

TRIPLE-S MANAGEMENT CORP

Form PRE 14A

March 22, 2006

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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 31, 2006

Dear Shareholders:

We cordially invite you to our Annual Meeting of Shareholders. The meeting will be held on Sunday, April 30, 2006 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 vote on proposals to amend our articles of incorporation and bylaws.

The approval of these proposals is necessary to allow the Corporation to proceed with its proposed initial public offering or IPO. Your vote is very important. Please take the time to carefully read each of the proposals described in the attached proxy statement. As described in more detail in the attached materials, we believe that an IPO is in the best interests of our shareholders because it would give our shareholders the ability to realize the market value of their shares by selling shares for cash. We expect to afford our shareholders the opportunity to sell a portion of their shares to the public as part of the IPO.

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 as the approval of the proposals submitted to the shareholders will define the future of the Corporation. 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:

(787) 749-4191 or (787) 706-4023

In Person or By Messenger:

Secretary of the Board of Directors
Triple-S Management Corporation
1441 FD Roosevelt Ave., 6th Floor
San Juan, Puerto Rico 00920

By Mail:

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 29, 2006, from 1:00 p.m. until 5:00 p.m.

Shareholders who do not register their proxies before the day of the meeting may register them on Sunday, April 30, 2006, 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 31, 2006.

Your board of directors is counting on your participation. Your vote is important!

Sincerely,

Wilmer Rodríguez-Silva, MD

Chairman of the Board of Directors

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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 30, 2006**

To our Shareholders:

NOTICE IS HEREBY GIVEN that our Annual Meeting of Shareholders for the year 2006 will be held at 9:00 a.m. on Sunday, April 30, 2006, at the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, 999 Ashford Avenue, San Juan, Puerto Rico, to consider and act upon the following matters:

- (1) To elect six Group 2 directors for a three-year term;
- (2) To approve the Amended and Restated Articles of Incorporation of the Corporation (other than Article FIFTH);
- (3) To approve Article FIFTH of the Amended and Restated Articles of Incorporation of the Corporation;
- (4) To approve the elimination of Article SIXTH of the existing Articles of Incorporation that prohibits the ownership of our common stock by persons that are not physicians, dentists or certain limited healthcare institutions and provides that no current shareholder may own more than 21 shares of our common stock nor 5% or more of our shares of common stock.
- (5) To approve the Amended and Restated Bylaws of the Corporation;
- (6) To approve the elimination of the limitation that no person may own 5% or more of our common stock contained in Section 4-1 of the Bylaws of the Corporation; and
- (7) Any and all other business as may be properly brought before the meeting or any adjournments thereof. At present, management knows of no other business to be brought before the meeting.

Shareholders of record at the close of business on March 30, 2006, are entitled to notice of and to 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 31, 2006.

By order of the board of directors,

JESÚS R. SÁNCHEZ-COLÓN, DMD
Secretary

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ABOUT THE MEETING

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?

At the meeting, you will be asked to

Elect six Group 2 directors (*see* page 5).

Approve the Amended and Restated Articles of Incorporation of the Corporation (other than Article FIFTH) (*see* page 19).

Approve Article FIFTH of the Amended and Restated Articles of Incorporation of the Corporation to increase the aggregate number of authorized shares of common stock and authorize a new class of serial preferred stock (*see* page 19).

Approve the elimination of Article SIXTH of the existing Articles of Incorporation that prohibits the ownership of our common stock by persons that are not physicians, dentists or certain limited healthcare institutions and provides that no current shareholder may own more than 21 shares of our common stock nor 5% or more of our shares of common stock (*see* page 20).

Approve the Amended and Restated Bylaws of the Corporation (*see* page 26).

Approve the elimination of the limitation that no person may own 5% or more of our common stock contained in Section 4-1 of the Bylaws of the Corporation (*see* page 26).

How many votes do I have?

You will have one vote for every share of our common stock, par value \$40, you owned as of the close of business on March 30, 2006, the record date for the annual meeting.

How many votes can be cast by all shareholders?

[___], consisting of one vote for each of the shares of our common stock that were issued and outstanding and entitled to vote on the record date. The shares covered by any proxy that is properly executed and received before 9:00 a.m. on the day of the meeting will be voted.

How many shares must be present to hold the meeting?

