rendering services to us, financial expertise, and extensive experience providing audit, management advisory services, and financial and accounting services to complex organizations, including insurance companies. These qualifications make him particularly suited to be the Chairman of our Audit Committee.

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Jesús R. Sánchez-Colón, DMD, *Director since 2000*. Dr. Sánchez-Colón, age 55, is currently the Assistant Secretary of our Board and chairman of the board of directors of our principal operating subsidiary, Triple-S Salud, Inc. He is a dentist in private practice since 1982. He currently serves as chairman of the board of directors of B. Fernández & Hermanos, Inc., a corporation dedicated to the importation and distribution of grocery products and liquors for the retail and food service trade in Puerto Rico, and is a member of the board of directors of B. Fernández Holding Co. since 2007 and of Pan Pepin, Inc. since 2006. He was chairman of the board of directors of Delta Dental Plan of Puerto Rico from 1997 to 2000. He is a member of the Board's Executive Committee. We believe Dr. Sánchez-Colón's qualifications to sit on our Board include his 28 years of experience as a medical doctor, his service on the boards of other privately-owned companies and his executive experience in business and the insurance industry.

Jaime Morgan-Stubbe, Esq., *Director since May 2007*. Mr. Morgan-Stubbe, age 52, has been the president of Palmas del Mar Properties, Inc., a real estate and resort development company and owner of the largest master planned residential-resort community in Puerto Rico, since 2000. Palmas del Mar Properties is a subsidiary of Maxxam, Inc., a publicly traded company. He is a member of the Board's Corporate Governance and Nominations Committee. From 1993 to 1999, he was director of the Puerto Rico Economic Development Administration, president of the Puerto Rico Industrial Development Company, and executive director of the Puerto Rico Maritime Shipping Authority. He was also an *ex-officio* member of the boards of directors of several Puerto Rico government entities dedicated to the economic development of Puerto Rico. From 1983 to 1993, Mr. Morgan-Stubbe was engaged in the practice of law concentrating in insurance, corporate, real estate and tax. We believe Mr. Morgan-Stubbe's qualifications to sit on our Board of Directors include his experience managing complex transactions, corporate financing, and governmental organizations, his knowledge of the Puerto Rico public sector and his executive leadership, management and legal experience.

Group 3 Directors (Terms Expire at the 2013 annual meeting)

Carmen Ana Culpeper-Ramírez, *Director since 2004*. Ms. Culpeper, age 65, owns and manages an independent management consulting practice. She is a member of the Board's Investment and Finance Committee and the Audit Committee and chairs the board of directors of our property and casualty subsidiary. From 2007 to 2009, Ms. Culpeper was employed by BBVA Securities in Puerto Rico. She was District Director for the Puerto Rico and the Virgin Islands of the Small Business Administration from 2004 to 2007. She also served as vice president of Citibank Latin America Investment Bank Division in New York from 1985 to 1988. Ms. Culpeper served on the boards and audit committees of Santander BanCorp and Centennial Communications Corporation, which were both publicly traded companies, from 2000 to 2003. As president of the Puerto Rico Telephone Company, from 1997 to 1999, she oversaw the company's privatization. We believe Ms. Culpeper's qualifications to sit on our Board include her extensive experience as a CEO and as a business consultant, and her knowledge of organizational restructuring, international financial management, regulatory compliance, acquisitions and divestitures and marketing strategies for complex organizations.

Manuel Figueroa-Collazo, PE, PhD, *Director since 2004*. Mr. Figueroa-Collazo, age 55, is the president of VERNET, Inc., an educational software development company, since 1999. He is a member of the Board's Compensation Committee and Corporate Governance and Nominations Committee. He has fifteen years of experience in senior management positions and over twenty-five years of exposure at all management levels in the information and telecommunications industries. He was CEO for Lucent Technologies, Mexico and a department head at AT&T Bell Laboratories. We believe that Mr. Figueroa-Collazo's qualifications to sit on our Board include his experience in leading complex technology enterprises, which provides the Board with valuable knowledge of information technology, which is critical to our business. Drawing from that experience, he brings a unique perspective to our Board.

