

TRIPLE-S MANAGEMENT CORP

Form PRE 14A

March 11, 2005

Table of Contents

**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 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

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Table of Contents

**SEVENTH
ANNUAL MEETING OF SHAREHOLDERS
SUNDAY, APRIL 24, 2005**

Table of Contents

TABLE OF CONTENTS

	Page
<u>Invitation</u>	1
<u>Notice</u>	3
<u>Proxy Statement</u>	7
<u>Mailing Date</u>	9
<u>Record Date</u>	9
<u>Solicitation of Proxies</u>	9
<u>Method of Solicitation</u>	10
<u>Revocability of Proxies</u>	10
<u>Solicitations Independent from the Solicitation of the Board of Directors</u>	11
<u>Issued and Outstanding Shares</u>	11
<u>Shareholders' Right to Vote</u>	11
<u>Quorum</u>	11
<u>Principal Holders of the Shares</u>	12
<u>Matters to be Acted Upon</u>	15
<u>Election of Directors</u>	15
<u>Directors and Executive Officers</u>	17
<u>Tenure of Directors</u>	32
<u>Board of Directors of Triple-S Management and its Committees</u>	33
<u>Report of the Audit Committee</u>	39
<u>Appointment of Independent Accountants</u>	41

Table of Contents

	Page
<u>Disclosure of Audit Fees</u>	41
<u>Executive Compensation</u>	43
<u>Report of the Board of Directors on Executive Compensation</u>	45
<u>Pension Plan</u>	47
<u>Certain Relationships and Related Transactions</u>	49
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	49
<u>Proposals of the Board of Directors</u>	50
<u>Resolution Number 1</u>	50
<u>Resolution Number 2</u>	52
<u>Resolution Number 3</u>	55
<u>Resolution Number 4</u>	59
<u>Resolution Number 5</u>	73
<u>Shareholders Proposals</u>	85
<u>Resolution Number 6</u>	85
<u>Other Matters</u>	93
<u>Shareholders Communications</u>	93
<u>Proposals of Shareholders to be Presented at the 2006 Annual Meeting of Shareholders</u>	95
Appendix A: Nomination Committee Charter	A-1
Appendix B: Audit Committee Charter	B-1
Proxy Form	Insert

Table of Contents

March 24, 2005

INVITATION TO THE
ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders:

The Board of Directors invites you to the Annual Meeting of Shareholders of Triple-S Management Corporation (Triple-S Management), which will be held on Sunday, April 24, 2005 at 9:00 am in the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, at 999 Ashford Avenue in San Juan, Puerto Rico.

It is very important that you attend and personally exercise your right to vote at the Annual Meeting. However, if you cannot attend, we urge you to sign, date, and return the Proxy Form solicited by the Board of Directors of Triple-S Management. You may send the Proxy Form to the attention of Dr. Jesús R. Sánchez-Colón, 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:

Office of the Secretary of the Board of Directors
Triple-S Management Corporation Principal Office Building
1441 FD Roosevelt Avenue, Sixth Floor
San Juan, Puerto Rico 00920

By Mail:

Office of the Secretary of the Board of Directors
Triple-S Management Corporation
PO Box 363628
San Juan, Puerto Rico 00936-3628

Table of Contents

Shareholders may personally register their Proxies at the Office of the Secretary of the Board of Directors of Triple-S Management, before the day set for the Annual Meeting and during Triple-S Management's office hours, Monday through Friday from eight o'clock in the morning (8:00 am) to four-thirty in the afternoon (4:30 pm), except Saturdays, Sundays, and holidays.

Shareholders will also have the opportunity to personally register their Proxies in the Panamá Room at the Condado Plaza Hotel in San Juan, Puerto Rico, on Saturday, April 23, 2005, from one o'clock (1:00 pm) until five o'clock in the afternoon (5:00 pm).

Those shareholders who do not register their Proxies before the day the Annual Meeting takes place, will be able to register them on Sunday, April 24, 2005, from seven-thirty in the morning (7:30 am).

In order to accelerate the process of computerized registration, we enclose the Proxy of the Board of Directors, printed with the name and the amount of shares registered for each shareholder. We are sure that this will contribute to the success of the proxy registration process.