A majority of the shares entitled to vote; 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 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 by personal contact, 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 \$125,000.

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, except that in the case of Proposal 5 an *abstention* will not be counted as a vote *against*.

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 approval of the Amended and Restated Articles of Incorporation of the Corporation (Proposal 2) requires the affirmative vote of two-thirds of the common stock issued and outstanding entitled to vote as of the record date. The approval of Article FIFTH of the Amended and Restated Articles of Incorporation of the Corporation (Proposal 3) requires the affirmative vote of a majority of the common stock issued and outstanding entitled to vote as of the record date. The approval of the elimination of Article SIXTH of the existing Articles of Incorporation of the Corporation (Proposal 4) requires the affirmative vote of three-fourths of the common stock issued and outstanding entitled to vote as of the record date.

The approval of the Amended and Restated Bylaws of the Corporation (Proposal 5) requires the affirmative vote of the majority of the votes cast at the meeting. The elimination of the restrictions on ownership contained in Section 4-1 of the Bylaws of the Corporation (Proposal 6) requires the affirmative vote of three-fourths of the common stock issued and outstanding entitled to vote as of the record date.

Could other matters be decided at the meeting?

We don't know of any other matters which 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 proxyholders.

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.

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What should I receive?

This proxy statement, our Annual Report, the Notice of Annual Meeting of Shareholders and the proxy form, which were sent to you on or about March 31, 2006. Our Annual Report includes our audited financial statements for the year ended December 31, 2005, duly certified by KPMG LLP, as independent registered public accountants.

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As of March 31, 2006, 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 (5%) percent 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 and certain executive officers as of March 31, 2006, 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	1	
Luis A. Clavell-Rodríguez, MD ^a , Nominee	17	
Arturo R. Córdova-López, MD, Director	1	
Carmen Ana Culpeper-Ramírez*, Director	1	
Porfirio E. Díaz-Torres, MD, Director	3	
Manuel Figueroa-Collazo, PE, PhD*, Director	1	
José Hawayek-Alemañy, MD, Director	10	
Vicente J. León-Irizarry, CPA*, Director	1	
Fernando Longo-Rodríguez, MD, Director ^D	2	
Wilfredo López-Hernández, MD, Director	2	
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	1	
Fernando J. Ysern-Borras, MD, Director	1	
Ramón M. Ruiz-Comas, CPA*, President, Chief Executive Officer, and Director	1	
Luis A. Marini-Mir, MD, Executive Officer	1	
Socorro Rivas-Rodríguez, Executive Officer	0	
Eva G. Salgado Micheo, Executive Officer	0	
Juan J. Román, Executive Officer	0	
All our directors and executive officers as a group (24 persons)	65	

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 [____] shares of common stock outstanding as of March 30, 2006.

D Doctor Longo-Rodríguez third and final term as a member of the board of directors expires on April 30, 2006, the date of the 2006 annual meeting of shareholders.

* These persons are directors representing the community and have received one share of common stock in order to comply with the requirement established in our Bylaws, which require that all directors be shareholders.

à Doctor Clavell-Rodríguez is a nominee for a vacancy on the board to substitute Doctor Longo-Rodríguez on the board.

CPA Ramón M. Ruiz-Comas is the President and Chief Executive Officer. Pursuant to our 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 2005, all filing requirements applicable to our officers and directors were satisfied.

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BOARD OF DIRECTORS

The Articles of Incorporation and Bylaws of the Corporation establish that the board shall consist of nineteen (19) persons, ten (10) of which 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 in 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 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 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 of service. The last election of directors was held on April 24, 2005.

PROPOSAL 1: ELECTION OF SIX GROUP 2 DIRECTORS FOR A THREE-YEAR TERM

At the meeting, six directors assigned to Group 2 will be elected to serve until the 2009 annual meeting of shareholders or until their respective successors are elected and qualified. The remaining twelve directors will continue to serve as directors, as follows: until the 2007 annual meeting of shareholders, in the case of the seven directors assigned to Group 3, and until the 2008 annual meeting of shareholders, in the case of the five directors assigned to Group 1, 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 six 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 2 Directors Terms Expiring in 2009**