Antonio F. Faría-Soto, *Director since May 2007*. Mr. Faría-Soto, age 62, was chairman of the board of directors and CEO of Doral Bank, the main operating subsidiary of Doral Financial Corporation, a publicly traded company, and president of Doral Money, a subsidiary of Doral Bank, from 2005 to 2006. He is the chairman of the Board's Investment and Finance Committee and a member of the Audit Committee and the Executive Committee. From 2003 to 2004, he was president of the Government Development Bank for Puerto Rico and served as an *ex-officio* member

of the boards of directors of several government entities dedicated to the economic development of Puerto Rico. From 2002 to 2003, he served as president of the Economic Development Bank for Puerto Rico and

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from 2001 to 2002 he was Commissioner of the Office of Financial Institutions of Puerto Rico. Before serving as Commissioner, he worked for over 20 years in various senior positions within the commercial and investment banking industries, with responsibilities that covered countries in Central and South America. We believe that Mr. Faría-Soto's qualifications to sit on our Board include his significant experience in the management and regulation of financial institutions, his knowledge about financial affairs and his executive leadership.

Juan E. Rodríguez-Díaz, Esq., *Director since December 2004*. Mr. Rodríguez-Díaz, age 69, is a commercial, corporate and tax attorney admitted to the practice of law in Puerto Rico and New York who currently works as senior and managing partner of Totti & Rodríguez Díaz in San Juan, Puerto Rico. He is the chairman of the board of directors of our life insurance subsidiary, chairman of the Board's Corporate Governance and Nominations Committee and member of the Executive Committee. He currently serves as a member of the boards of directors of Vassallo International Group, Inc., Vassallo Research and Development, Inc., Luis Ayala Colón Sucrs., Inc. and the Government Development Bank for Puerto Rico (including certain of its subsidiaries and affiliates). We believe that Mr. Rodríguez Díaz's experience as a corporate and commercial attorney and his overall knowledge in corporate and business affairs gives him unique insight with respect to the challenges and opportunities involved in negotiating our future acquisitions.

Management Director (Ex-Officio)

Ramón M. Ruiz-Comas, CPA, *Chief Executive Officer and President, Director since May 2002*.

Mr. Ruiz-Comas, age 54, has served as our president and chief executive officer since May 2002. Mr. Ruiz-Comas served as our executive vice president from November 2001 to April 2002 and as our senior vice president and chief financial officer from February 1999 to October 2001. From 1995 to 1999, Mr. Ruiz-Comas served as our managed care subsidiary's senior vice president of finance and from 1990 to 1995 he was its vice president of finance. We believe Mr. Ruiz-Comas's qualifications to sit on our Board include his 32 years of experience in the insurance industry, his various leadership executive positions at the Corporation and his extensive experience in financial and accounting matters.

Pursuant to our articles of incorporation, Mr. Ruiz-Comas is a director of the Corporation by virtue of being our president and chief executive officer. Mr. Ruiz-Comas is not included in the three groups into which our Board is divided. As an *ex-officio* director, Mr. Ruiz-Comas's membership in our Board is not subject to shareholder approval and the shareholders may not remove him from office while he is our president and chief executive officer.

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**PROPOSAL 2 RATIFICATION OF THE SELECTION OF
THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has selected PricewaterhouseCoopers as our independent registered public accounting firm for 2011, and our Board is asking shareholders to ratify that selection. Although current law, rules, and regulation, as well as the charter of the Audit Committee, require the Audit Committee to engage, retain, and supervise our independent registered public accounting firm, our Board considers the selection of the independent registered public accounting firm to be an important matter of shareholder concern and is submitting the selection of PricewaterhouseCoopers for ratification by shareholders as a matter of good corporate practice. If shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and those of our shareholders. Representatives of PricewaterhouseCoopers are expected to attend the annual meeting and will be given an opportunity to make a statement if so desired and to respond to appropriate questions.