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

Sincerely,

Fernando J. Ysern-Borrás, MD
Chairman of the Board of Directors

Table of Contents

NOTICE FOR THE
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON SUNDAY, APRIL 24, 2005

To the Shareholders of Triple-S Management:

Pursuant to Articles 5-1 and 5-3 of the By-laws of Triple-S Management, the Board of Directors invites you to attend the Annual Meeting of Shareholders to be held on Sunday, April 24, 2005 at 9:00 am in the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, at 999 Ashford Avenue in San Juan, Puerto Rico.

The Annual Meeting will take place in order to consider and vote on the following matters:

Matters to Be Acted Upon

The election of five (5) nominees to serve as members of the Board of Directors for a term of three (3) years.

Board of Directors Proposals

Resolution Number 1

Resolution Number 1 is presented by the Board of Directors of Triple-S Management to amend Article 5-1 of the By-laws of Triple-S Management to establish that the Annual Meeting of Shareholders may take place on the last Sunday of the month of April of each year, or, as an exception, at such other date which is closest to the last Sunday of the month of April as determined by the Board due to any legal requirement applicable to Triple-S Management.

Resolution Number 2

Resolution Number 2 is presented by the Board of Directors of Triple-S Management to amend Article 9-1 of the By-laws of Triple-S Management to harmonize its language with the Articles of Incorporation regarding the amount of issued and outstanding common shares with the right to vote required in order to approve certain amendments to the By-laws.

Table of Contents

Resolution Number 3

Currently, the Articles of Incorporation and By-laws provide that a shareholder of Triple-S Management may only transfer his/her common shares to his/her descendants who are physicians or dentists, if such descendant complies with the twenty-one (21) common shares limit per person.

Resolution Number 3 is presented by the Board of Directors of Triple-S Management to amend Article Eighth of the Articles of Incorporation and Articles 4-2 and 4-3 of the By-laws of Triple-S Management to allow the transfer to any physician or dentist of one or more common shares of a shareholder, during his/her lifetime or upon his/her death, if no kind of payment, service, obligation, or other inducement has been or will be provided or rendered, and if said physician or dentist complies with the twenty-one (21) common shares limit requirement.

Resolution Number 4

Resolution Number 4 is presented by the Board of Directors of Triple-S Management to amend and renumber Articles Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, and Thirteenth of the Articles of Incorporation of Triple-S Management to establish that the authorized capital of Triple-S Management will be divided into two classes of common shares: (1) Voting Common Shares, which are the common shares authorized by Triple-S Management since its origins, in other words, the existing common shares, and (2) Non-Voting Common Shares, which are not available for purchase, since they will only be issued so that one or more of the voting common shares of a shareholder may be exchanged, upon his/her death, for an equal amount of non-voting common shares for the benefit of his/her heirs or surviving spouse when they are not physicians or dentists, subject to, among other requirements to be complied with, the twenty-one (21) common shares per person limit. In addition, this Resolution will include the revisions of some provisions in order to improve or correct the text or language of the Articles of Incorporation.

Table of Contents

Resolution Number 5

Resolution Number 5 is presented by the Board of Directors of Triple-S Management to amend Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of the By-laws of Triple-S Management to establish that the authorized capital of Triple-S Management will be divided into two classes of common shares: (1) Voting Common Shares, which are the common shares authorized by Triple-S Management since its origins, in other words, the existing common shares, and (2) Non-Voting Common Shares, which are not available for purchase, since they will only be issued so that one or more of the voting common shares of a shareholder may be exchanged, upon his/her death, for an equal amount of non-voting common shares for the benefit of his/her heirs or surviving spouse when they are not physicians or dentists, subject to, among other requirements to be complied with, the twenty-one (21) common shares per person limit. In addition, this Resolution will include the revisions of some provisions in order to improve or correct the text or language of the By-laws.

Shareholder s Proposals

Resolution Number 6

Resolution Number 6 is presented by Leslie H. López Vélez, DDS, shareholder of Triple-S Management, to amend Articles Sixth, Seventh, and Thirteenth of the Articles of Incorporation and Articles 4-1 and 9-1 of the By-laws of Triple-S Management in order to reduce from three-fourths (3/4) to two-thirds (2/3) the amount of issued and outstanding common shares with the right to vote required to approve certain amendments to Article Sixth of the Articles of Incorporation and Article 4-1 of the By-laws.

Table of Contents

The Board of Directors has set March 15, 2005 as the date to determine which shareholders have the right to receive notice of, and vote at the Annual Meeting on April 24, 2005.