Valeriano Alicea-Cruz, MD (60 years). Since 2000, he has served on the Boards of Directors of the Corporation, Triple-S, Inc. and Seguros de Vida Triple-S. He also serves as a member and Vice Chairman of the Board of Directors of Interactive Systems, Inc. Since February 2006 he serves as a member of the Board of Directors of Great American Life Assurance Company of Puerto Rico, Inc. 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, and 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 (63 years). Since 2000, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He also serves as Vice 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. Since 1964, Mr. Álvarez-Gallardo has served in various positions with *Méndez & Co., Inc.*, where he currently serves as President since 1998. He has served on the Boards 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 (54 years). Doctor Clavell-Rodríguez has been nominated by the Board of Directors to fill the vacancy of Doctor Fernando Longo, whose term as a member of the Board of Directors expires on the date of the annual meeting. Since 1992, Doctor Clavell-Rodríguez has served as the Medical Director at the San Jorge Children's Hospital and as the Principal Researcher at the Children's Oncology Group. He has held positions as Professor at the University of Puerto Rico, School of Medicine and is a former Director of the Training Program in Pediatric Hematology/Oncology at the University of Puerto Rico. 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 also completed his residency at the University of California (Davis), School of Medicine and received fellowships from Harvard Medical School, Children's Hospital Medical Center in Boston, MA, and the Sidney Farber Cancer Institute. He is certified by the National Board of Medical Examiners, the American Board of Pediatrics, and the Sub-Board of Pediatric Hematology/Oncology.

Porfirio E. Díaz-Torres, MD (63 years). Since 2000, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He is also a member of the Board of Directors of Seguros de Vida Triple-S, Inc. and is a member and Secretary of the Board of Directors of Interactive Systems, 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 was Vice-President of the Inter-American College of Cardiology from 1998 to 1999 and President of the Puerto Rican Society of Cardiology from 1995 to 1999. He is an active member of the American College of Cardiologists and American Medical Association. He is active in 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.

Vicente J. León-Irizarry, CPA (67 years). Since 2000, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He is currently Treasurer of the Boards 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 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.

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Jesús R. Sánchez-Colón, DMD (50 years). Since 2000, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He is Secretary of the Board of Directors of the Corporation since 2002. Doctor Sánchez-Colón is also the Vice Chairman of the Board of Directors of 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. 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 Post Graduate General Practice Residency at the Veterans Administration Hospital in San Juan, Puerto Rico.

MEMBERS OF THE BOARD OF DIRECTORS**Group 3 Directors Terms Expiring in 2007**

Mario S Belaval (67 years). Since 1998 and 1999, he has served on the Boards of Directors of Triple-S, Inc. and the Corporation, respectively. Currently, he serves as Vice Chairman of the Board of Directors of the Corporation. He also serves on the Board of Directors of Seguros Triple-S, Inc. Mr. Belaval served as a consultant of Miradero Capital Partners from 2001 to 2005 and of the Economic Development Bank of Puerto Rico from February 1997 to February 2001. He was Chairman of the Board of Directors of Bacardí Corporation from December 1996 to December 2001. Mr. Belaval has served as director of the Puerto Rico Investors Tax-Free Family of Funds since March, 1995, of the Tax Free Puerto Rico Family of Funds since February, 2001, and of UBS IRA Select Growth and Income Puerto Rico Fund since April, 1998. Mr. Belaval holds a BS degree in Economics from Franklin and Marshall College in Pennsylvania.

Carmen Ana Culpeper-Ramírez (60 years). She has served on the Board of Directors of the Corporation since 2004 and is the Treasurer of the Boards of Directors of Triple-S, Inc., Seguros Triple-S, Inc., and Interactive Systems, Inc. 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 for two years 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).

Manuel Figueroa-Collazo, PE, PhD (54 years). Since 2004, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He also serves as a member and Chairman of the Board of Directors of Interactive Systems, Inc. and a member and Secretary of the Board of Directors of Seguros de Vida Triple-S. In February 2006, he was appointed as a member and Secretary of the Board of Directors of Great American Life Assurance Company of Puerto Rico, Inc. Since 1999, Mr. Figueroa-Collazo is President of Virtual Educational Resources, Inc., a software development and ISP Company located in Caguas, Puerto Rico. Mr. Figueroa-Collazo is also member of the Boards of Directors of INTECO, Puerto Rico Products Association, EPSCOR, and *Vivero de Tecnología y Ciencia de Puerto Rico*. 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 University of Pennsylvania, Wharton School of Business.