The affirmative vote of a majority of the total number of votes entitled to vote and present at the meeting is required to approve the ratification of the selection of PricewaterhouseCoopers as the Corporation's independent registered public accounting firm for 2011.

Our Board of Directors recommends a vote FOR the proposal.

Independent Registered Public Accounting Firm Fees and Other Matters

The following is a description of the fees we paid or accrued for the professional services rendered by PricewaterhouseCoopers for the years ended December 31, 2010 and 2009:

Audit Fees. The aggregate fees we paid or accrued for professional services rendered by PricewaterhouseCoopers for the audit of our annual financial statements, and for the reviews of the financial statements included in our quarterly reports on Form 10-Q, as of and for the years ended December 31, 2010 and 2009 were \$1,071,000 and \$1,053,000, respectively.

Audit-Related Fees. The aggregate fees we paid or accrued for professional services rendered by PricewaterhouseCoopers as of and for the years ended December 31, 2010 and 2009 were \$179,000 and \$273,968, respectively. The 2010 and 2009 fees were related to procedures performed for two SAS 70 audits. The 2010 fees include \$50,000 related to additional work performed by PricewaterhouseCoopers which were invoiced after our submission of last year's proxy. Additional fees in 2009 also include due diligence work.

Tax Fees. The aggregate fees we paid or accrued for professional services rendered by PricewaterhouseCoopers as of and for the years ended December 31, 2010 and 2009 for tax compliance, tax advice or tax consulting were \$28,275 and \$70,000, respectively.

All Other Fees. The aggregate fees we paid or accrued for professional services rendered by PricewaterhouseCoopers other than those previously reported as of and for the year ended December 31, 2010 and 2009, were \$50,000 and \$0, respectively. The 2010 fees corresponded to Agreed Upon Procedures and an internal investigation.

Pre-Approval Policies and Procedures

All auditing services and non-audit services must be pre-approved by the Audit Committee. Pre-approval is not required for non-audit services if: (1) the aggregate dollar value of such services does not exceed five percent of the total fees paid by the Corporation to the external auditors during the fiscal year in which the non-audit services are provided, (2) such services were not recognized by the Corporation at the time of the engagement to be non-audit services, and (3) such services are promptly brought to the attention of and approved by the Audit Committee prior to the completion of the audit. All audit and non-audit services were approved by the Audit Committee.

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**PROPOSAL 3 ADVISORY VOTE ON THE COMPENSATION
OF OUR NAMED EXECUTIVE OFFICERS (SAY-ON-PAY VOTE)**

Background

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) enables our shareholders to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers (Named Executive Officers or NEOs) as disclosed in this proxy statement in accordance with the SEC's rules.

Summary

We are asking our shareholders to provide advisory approval of the compensation of our Named Executive Officers (which consist of our chief executive officer, chief financial officer, our other three highest paid executives and a former executive officer), as such compensation is described in the Compensation Disclosure section of this proxy statement. Our executive compensation programs are designed to enable us to attract, motivate and retain executive talent, who are critical to our success. The following is a summary of some of the key points of our executive compensation program. We urge our shareholders to review the information in Compensation Disclosure Compensation Discussion and Analysis of this proxy statement and executive-related compensation tables for more information.

We provide competitive pay opportunities that reflect best practices and compare our total executive compensation with total compensation levels for equivalent positions at companies similar in size and complexity to ours. See page 29 of this proxy statement under the heading *Determining Executive Compensation*. The Compensation Committee periodically reviews our executive compensation program to ensure that total compensation which includes base salary, short and long-term variable pay opportunities, benefits and perquisites is generally between the 25th and 50th percentile of the comparable group of companies, and that a significant percentage of total compensation is delivered in the form of incentive compensation. Our performance-based bonus program, which focuses on profitably increasing our revenues, rewards short-term performance. Our equity awards, mainly in the form of performance shares, align the interests of management with those of our shareholders by rewarding long-term performance. Our 2011 equity award program specifically promotes a high performance culture by providing 75% of the equity award value in the form of performance shares and the remaining 25% in the form of restricted stock. This emphasis on long-term risk-based pay aligns the interests of our executives with those of our stockholders and promotes long-term retention.