The Proposals are described in the accompanying Proxy Statement. We encourage you to read them before voting. The Board of Directors has carefully considered each of the Proposals and recommends that you vote **In Favor** of the Election of Directors and Resolutions Number 1, 2, 3, 4, 5, and 6.

San Juan, Puerto Rico
March 24, 2005

By Order of the Board of Directors

Fernando J. Ysern-Borrás, MD
Chairman of the Board of Directors

Jesús R. Sánchez-Colón, DMD
Secretary of the Board of Directors

**We cordially invite you to attend the Annual Meeting.
It is important that your shares be present or represented, regardless of the amount that
you own. Even if you are considering attending the Annual Meeting, we urge you to
promptly complete, sign, date, and return the enclosed Proxy Form.**

Table of Contents

PROXY STATEMENT

FOR THE ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SUNDAY, APRIL 24, 2005

To the Shareholders of Triple-S Management:

This Proxy Statement is furnished to the Shareholders of Triple-S Management Corporation (Triple-S Management) in connection with the Annual Meeting of Shareholders (the Annual Meeting) to be held on Sunday, April 24, 2005 at 9:00 am in the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, at 999 Ashford Avenue in San Juan, Puerto Rico, or any postponement, recess, suspension, or adjournment of said Annual Meeting.

The Board of Directors of Triple-S Management solicits your proxy for the Annual Meeting. We urge you to sign, date, and return the enclosed Proxy Form. The shareholders may send the Proxy Form to the following faxes or addresses:

FAX:

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

IN PERSON OR BY MESSENGER:

Office of the Secretary of the Board of Directors
Triple-S Management Corporation Principal Office Building
1441 FD Roosevelt Avenue, Sixth Floor
San Juan, Puerto Rico 00920

BY MAIL:

Office of the Secretary of the Board of Directors
Triple-S Management Corporation
PO Box 363628
San Juan, Puerto Rico 00936-3628

ATTENTION:

Jesús R. Sánchez-Colón, DMD
Secretary of the Board of Directors

Table of Contents

The members of the Board of Directors, designated as proxy holders in the Proxy Form, any one of them or their substitutes, will have the power and authority to vote the shares of the shareholder that grants the proxy to the Board of Directors. The Board of Directors will have the right to act and vote as if the shareholder would be present at the Annual Meeting, or any postponement, recess, suspension, or adjournment of said Annual Meeting.

The Proxy Form will not be valid unless the shareholder signs it and Triple-S Management receives it on time to be voted at the Annual Meeting, or at any postponement, recess, suspension, or adjournment of the same. The proxy being solicited may only be voted at the Annual Meeting of Shareholders to be held on April 24, 2005, or at any postponement, recess, suspension, or adjournment of said Annual Meeting.

The Board of Directors pledges to vote the shares represented in every proxy granted to the Board of Directors by any shareholder. The vote will be exercised pursuant to the instructions received from the shareholder granting the proxy if the shareholder indicates in said proxy whether he/she chooses to approve, disapprove, or abstain from the matters that will be under consideration at the Annual Meeting. If the shareholder does not indicate whether he/she chooses to approve, disapprove, or abstain from the matters that will be under consideration at the Annual Meeting, the Board of Directors will vote **In Favor** of the Election of Directors and **In Favor** of Resolution Number 1, 2, 3, 4, 5, and 6 (the proposals).

The Board of Directors is not aware of any other business that may properly come before the Annual Meeting, other than the matters indicated in this Proxy Statement. However, the Board of Directors hereby notifies shareholders that if the amount of issued and outstanding shares required to consider and vote for any of the proposals are not registered at the Annual Meeting on April 24, 2005, it intends to request an adjournment of the meeting, **only in respect to such proposals**, in order to solicit additional proxies in favor of such proposal(s). In such event, shareholders will consider and vote only for those proposals (including the election of five (5) nominees to serve as members of the Board of Directors) for which the minimum amount of issued and outstanding shares that are required for their approval are registered on the date of the Annual Meeting. After the voting of such proposals takes place and the results of the vote are announced to the shareholders, the Board of Directors will proceed to request the adjournment of the Annual Meeting.

In the event the shareholders approve the adjournment of the Annual Meeting, the Board of Directors will convene the adjourned Annual Meeting at a later date, and shareholders may, on such date, consider and vote on any of the remaining proposals contained in this Proxy Statement.