Miguel A. Nazario-Franco (59 years). Since 2004, he has served on the Boards of Directors of the Corporation, Triple-S, Inc., and Triple-C, Inc. He also served on the Board of Directors of Interactive Systems, Inc. from 2004 to 2005. Currently, Mr. Nazario is Assistant Secretary of the Board of Directors of the Corporation and

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Assistant Treasurer of the Board of Directors of Triple-C, Inc. Mr. Nazario-Franco is an active member of the Boards of Directors of *El Nuevo Día*, Ferré Investment Fund, and in the Advisory Board of Cortés 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 January 1999 to August 2000, he was President of the Puerto Rico Manufacturers Association. From 2002 to 2004, he served as a member of the Advisory Boards of the Puerto Rico Department of Education and *Consejo Asesor de la Industria de la Construcción* until December 2004. He also served in the Boards of Directors of the Puerto Rico Aqueduct and Sewage Authority and *Compañía para el Desarrollo Integral de la Península de Canteras* 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. (64 years). Since December 2004, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. Mr. Rodríguez-Díaz is also Vice Chairman of Seguros de Vida Triple-S and 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 Boards of Directors of *Industrias Vassallo, Inc.*, Vassallo Research and Development, Inc., Syroco, Inc., Ochoa Industrial Sales Corp., Ensco Caribe, Inc., 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) from New York University School of Law.

Manuel Suárez-Méndez, PE (60 years). Since 1998 and 1999, he has served on the Boards Directors of Triple-S, Inc. and the Corporation, respectively. Currently, he is a member and Chairman of the Boards of Directors of Seguros Triple-S, Inc., and Signature Insurance Agency, Inc., a wholly-owned subsidiary of Seguros Triple-S, Inc. Since 1972, Mr. Suárez-Méndez is the owner of R.B. Construction Corporation. He has been member of the Puerto Rico College of Engineers, the Home Builders Association, the National Society of Professional Engineers, the General Contractors Association of America, where he served as Chairman in 1994 and as director for twelve years, and the American Concrete Institute. Mr. Suárez-Méndez holds a BS degree in Civil Engineering from the University of Puerto Rico, Mayagüez Campus, and has post graduate studies in Urban Planning from the University of Puerto Rico.

Fernando J. Ysern-Borrás, MD (50 years). Since 1998 and 1999, he has served on the Boards of Directors of Triple-S, Inc. and the Corporation, respectively. He served as Chairman of the Boards of Directors of the Corporation and Triple-S, Inc. from 2002 to 2005. Currently, Doctor Ysern-Borrás is a member and the Secretary of the Board of Directors of Seguros Triple-S, Inc. and is a member of the Board of Directors of Interactive Systems, Inc. Since 1986, he has worked with *Grupo Pediátrico* in Caguas, Puerto Rico. He has worked in several hospitals and has been Director of the Pediatric Department at the Inter-American Hospital of Advanced Medicine. He has held positions as Assistant Professor at the University of Puerto Rico, School of Medicine, the San Juan Bautista School of Medicine, and Adolescent Medicine Fellowship Director at the Caguas Regional Hospital. He was President of the Health and Social Welfare Commission while he served as a member of the Municipal Assembly of Caguas. He is a member of the Puerto Rico Medical Association and the American Academy of Pediatrics. Doctor Ysern-Borrás holds an MD degree from the University of Puerto Rico, School of Medicine. He has a specialty degree in Pediatrics from the University Pediatrics Hospital in Río Piedras, Puerto Rico, and a subspecialty in Adolescent Medicine. He is also Board Certified in Pediatrics.

Group 1 Directors Terms Expiring in 2008

Wilmer Rodríguez-Silva, MD (52 years). He currently serves as Chairman of the Boards of Directors of the Corporation and Triple-S, Inc. Since 1999, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. Doctor Rodríguez-Silva also serves on the Boards of Directors of Seguros de Vida Triple-S, Great American Life Assurance Company of Puerto Rico, Inc., Seguros Triple-S, Inc., Interactive Systems, Inc., Triple-C, Inc., and Signature Insurance Agency, Inc. (a wholly-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

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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.