We are committed to having strong governance standards with respect to our compensation program, procedures and practices. As part of its commitment to strong corporate governance and best practices, our Compensation Committee has retained an independent compensation consultant and has incorporated compensation analytical tools as part of its annual executive compensation review. In addition, our Compensation Committee has implemented claw-back provisions, stock ownership guidelines, an equity award grant policy, stock option exercise procedures, and an annual process to assess the risks related to our company-wide compensation programs.

Recommendation

Our board believes that the information provided above and within the Compensation Disclosure section of this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure that management's interests are aligned with our shareholders' interests and support long-term value creation.

We are presenting the following proposal, which gives you as a shareholder the opportunity to endorse or not endorse our executive compensation program:

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of our named executive officers, as disclosed in Compensation Disclosure Compensation Discussion and Analysis, the compensation tables and the narrative discussion contained in our 2011 proxy statement.

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While our Board intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature. Our shareholders' vote will not overrule any decision made by our Board nor require the Board to take any action. However, we will take into account the outcome of the vote when considering future executive compensation decisions for Named Executive Officers.

Our Board recommends a vote FOR the proposal.

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**PROPOSAL 4 ADVISORY VOTE ON THE FREQUENCY
OF AN ADVISORY VOTE ON THE COMPENSATION OF
OUR NAMED EXECUTIVE OFFICERS (FREQUENCY VOTE)**

Background

The Dodd-Frank Act also enables our shareholders to indicate how frequently they believe we should seek an advisory Say-On-Pay Vote. Accordingly, we are seeking an advisory determination from our shareholders as to the frequency with which we should present a Say-On-Pay Vote to the shareholders. We are providing shareholders the option of selecting a frequency of three, two or one years, or abstaining.

For the reasons described below, our Board recommends that our shareholders select a frequency of three years.

A triennial approach provides regular input by shareholders, while allowing shareholders to better judge our compensation programs in relation to our long-term performance. This benefits our institutional and other shareholders, who have historically held our stock over the long-term.

Our executive compensation program is designed to operate over the long-term and is designed to support long-term value creation.

A triennial vote will provide our Compensation Committee and our Board sufficient time to thoughtfully evaluate the results of the most recent advisory vote on executive compensation, discuss the implications of the vote with our shareholders and develop and implement any changes to our executive compensation program that may be appropriate in light of the vote. A triennial vote will also allow for these changes to our executive compensation program to be in place long enough for shareholders to see and evaluate the effectiveness of these changes.

The composition and level of compensation paid to executives in the market evolves over multiple years. A triennial approach will allow us to review evolving practices in the market to ensure our compensation programs reflect best practices.

We have in the past been, and will in the future continue to be, engaged with our shareholders on a number of topics and in a number of forums. Thus, we view the advisory vote on executive compensation as an additional, but not exclusive, opportunity for our shareholders to communicate with us regarding their views on our executive compensation program.

Recommendation

The following resolution will be submitted for a shareholder vote at the annual meeting:

RESOLVED, that an advisory shareholder vote to approve the compensation paid to our named executive officers, as disclosed in our Proxy Statement, be submitted to our shareholders every: (i) three years, (ii) two years, or (iii) one year.

The Frequency Vote is advisory, and therefore not binding on us, the Compensation Committee or our Board. Shareholders are not being asked to approve or disapprove the board's recommendation, but rather to indicate their own choice as among the frequency options.

Our Board recommends that you vote for every THREE YEARS as the frequency for an advisory vote on executive compensation.