The Board of Directors informs you that if any matter, other than those indicated above, should properly come before the Annual Meeting, or any postponement, recess, suspension, or adjournment of the same, Proxies solicited hereby will be voted according to the best judgment of the Board of Directors.

Table of Contents

The Board of Directors urges shareholders to complete the Proxy Form attached hereto. However, the Puerto Rico General Corporations Law of 1995, as amended, affords every shareholder of a corporation organized under said statute the right to be represented at a shareholders meeting by completing any document (proxy), if and when said document (proxy) complies with the requirements set forth in said law.

If a shareholder signs a Proxy Form without expressly designating the name of the proxy holder and sends it to Triple-S Management, said proxy will be considered as being granted in favor of the Board of Directors. These Proxies will be voted at the Annual Meeting as indicated in this Proxy Statement.

MAILING DATE

On March 24, 2005, the Board of Directors of Triple-S Management will send this Proxy Statement, the Notice for the Annual Meeting of Shareholders, and the Proxy Form to the Shareholders entitled to vote at the Annual Meeting.

RECORD DATE

The Board of Directors has set March 15, 2005 as the date to determine which shareholders have the right to receive the Notice of the Annual Meeting of Shareholders and vote at the same.

SOLICITATION OF PROXIES

The Board of Directors of Triple-S Management will conduct the solicitation of proxies. The solicitation of proxies will take place pursuant to the applicable requirements established in the Articles of Incorporation and By-laws of Triple-S Management, as well as the applicable provisions of the Puerto Rico General Corporations Law of 1995, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

As of the mailing date of this Proxy Statement, no Director has given written notice to the Board of Directors that such Director intends to oppose any action taken or to be taken by the Board.

Table of Contents

METHOD OF SOLICITATION

In addition to soliciting proxies by mail, the Board of Directors of Triple-S Management may solicit proxies in person, by phone, by fax, or by any other means of communication.

The Board of Directors may also solicit proxies through employees or persons hired to do such work. These persons may visit the shareholders in order to collect the proxies and send them to the Office of the Secretary of the Board of Directors. If a shareholder has not received the Notice for the Annual Meeting of Shareholders, the Proxy Statement or any other document, these persons will give copies of said documents to such shareholders, will briefly explain the contents of the documents, and will urge the shareholder to vote **In Favor** of the Election of Directors and Resolution Number 1, 2, 3, 4, 5, and 6.

Triple-S Management will pay the cost of the solicitation of proxies, which it estimates to be approximately Seventy-Five Thousand Dollars (\$75,000).

REVOCABILITY OF PROXIES

Ordinarily, the shareholders have the right to revoke a proxy at any time before it is voted. Any shareholder may revoke his/her proxy by giving written notice to the Secretary of the Board of Directors.

The notice to revoke the proxy may be delivered in person or by messenger to the following address: Office of the Secretary of the Board of Directors, Triple-S Management Corporation Principal Office Building, 1441 FD Roosevelt Avenue, Sixth Floor, San Juan, Puerto Rico 00920. The shareholder may also send the notice to revoke the proxy by fax at (787) 749-4191 or (787) 706-4023, or by mail at the Office of the Secretary of the Board of Directors, Triple-S Management Corporation, PO Box 363628, San Juan, Puerto Rico 00936-3628.

Any shareholder who has revoked a proxy and attends the Annual Meeting may vote in person if he/she registers to vote at or before the Annual Meeting. In addition, if a Shareholder attends and registers to vote at the Annual Meeting, the proxy granted to the Board of Directors will be revoked, and the Shareholder will be able to vote his/her shares in person.

A proxy granted at a later date, will revoke a proxy granted at an earlier date.

Table of Contents

**SOLICITATIONS INDEPENDENT FROM THE
SOLICITATION OF THE BOARD OF DIRECTORS**

The Board of Directors informs the shareholders that if they wish to conduct a proxy solicitation independent from the solicitation being conducted by the Board of Directors through this Proxy Statement and the Proxy Form, they must comply with the requirements set forth in the Articles of Incorporation and By-laws of Triple-S Management, the Puerto Rico General Corporations Law of 1995, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

ISSUED AND OUTSTANDING SHARES

The only outstanding voting securities of Triple-S Management are shares of its Common Stock, with a par value of Forty Dollars (\$40) per share.

As of March 15, 2005, there were 8,904 issued and outstanding shares of Voting Common Stock.

SHAREHOLDERS RIGHT TO VOTE

At the Annual Meeting, each shareholder will be entitled to as many votes as the amount of shares that are registered under his/her name in the corporate books of Triple-S Management.