Arturo R. Córdova-López, MD (62 years). Since 1999, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. He currently is a member and Secretary of the Board of Directors of Triple-S, Inc. and a member and the Assistant Secretary of Triple-C, Inc. Doctor Córdova-López is also a member and the Chairman of the Board of the Board of Directors of Seguros de Vida Triple-S and Great American Life Assurance Company of Puerto Rico, Inc. In addition, Doctor Córdova-López is an Adhonorem 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 member of the American Thoracic Society, the American College of Physicians, the American Lung Association, the College of Physicians and Surgeons of Puerto Rico, and the American College of Chest Physicians (ACCP), where he was the previous Governor for Puerto Rico. 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. He is Board Certified in Internal Medicine, Pulmonary Diseases, Critical Care, Managed Care Medicine, and Bariatric Medicine.

José Hawayek-Alemañy, MD (57 years). Since 2005, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. Since 1976, he serves as Professor at the University of Puerto Rico, School of Medicine. From 1998 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 (62 years). Since 1999, he has served on the Boards of Directors of the Corporation and Triple-S, Inc. Currently, he is a member and Vice-Chairman of the Board of Directors of Triple-S, Inc. and a member and Chairman 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. Since 1979, he has been a member of the Puerto Rico Urological Association, *Société International 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 (58 years). Since 2002, she has served on the Boards of Directors of the Corporation and Triple-S, Inc. She is Assistant Treasurer of the Board of Directors of the Corporation and a member and Treasurer of the Board of Directors of Seguros de Vida Triple-S and Great American Life Assurance Company of Puerto Rico, Inc. She is a Certified Public Accountant (CPA) and a partner and a founding member of the firm Kevane Soto Pasarell Grant Thornton, LLP, certified public accountants. Ms. Soto-Martínez is 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.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

Scheduled meetings of the board are held at least once a month. Special board meetings are held when convened by the Chairman, or by at least five directors. The board of directors met twenty-one times during 2005. All of the directors attended 75% or more meetings of the board. All of the directors, with the exception of Mr. Manuel Figueroa-Collazo and Doctor José Hawayek-Alemañy, attended 75% or more committee meetings on which such directors served. Mr. Figueroa-Collazo attended 72% (8 of 11 meetings) of the Audit Committee meetings and 25% (1 of 4 meetings) of the Compensation Committee meetings, and Doctor Hawayek-Alemañy attended 33% (1 of 3 meetings) of the Resolutions and Regulations Committee meetings.

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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. Belaval, Ms. Culpeper-Ramírez, Mr. Figueroa-Collazo, Mr. León-Irizarry, Mr. Nazario-Franco, Ms. Soto-Martínez, Mr. Rodríguez-Díaz, and Mr. Suárez-Méndez 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 as guidelines for corporate governance policy. The previously mentioned directors are independent under these director independence standards as determined by the board.

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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 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 contact our Audit Committee telephonically by calling the toll-free number (866) 384-4277 or electronically through *www.ethicspoint.com*. Communications received by the Audit Committee 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.

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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. In addition to these standing committees, the Corporation has a number of ad hoc committees.

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) identify and 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) establish 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

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complete list of all the duties of the Nominations Committee is found in its charter, which is included as Exhibit A to this proxy statement.

The committee met seven times during the fiscal year ended on December 31, 2005. As of March 31, 2006, the members of the committee are: Doctor Longo-Rodríguez, Chair of the committee, Doctor Córdova-López, Mr. Figueroa-Collazo, Doctor Hawayek-Alemañy, Mr. Nazario-Franco, Mr. Rodríguez-Díaz, Doctor Rodríguez-Silva, Mr. Suárez-Méndez, and Doctor Ysern-Borrás.

Pursuant to SEC rules, the board, in its best judgment, has determined that Messrs. Figueroa-Collazo, Nazario-Franco, Rodríguez-Díaz and Suárez-Méndez satisfy the applicable independence requirements as currently defined by the board of 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) 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 their 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.
- (3) Individuals interested in serving as directors must meet all legal and statutory requirements. These minimum requirements are contained in Article 7-2 of our Bylaws. They include the following: (a) not having filed for bankruptcy, nor engaged in any fraudulent conveyance, (b) not have been convicted of a crime involving moral depravation, and (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. In the case of directors who are physicians or dentists, they should have been active participants in Triple-S, Inc., one of our subsidiaries, for at least two (2) years prior to their nomination as one of our directors. The proposed Amended and Restated By-Laws of the Corporation eliminate the requirement set forth in the preceding sentence.
- (4) The Nominations Committee develops qualifying criteria and is responsible for identifying, interviewing, and selecting those potential candidates that, in their judgment, are best qualified, and make the appropriate recommendations to the board. 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.
- (5) 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.