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CORPORATE GOVERNANCE

General

We believe good corporate governance ensures that we are managed for the long-term benefit of our shareholders. We periodically review our corporate governance policies and practices and compare them to those suggested by various authorities in corporate governance and the practices of other public companies. As a result, our Board has adopted policies and procedures that we believe are in our best interests and those of our shareholders, including corporate governance guidelines, charters for the standing committees of the Board, director independence standards and a code of business conduct and ethics. The code of business conduct and ethics applies to our employees, agents, independent contractors, consultants, officers and directors. Any waiver of the code of business conduct and ethics may be made only by our Board and will be promptly disclosed as required by law or stock exchange regulations. Our Board has not granted any waivers to the code of business conduct and ethics.

You can access additional corporate governance information as well as all the documents listed above on our website www.triplesmanagement.com in the Governance Documents section under Corporate Governance. Copies of these documents are also available to shareholders in print form at no charge by sending a request to Ms. Eileen Perez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628, or by calling (787) 749-4025.

Independence of Directors

Our director independence standards conform to those required by the NYSE. Under these standards, a director qualifies as independent if our Board affirmatively determines that the director has no material relationship with us other than as a director. In assessing whether a director has a material relationship with us (directly or as a partner, shareholder or officer of an organization that has a relationship with us), the Board uses the criteria outlined in Section 303A.02 of the NYSE Listed Company Manual. For relationships not covered by the NYSE guidelines, the determination of whether a material relationship exists is made by the members of our Board who are independent under said guidelines. Our Board has reviewed the relationships between us, including our subsidiaries or affiliates, and each board member (and each such director's immediate family members).

The Board has affirmatively determined that all the directors are independent other than Messrs. Clavell-Rodríguez, Hawayek-Alemañy, Sánchez-Colón, all of who receive compensation from Triple-S Salud, Inc. (TSI) for services as healthcare providers, and Mr. Ruiz-Comas, whom is our president and chief executive officer. Each of the independent directors has no relationship with us, other than any relationship that is categorically not material under the guidelines indicated above and other than as disclosed in this proxy statement under

Compensation Disclosure Director Compensation and Other Relationships, Transactions and Events. The Board has determined that the relationships described in this proxy statement do not preclude a determination of independence because the amounts involved reflect customary fees for the services rendered, are not material and will not impair the applicable director's ability to render independent judgment.

Board of Directors Meetings and Committees

The Board has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The Board's primary responsibility is to oversee our management and, in so doing, serve our and our shareholders' best interests. The Board selects, evaluates and provides for the succession of executive officers, nominates individuals to serve as directors of the Corporation for election at annual shareholder meetings and elects individuals to fill any vacancies on the Board. It reviews and approves corporate objectives and strategies, evaluates significant policies and proposed major commitments of corporate resources, and participates in decisions that have a potential major economic impact on us. Management keeps the directors informed of our activity through regular written reports and presentations at Board and committee meetings.

The Board met fourteen times in 2010. During 2010, each of the incumbent directors serving in 2010 attended at least 75% of meetings of the Board held when he or she was a member. Directors are also kept informed of our business through personal meetings and other communications, including considerable telephone contact with

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our Chairman of the Board, Vice Chairman of the Board and others regarding matters of interest and concern to us and our stockholders. Mr. Ruiz-Comas is the only director who is also an employee. He does not participate in any board or committee meeting at which his compensation is evaluated. Pursuant to Blue Cross Blue Shield Association (BCBSA) and NYSE requirements, neither non-independent directors nor our officers and employees, including those of our subsidiaries, are members of the Compensation, Audit or Corporate Governance and Nominations Committees.

While we encourage directors to attend our annual meeting of shareholders, we have not adopted a formal policy requiring director attendance at the annual meeting of shareholders. All of our then current members of the Board, except for Mr. Figueroa-Collazo, attended our 2010 annual meeting of shareholders.