The right to vote at the Annual Meeting may be exercised in person or by proxy. No proxy will be valid unless it is issued with the shareholder's signature and is received in time to be voted at the Annual Meeting, or any postponement, recess, suspension, or adjournment of the same.

The Articles of Incorporation and By-laws of Triple-S Management expressly prohibit cumulative voting.

QUORUM

Pursuant to Article 5-5 of the By-laws, a majority of the issued and outstanding shares at the time the Annual Meeting is set to begin will constitute a quorum. In terms of the percentage of issued and outstanding shares, this means that at 9:00 am, fifty percent plus one share (50% + 1) of the issued and outstanding voting shares must be present at the Annual Meeting to constitute a quorum.

As of March 15, 2005, Triple-S Management had 8,904 issued and outstanding shares. Therefore, at 9:00 am, 4,453 issued and outstanding shares registered to vote at the Annual Meeting will constitute a quorum.

Table of Contents

The By-laws also provide that if at the time set in the Notice for the Annual Meeting of Shareholders to begin the Annual Meeting (9:00 am) a quorum is not present, there will be a thirty-minute recess (until 9:30 am). At the end of the thirty minutes, one-third (1/3) of the issued and outstanding shares that are registered to vote at the Annual Meeting will constitute a quorum. Therefore, at 9:30 am 2,968 issued and outstanding shares that are registered to vote at the Annual Meeting will constitute a quorum.

Article 5-5 of the By-laws provides that if a quorum is not present at that time, the Annual Meeting will be scheduled thirty (30) days hence. At this second Notice for the Annual Meeting, one-third (1/3) of the issued and outstanding shares registered to vote at the Annual Meeting will constitute a quorum. If a quorum is not present at this meeting, the Board of Directors may scheduled as many meetings as necessary until the requirement of a quorum of one-third (1/3) of the issued and outstanding shares registered to vote at the Annual Meeting, is met.

PRINCIPAL HOLDERS OF THE SHARES

As of March 15, 2005 there is no entity or entities which, by itself or as a group, as these terms are defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, are beneficial owners of five percent (5%) or more of the shares of common stock of Triple-S Management.

The following table shows the total amount of shares beneficially owned by the Directors and Executive Officers of Triple-S Management and its Subsidiaries (the Corporation), as individuals, as well as the total number of shares beneficially owned by all of the Directors and the Executive Officers of the Corporation as a group.

Table of Contents

Name of Directors of Triple-S Management	Shares	Percentage
Fernando J. Ysern-Borrás, MD	1	*
Valeriano Alicea-Cruz, MD	2	*
José Arturo Álvarez-Gallardo	1	*
Mario S Belaval	1	*
Arturo R. Córdova-López, MD	1	*
Carmen Ana Culpeper-Ramírez	1	*
Porfirio E. Díaz-Torres, MD	3	*
Manuel Figueroa-Collazo, PE, PhD	1	*
Vicente J. León-Irizarry, CPA	1	*
Fernando L. Longo-Rodríguez, MD	2	*
Wilfredo López-Hernández, MD	2	*
Manuel A. Marcial-Seoane, MD	2	*
Miguel Nazario-Franco	1	*
Juan E. Rodríguez-Díaz, Esq.	1	*
Wilmer Rodríguez-Silva, MD	15	*
Ramón M. Ruiz-Comas, CPA	1	*
Jesús R. Sánchez-Colón, DMD	1	*
Adamina Soto-Martínez, CPA	1	*
Manuel Suárez-Méndez, PE	1	*

**Name of Nominee for Member of the Board of
Directors of Triple-S Management**

	Shares	Percentage
José Hawayek-Alemañy, MD§	10	*

* Less than 1%.

These persons are Directors representing the community and have received one share of common stock in order to comply with the requirement established in the By-laws which provides that the Directors must be Shareholders.

CPA Ramón M. Ruiz-Comas is the President and Chief Executive Officer (CEO). Pursuant to the provisions of the Articles of Incorporation and By-laws, the President of Triple-S Management must be a member of the Board of Directors as long as such person is serving as President. Therefore, the President of Triple-S Management is a Director representing the community and has received one share of common stock (less than 1%).

§ Nominee for member of the Board of Directors of Triple-S Management.