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- (6) The committee identified and recommended to the board five nominees to be re-elected as directors who are currently members of the board: Doctor Valeriano Alicea-Cruz, Mr. José Arturo Álvarez-Gallardo, Doctor Porfirio E. Díaz-Torres, CPA Vicente León-Irizarry, and Doctor Jesús Sánchez-Colón.
- (7) The committee also identified and recommended to the board one nominee to be elected as director of the board who is not currently serving as director: Doctor Luis A. Clavell-Rodríguez.

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.

The committee met seven times during the fiscal year ended December 31, 2005. As of March 31, 2006, the members of the committee are: Ms. Soto-Martínez, Chair of the committee, Mr. Belaval, Ms. Culpeper-Ramírez, Mr. León-Irizarry, and Doctor Rodríguez-Silva.

Audit Committee

The Audit Committee reviews the following matters: (1) whether we have adequate internal controls and our compliance with applicable laws and regulations, (2) activities of the Internal Audit Office, (3) results from audits made by regulators, (4) our consolidated financial statements, and (5) the annual report prepared by 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 eleven times during the fiscal year ended December 31, 2005. As of March 31, 2006, the members of the committee are: Mr. Belaval, Chair of the committee, Ms. Culpeper-Ramírez, Mr. Figueroa-Collazo, Mr. León-Irizarry, Mr. Nazario-Franco, Ms. Soto-Martínez and Mr. Suárez-Méndez.

AUDIT COMMITTEE REPORT

The Audit Committee Charter establishes that the committee shall consist of five or more members of the board. Pursuant to SEC rules, the board has determined that each member of the Audit Committee is independent. In making this determination, the board follows the requirements set forth in the NYSE's director independence rules. Currently, the Audit Committee is comprised of seven directors all of whom are independent. The Audit Committee held eleven meetings during the fiscal year ended December 31, 2005. Form 10-K and Form 10-Q filings were discussed in four of such meetings.

The role of the Audit Committee is to assist the board in its oversight of our financial reporting process, as well as our internal and external audit processes. 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 Audit Committee operates pursuant to a charter that was adopted by the board of directors and ratified on March 7, 2006. A copy of such charter, as amended, is attached to this proxy statement as Exhibit B.

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.

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In the performance of its oversight function, the Audit Committee has considered and discussed our audited financial statements for the fiscal year ended December 31, 2005 with management and KPMG LLP, our independent auditors.

The Audit Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees. In addition, the Audit 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 independent auditors, KPMG LLP, are 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 our employees. While some of them may be accountants or auditors by profession, the Audit 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 Audit 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 Audit Committee s consideration of the audited financial statements and the discussions referred to above with management and the independent auditors, and subject to the limitations on the role and responsibilities of the Audit Committee set forth in the charter and those discussed above, the committee recommended to the board that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2005 for filing with the SEC.

Submitted by:

Mario S Belaval

Carmen Ana Culpeper-Ramírez

Manuel Figueroa-Collazo

Vicente J. León-Irizarry

Miguel A. Nazario-Franco

Adamina Soto-Martínez

Manuel Suárez-Méndez

Dated: March 31, 2006

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 within the meaning of Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended. For a brief listing of the relevant experience of the members of the Audit Committee, please see Board of Directors and Standing Committees above.

Table of Contents**APPOINTMENT OF INDEPENDENT AUDITORS**

The Audit Committee intends to retain the services of KPMG LLP, as independent auditors, to audit the consolidated financial statements of the Corporation for the fiscal year ending December 31, 2006. Representatives of KPMG LLP will be present at the annual meeting and will be given an opportunity to make a statement if so desired and to respond to appropriate questions.

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 (49 years). 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 Boards of Directors of Seguros Triple-S, Inc., Seguros de Vida Triple-S, Great American Life Assurance Company of Puerto Rico, Inc., 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. From 1995 to 1999 Mr. Ruiz-Comas served as Triple-S, Inc.'s Senior Vice-President of Finance and from 1990 to 1995 he was Vice-President of Finance. 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 in Business Administration with a major in Accounting from the University of Puerto Rico.