Non-management directors meet regularly in executive sessions without management. Non-management directors are all our Board members who are not our officers and include directors, if any, who are not independent by virtue of the existence of a material relationship with us. It our Board's policy that the Chairman of the Board preside over these executive sessions, which are typically held in conjunction with each regularly scheduled meeting of our Board. Our independent directors also meet regularly in executive sessions without management or directors who are not independent. It is our Board's policy that the Vice Chairman of the Board, an independent director, preside over these executive sessions.

Our Board has the following standing committees: Audit, Compensation, Corporate Governance and Nominations, Investment and Finance, and Executive. The specific functions and responsibilities of each committee are set forth in its charter, which has been approved by the Board. Each committee must review the appropriateness of its charter and perform a self-evaluation at least annually. Current copies of the charters of the Audit, Compensation and Corporate Governance and Nominations Committees are available to shareholders on our website www.triplesmanagement.com in the Governance Documents section under Corporate Governance.

Audit Committee

The members of our Audit Committee are Messrs. León-Irizarry (chair) and Faría-Soto and Misses Culpeper-Ramírez and Soto-Martínez. The Board has determined that Mr. León-Irizarry and Ms. Soto-Martínez qualify as audit committee financial experts under the rules of the SEC. All members of the Audit Committee have been determined by the Board to be independent under the NYSE guidelines and Rule 10A-3(b)(1) of the Exchange Act. In addition, our Board has determined that each member of the Audit Committee is financially literate and has accounting and/or related financial management expertise as required under the rules of the NYSE. None of the committee members serves on the audit committee of another public company. The Audit Committee has the authority to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Corporation. The Audit Committee is empowered, without further action by the Board, to cause us to pay the compensation of such advisors as established by the Audit Committee.

The Audit Committee retained the legal services of Pietrantoní Méndez & Alvarez LLP for a specific engagement during 2010. The Audit Committee met twelve times during 2010 and each member attended at least 75% of the total meetings of the committee held when he or she was a member. The responsibilities of our Audit Committee and its activities during 2010 are described in the Audit Committee Report contained in this proxy statement.

Compensation Committee

The members of our Compensation Committee are Ms. Soto-Martínez (chair) and Messrs. Fuentes-Benejam, Muñoz-Zayas and Figueroa-Collazo. The Board has determined that each member of the committee is independent under the NYSE guidelines. The Compensation Committee evaluates and sets the compensation of our president and chief executive officer and our other Named Executive Officers, and makes recommendations to our Board regarding the compensation of our directors. The Compensation Committee also evaluates the policies, program design and structure of, and reviews and approves annual performance objectives relevant to, the compensation of other executive officers of the Corporation. The Committee oversees the administration of and compliance with the Corporation's incentive compensation and equity-based plans, and makes recommendations to

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the Board with respect to awards under such plans. The Compensation Committee has the authority to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Corporation. The Compensation Committee is empowered, without further action by the Board, to cause the Corporation to pay the compensation of such advisors as established by the Compensation Committee.

The Compensation Committee retained Frederic W. Cook & Co., Inc. (Cook & Co.), an independent compensation consultant, during 2010. For 2010, the compensation consultant provided the Compensation Committee with market survey data, advice regarding competitive levels of executive base salaries, annual performance incentive awards, annual equity awards and executive benefits; a comprehensive review of our executive compensation strategy; a thorough assessment of our compensation policies and practices to determine whether any risks arising from such policies and procedures are reasonably likely to have a material adverse effect on us, and support for preparation of our disclosure in this proxy statement. The Compensation Committee also engaged the legal services of Pietrantoní Méndez & Alvarez LLP during 2010.

Our Compensation Committee held nine meetings during 2010 and each member attended at least 75% of the total meetings of the committee held when he or she was a member.

The responsibilities of our Compensation Committee and its activities during 2010 are described in Compensation Disclosure Compensation Discussion and Analysis below.