Table of Contents

Name of the Executive Officers of the Corporation	Shares	Percentage
Ramón M. Ruiz-Comas, CPA**	1	**
Héctor R. Ramos-Díaz, Esq.	0	0
Juan José Román-Jiménez, CPA	0	0
Socorro Rivas-Rodríguez, CPA	0	0
Alejandro E. Franco-Linares, MD	4	
Luis A. Marini-Mir, DMD	1	
Roberto O. Morales-Tirado, Esq.	0	0
Eva G. Salgado-Micheo	0	0
Carlos D. Torres-Díaz	0	0
Total shares of Triple-S Management owned by the Directors, the Nominee for Member of the Board of Directors, and the Executive Officers of the Corporation.	54	

** CPA Ramón M. Ruiz-Comas is the President and Chief Executive Officer (CEO) of Triple-S Management. Pursuant to the provisions of the Articles of Incorporation and By-laws, the President of Triple-S Management must be a member of the Board of Directors as long as such person is serving as President. Therefore, the President of Triple-S Management is a Director representing the community and has received one share of common stock (less than 1%).

Executive Officers of Triple-S Management.

Less than 1%.

Table of Contents

MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

Board of Directors

The Articles of Incorporation and By-laws state that the Board of Directors shall consist of nineteen persons, ten of which must be representatives of the community, as such term is defined by the Blue Cross and Blue Shield Association (BCBSA). The other nine Directors must be physicians or dentists.

Directors Whose Terms Will Expire in 2007

1. Mario S Belaval
2. Carmen Ana Culpeper-Ramírez
3. Manuel Figueroa-Collazo, PE, PhD
4. Miguel Nazario-Franco
5. Juan E. Rodríguez-Díaz, Esq.
6. Ramón M. Ruiz-Comas, CPA
7. Manuel Suárez-Méndez, PE
8. Fernando J. Ysern-Borrás, MD

Directors Whose Terms Will Expire in 2006

1. Valeriano Alicea-Cruz, MD
2. José Arturo Álvarez-Gallardo
3. Porfirio E. Díaz-Torres, MD
4. Vicente J. León-Irizarry, CPA
5. Fernando L. Longo-Rodríguez, MD
6. Jesús R. Sánchez-Colón, DMD

Nominees for Election as Directors in 2005

At the Annual Meeting, five (5) Directors will be elected by ballot, each to serve a term of three years until April 2008.

Of the five Directors whose terms expire, four are physicians (Dr. Arturo R. Córdova-López, Dr. Wilfredo López-Hernández, Dr. Manuel A. Marcial-Seoane, and Dr. Wilmer Rodríguez-Silva) and one is a representative of the community (CPA Adamina Soto-Martínez).

As a requirement of the BCBSA, of which Triple-S Management and Triple-S, Inc. are members, those directors representing the community cannot be physicians or dentists, nor service providers, employees, or members of the Board of Directors of any participant or health care services provider.

Table of Contents

The Nominations Committee of the Board of Directors of Triple-S Management met and evaluated all recommended candidates for the position of Director. After their evaluation, the Committee submitted a report to the Board of Directors, who recommends the following nominees for election:

Four nominees to be Directors as physicians or dentists

1. Arturo R. Córdova-López, MD
2. José Hawayek-Alemañy, MD
3. Wilfredo López-Hernández, MD
4. Wilmer Rodríguez-Silva, MD

One nominee to be Director as representative of the community

1. Adamina Soto-Martínez, CPA

Dr. Arturo R. Córdova-López, Dr. Wilfredo López-Hernández, Dr. Wilmer Rodríguez-Silva, and CPA Adamina Soto-Martínez currently serve as members of the Board of Directors. Their contribution and experience as members of the Board of Triple-S Management are important for the continuity of the work accomplished at the Board. They have not served for more than nine years, nor have they been elected more than three times. Because of the abovementioned facts, the Board of Directors nominates these Directors for reelection.

For a detailed explanation of Tenure Requirements, please refer to [Tenure of Directors](#) below.

The Board of Directors has nominated Dr. José Hawayek-Alemañy. This nominee would substitute Dr. Manuel A. Marcial-Seoane, who for personal reasons, has declined to be considered for an additional term on the Board of Directors.

The Board of Directors understands that all of the nominees may be elected as directors and may each serve for a term of three years since they comply with all the requirements for such position.