Socorro Rivas-Rodríguez, CPA (58 years). 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 Certified Public Accountant since 1987. Ms. Rivas has a B.A. degree with concentrations in mathematics and accounting from the University of Puerto Rico.

Arturo Carrión, CPA (48 years). Mr. Carrión has served as President of Great American Life Assurance Company of Puerto Rico, Inc. since 1998 and President of Seguros de Vida Triple-S since March 16, 2006. Prior to this appointment, Mr. Carrión served as Vice President of Finance of Great American Life Assurance Company of Puerto Rico, Inc. from 1987 to 1998. Prior to joining Great American Life Assurance Company of Puerto Rico, Mr. Carrión worked at KPMG LLP from 1978 to 1987. He is a Certified Public Accountant and a Certified Financial Management Accountant. Mr. Carrión graduated from the University of Puerto Rico obtaining the degree of Bachelor in Business Administration (B.B.A.) with a major in Accounting.

Eva G. Salgado (49 years). Ms. Salgado has served as President of Seguros Triple-S, Inc. since July 2003. Prior to this appointment, Ms. Salgado served in various positions in Seguros Triple-S, Inc., including, Senior Vice President of the Underwriting Department from 2002 to 2003, Vice President of the Underwriting Department from 1997 to 2002 and Vice President of Marketing. Prior to joining Seguros Triple-S, Inc., Ms. Salgado worked at Integrand Assurance Company as Senior Vice President of the Underwriting Department from 1992-1996. Ms. Salgado has a B.A. from the University of Puerto Rico with a concentration in Finance. She also studied underwriting at the Insurance Institute of America.

Roberto O. Morales-Tirado, Esq. (62 years). Mr. Morales was appointed President of Signature Insurance Agency, Inc. in February 2006. Prior to being appointed as President of Signature Insurance Agency, Mr. Morales served as President and Chief Executive Officer of Seguros de Vida Triple-S, Inc. since 2000. From 1998 to 2000, Mr. Morales served as a consultant for the Corporation. From 1993 to 1998, Mr. Morales served as President and Chief Executive Officer of AIG Life Insurance Company of Puerto Rico. Mr. Morales received a B.A. degree from

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the University of Puerto Rico and a *Juris Doctor* degree from the Interamerican University of Puerto Rico School of Law.

Luis A. Marini-Mir (57 years). Mr. Marini has been President of Triple-C, Inc. since October 1999. Prior to his appointment, Mr. Marini served as Dental Director of Triple-S, Inc. from February 1998 to October 1999. From April 1975 to December 2000, Mr. Marini had a private practice limited to Pediatric Dentistry. Mr. Marini is a former Dean of the University of Puerto Rico School of Dentistry. Mr. Marini received a degree from the University of Puerto Rico (Mayagüez Campus) with a concentration in pre-medicine and obtained a degree of Doctor in Medical Dentistry (D.M.D.) from the University of Puerto Rico School of Dentistry. He also obtained a Certificate in Pediatric Dentistry from the University of Puerto Rico, School of Dentistry.

Carlos D. Torres-Díaz (47 years). He has served as President of Interactive Systems, Inc. since 1996. Prior to his appointment as President of Interactive Systems, Inc., Mr. Torres served as Vice President of Systems Development from April 1990 to January 1996. Before joining the Corporation, Mr. Torres served as EDP Administration Manager at Banco Popular de Puerto Rico. Mr. Torres has a B.B.A. degree from the Interamerican University of Puerto Rico with a concentration in the Management of Information Systems.

Juan J. Román-Jiménez, CPA (40 years). Mr. Román has served as Vice President of Finance and Chief Financial Officer of the Corporation since 2002. Prior to his appointment as Chief Financial Officer of the Corporation, Mr. Román served as Executive Vice President of Triple-C, Inc. from 1999 to 2002 and Vice President of Finance of Triple-C, Inc. from 1996 to 1999. Prior to joining the Corporation, Mr. Román worked at KPMG LLP as an Audit Manager from 1987 to 1995. He is a Certified Public Accountant since 1989. He earned a B.A. in Business Administration with a concentration in Accounting from the University of Puerto Rico, Rio Piedras.