Corporate Governance and Nominations Committee

The members of our Corporate Governance and Nominations Committee are Messrs. Rodríguez-Díaz (chair), León-Irizarry, Morgan-Stubbe and Figueroa-Collazo. The Board has determined that each member of the Committee is independent under the NYSE guidelines. The purpose of the Corporate Governance and Nominations Committee is to identify individuals qualified to become Board members consistent with criteria approved by the Board, recommend to the Board the persons to be nominated by the Board for election as directors at any meeting of shareholders, develop and recommend to the Board a set of corporate governance principles and oversee the evaluation of the Board. The responsibilities of the Corporate Governance and Nominations Committee also include oversight of the Board's annual review of succession planning with respect to senior executives and oversight of our code of business conduct and ethics. The Corporate Governance and Nominations Committee has the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Corporation. The Committee is empowered, without further action by the Board, to cause the Corporation to pay the compensation of such advisors as established by the Committee. The Committee did not retain any such advisors during 2010.

Our Corporate Governance and Nominations Committee held eleven meetings during 2010 and each member attended at least 75% of the total meetings of the Committee held when he or she was a member. For information relating to nominations of directors by our shareholders, see Director Nominations Process below.

Director Nominations Process. As part of the nominations process, the Corporate Governance and Nominations Committee is responsible for determining the appropriate skills and characteristics required of new Board members in light of the current Board composition and identifying qualified candidates for Board membership. The process followed by the Corporate Governance and Nominations Committee to identify and evaluate candidates includes requests to Board members, senior management and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Corporate Governance and Nominations Committee and the Board.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, the Corporate Governance and Nominations Committee applies the criteria set forth in our Corporate Governance Guidelines. Generally, the committee verifies that the selected individuals possess the following specific qualities or skills: experience or relevant knowledge, time availability and commitment, good reputation, analytical thinking, ability to work as a team, independent judgment, and ability to verbalize and present ideas in a rational and eloquent fashion. The Corporate Governance and Nominations Committee does not assign

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specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. This process also takes into consideration our strategies, the annual peer and self-evaluations of each director and the fit between candidates' qualifications and our needs. The aim is to assemble a board that is strong in its collective knowledge and consists of individuals who possess a variety of complementary attributes, which taken together, serve the Corporation and its shareholders well.

Shareholders may recommend individuals for the Corporate Governance and Nominations Committee to consider as potential director candidates in the Board's slate of nominees by submitting their names and background to Triple-S Management Corporation, Corporate Governance and Nominations Committee, at Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628. The Corporate Governance and Nominations Committee will review the qualifications of recommended candidates if appropriate biographical information and background material is provided on a timely basis. Its evaluation of such candidates will follow the same process, and apply the same criteria, as for director candidates submitted by Board members, senior management or others. If the Board decides to nominate a shareholder-recommended candidate and recommends his or her election as a director by the shareholders, the name will be included in our proxy card for the shareholders' meeting at which his or her election is recommended.

Shareholders also have the right to directly nominate director candidates, without any action or recommendation on the part of the Corporate Governance and Nominations Committee or the Board, by following the procedures set forth in Triple-S Management's bylaws and described in the response to the question **How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2012 annual meeting?** in the *Information About Voting, Solicitation and the Annual Meeting* section of this proxy statement.

Criteria and Diversity. In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by shareholders, the Corporate Governance and Nominations Committee, in accordance with the Board's diversity policy, will review certain criteria to ensure we benefit from a broad diversity of director experience, thoughts, viewpoints and backgrounds. These criteria include the candidate's possession of competencies related to financial, legal, management, human resources, health care, insurance, and technology expertise. The Corporate Governance and Nominations Committee will also consider a candidate's integrity, business acumen, age, experience, commitment, diligence, conflicts of interest and the ability to act in the interests of all shareholders. Our Corporate Governance and Nominations Committee recognizes the value of diversity on the Board and carefully considers the Board's diversity in the director identification and nomination process. The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

The Board is responsible for the final approval of new director candidates, as well as the nomination of existing directors for reelection.

Investment and Finance Committee

The Investment and Finance Committee oversees and provides advice and guidance to the Board regarding our investment and corporate finance transactions, management, policies and guidelines. The committee also reviews investment performance, investment risk management exposure, and our capital structure. The committee is responsible for the overall strategic direction and review of our investment and financing activities. In 2010, this committee met eleven times and each member attended at least 75% of the total meetings of the committee held when he or she was a member. The members of the Investment and Finance Committee are Mr. Faría-Soto, Ms. Culpeper-Ramírez, Mr. Fuentes-Benejam, and Dr. Hawayek-Alemañy.

Executive Committee

The purpose of the Executive Committee is to assist the Board in discharging its duties between meetings of the Board, especially when timing is critical. The Executive Committee reviews material policy, strategic and

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emerging issues of the Corporation, and has the authority to transact administrative matters on behalf of the Board. This committee met ten times during 2010 and each member attended at least 75% of the total meetings of the committee held when he or she was a member. The members of the Executive Committee are Dr. Clavell-Rodríguez (chair), Mr. León-Irizarry, Mr. Rodríguez-Díaz, Dr. Sánchez-Colón, Mr. Faría-Soto, and Ms. Soto-Martínez.

Board Leadership Structure

We separate the roles of president and chief executive officer and chairman of the Board in recognition of the differences between the two roles. The president and chief executive officer is responsible for establishing our strategic direction and overseeing our day to day leadership and performance, while the chairman of the Board provides guidance to the president and chief executive officer and sets the agenda for Board meetings and presides over meetings of the full Board and executive sessions of non-management directors. The Board believes that it is not necessary or appropriate in serving our best interest to designate a lead director, and the chairperson, chief executive officer and Board as a whole are free to call upon any director to provide leadership in a given situation; however, because Dr. Clavell-Rodríguez, our chairman, is not independent, our Board has appointed the vice chairman of our Board, Mr. León-Irizarry, as presiding director at all executive sessions of independent directors. The Board holds executive sessions at least once a year.

Risk Oversight

The Board has an active role, as a whole and through its committees, in overseeing management of our risks. In particular, the Audit Committee oversees management of financial risks and our policies with respect to risk assessment and management. The Corporate Governance and Nominations Committee annually reviews our corporate governance guidelines and their implementation, including risks associated with director independence and potential conflicts of interest, and also oversees compliance with our code of business conduct and ethics. The Compensation Committee oversees the management of risks relating to our executive compensation structure. Our Investment and Finance Committee oversees risks related to our investment policy, financial strategies, and corporate acquisitions. While each of these committees is responsible for evaluating and overseeing the management of certain risks, the entire Board is regularly informed about such risks through committee reports. The Board also receives regular reports from members of senior management regarding areas of material risk to us, including operational, financial, legal, regulatory, strategic and reputational risks, and annually reviews our strategic plan which addresses, among other matters, the risks and opportunities we face. Its review of this information enables the Board to understand and assess our risk identification, management and mitigation strategies.

In June 2009, the Corporation engaged the services of a leading national risk consulting firm to assist management in assessing our existing enterprise risk management (ERM) capabilities and design an ERM framework that integrates risk management functions across our business units. We completed the ERM framework, defined our major risks, and assigned oversight responsibility for each of these risks across different Board committees. We also created a management-level risk committee and adopted a charter defining its responsibilities. This engagement is ongoing.

Communications from Shareholders and Other Interested Parties

The Board will give appropriate attention to written communications on issues that are submitted by shareholders and other interested parties, and will respond as appropriate. Absent unusual circumstances or as contemplated by committee charters, the chairman of the Board will, with the assistance of our general counsel, be primarily responsible for monitoring communications from shareholders and other interested parties and provide copies or summaries of such communications to the other directors as he considers appropriate.

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