Juan J. Rodríguez-Gilbertys, CPA (42 years). Mr. Rodríguez-Gilbertys has served as Vice President of the Audit Department of the Corporation since December 2004. Prior to his appointment at the Corporation, Mr. Rodríguez-Gilbertys served as Undersecretary of the Puerto Rico Treasury Department from January 2001 to November 2004. Mr. Rodríguez-Gilbertys served as Director of Finance for the Municipality of San Juan from 1997 to 2001. Mr. Rodríguez-Gilbertys received a degree of Bachelor in Business Administration (B.B.A.) from the University of Puerto Rico with a concentration in Accounting. He also received a *Juris Doctor* degree from the Interamerican University School of Law. He is a Certified Public Accountant and a Certified Internal Auditor.

Enrique R. Ubarri-Baragaño, Esq. (34 years). Mr. Ubarri has served as Vice President of Legal Affairs of the Corporation since September 2005. Prior to his appointment, Mr. Ubarri served as Senior Vice President, Director of Legal and Compliance Division, Secretary of the Board of Directors of Santander BanCorp from October 2000 to August 2005. He also worked as an attorney with the firm Fiddler González & Rodríguez, PSC from January 1999 to September 2000. Mr. Ubarri holds a B.A. in Political Science with a minor in Economics from Boston University; a *Juris Doctor* from the Interamerican University School of Law; a Masters of Laws (LLM) in Securities and Financial Regulation from the Georgetown University Law Center; a Masters of Laws (LLM) in Banking Law from the Morin Center at Boston University School of Law; and a Masters of Business Administration (MBA) from the Carroll Graduate School of Business at Boston College.

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OTHER RELATIONSHIPS, TRANSACTIONS AND EVENTS

Certain of our directors and executive officers have immediate family members who are employed by us or our subsidiaries. The compensation of these family members is established in accordance with the pertinent employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions.

In the ordinary course of business, our subsidiaries Triple-S, Inc., Great American Life Assurance Corporation of Puerto Rico, Inc., Seguros de Vida Triple-S, Inc. and Seguros Triple-S, Inc., provide insurance to *Méndez & Co., Inc.*, an entity in which one of our directors serves as President. In addition, Great American Life

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Assurance Corporation of Puerto Rico, Inc., Seguros de Vida Triple-S, Inc., and Seguros Triple-S, Inc. provide their insurance products to some of our directors in their individual businesses or practices.

The terms of the agreements with *Méndez & Co., Inc.*, as well as the terms on which we provide insurance to such directors, are comparable to the terms of agreements with companies or individuals who do not have persons associated with us or individuals serving as our directors.

Directors of the Corporation that are physicians, dentists or their related entities are also service providers of Triple-S, Inc. in the ordinary course of their business as physicians and dentists. The terms of their respective agreements as service providers of Triple-S, Inc. are the same as the agreements of physicians and/or dentists who are not our directors.

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AMENDMENTS TO THE ARTICLES OF INCORPORATION

On January 13, 2006, we announced our board of directors' resolution to make an initial public offering, or IPO, of our stock. In the IPO, shares of the Corporation's common stock would be offered for sale to the public. We expect that some or all of the shares offered for sale in our IPO would be shares owned by our existing shareholders and that each of our existing shareholders would have an equal opportunity to sell for cash some portion of their shares to the public in the IPO. As part of the process required to accomplish our eventual IPO, the Corporation needs to take a number of important preparatory steps that include amendments to our corporate bylaws and articles of incorporation.

Following our IPO announcement, on March 7, 2006, the board adopted resolutions approving the Amended and Restated Articles of Incorporation of the Corporation, or the Amended and Restated Articles, and recommended that they be presented for shareholder approval at the annual meeting. The Articles of Incorporation of the Corporation, or the Articles, and applicable law require that the proposed Amended and Restated Articles be presented for approval by our shareholders. The board believes, for the reasons set forth below, that in order to prepare the Corporation for its proposed IPO, it is in the best interest of the Corporation and that of its shareholders to adopt the Amended and Restated Articles (Proposal 2), increase our authorized capital (Proposal 3), and eliminate Article SIXTH of the existing Articles (Proposal 4).

Purpose of the Amendments

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