The persons named as proxy holders in the Proxy Form attached hereto, or any substitute proxy holder, must vote the Proxies pursuant to the instructions received from the shareholder granting the proxy. If a shareholder does not indicate any choice of vote with regards to the Election of Directors, the Board of Directors will vote in favor of the five nominees recommended for election in this Proxy Statement.

Table of Contents

If for any reason, not known at this time, any of the nominees was not available for election, the proxy solicited hereby confers discretionary authority on the Board of Directors to vote the proxy with respect to the election of another person as director in substitution of any nominee that is not available for election. In such event, proxies will be voted according to the best judgment of the Board of Directors.

Vote and Recommendation

The Directors will be elected by a majority of the affirmative votes of the issued and outstanding voting shares that are present or represented by proxy at the Annual Meeting, pursuant to Section A of Article 7-1 of the By-laws of Triple-S Management and Article 7.06(C) of the General Corporations Law of 1995, as amended.

The Board of Directors recommends that you vote **In Favor** of the election of each of its nominees to the Board of Directors.

DIRECTORS AND EXECUTIVE OFFICERS

The business and affairs of Triple-S Management are governed by its Board of Directors, which in accordance with its Articles of Incorporation and By-laws, currently, consists of nineteen Directors.

Directors are elected on a staggered basis every three years at the Annual Meeting of Shareholders. The last election of Directors was held on April 25, 2004.

The Board of Directors may appoint new Directors to fill vacancies that occur when a Director cannot continue serving on the Board of Directors for any reason. Any such new Director will serve for the remainder of the term of the Director being substituted. On December 6, 2004, the Board of Directors appointed Mr. Juan E. Rodríguez-Díaz, Esq., to serve as director and fill the vacancy left by Mr. José Davison-Lampón, Esq., who passed away on September 14, 2004. Mr. Rodríguez-Díaz is considered a member of the Board representing the community, as was Mr. Davison-Lampón.

Triple-S Management's President and Chief Executive Officer (CEO) is appointed by the Board of Directors and holds the office at the Board's discretion.

Scheduled meetings of Triple-S Management's Board of Directors are held at least once a month. Special Board meetings are held when convened by the Chairman of the Board, or by at least five Board members.

Listed below are Triple-S Management's current Directors and Executive Officers:

Table of Contents**Triple-S Management Corporation**

Name	Age	Office
Board of Directors		
Fernando J. Ysern-Borrás, MD	49	Director, Chairman of the Board
Valeriano Alicea-Cruz, MD	59	Director
José Arturo Álvarez-Gallardo	62	Director
Mario S Belaval	66	Director
Arturo R. Córdova-López, MD	61	Director, Assistant Secretary
Carmen Ana Culpeper-Ramírez	59	Director
Porfirio E. Díaz-Torres, MD	63	Director
Manuel Figueroa-Collazo, PE, PhD	53	Director
Vicente J. León-Irizarry, CPA	66	Director, Treasurer
Fernando L. Longo-Rodríguez, MD	65	Director
Wilfredo López-Hernández, MD	61	Director
Manuel A. Marcial-Seoane, MD	50	Director
Miguel Nazario-Franco	58	Director
Juan E. Rodríguez-Díaz, Esq.	63	Director
Wilmer Rodríguez-Silva, MD	51	Director, Vice-Chairman
Ramón M. Ruiz-Comas, CPA	48	Director, President and CEO
Jesús R. Sánchez-Colón, DMD	49	Director, Secretary
Adamina Soto-Martínez, CPA	57	Director, Assistant Treasurer
Manuel Suárez-Méndez, PE	59	Director
Executive Officers		
Ramón M. Ruiz-Comas, CPA	48	President and CEO
Héctor R. Ramos-Díaz, Esq.	57	Senior Vice-President for Corporate Affairs
Juan José Román-Jiménez, CPA	40	Finance Vice-President and Chief Financial Officer

Triple-S Management is a holding company that conducts its business through its wholly-owned subsidiary corporations: Triple-S, Inc., Seguros de Vida Triple-S, Inc., Seguros Triple-S, Inc., Interactive Systems, Inc., and Triple-C, Inc.

Table of Contents

Listed below is certain biographical information of the Directors of Triple-S Management showing their experience in the last five (5) years.

Fernando J. Ysern-Borrás, MD

He is currently the Chairman of the Boards of Directors of Triple-S Management and Triple-S, Inc.

Since 1998 and 1999, he serves on the Boards of Directors of Triple-S, Inc. and Triple-S Management, respectively.

Doctor Ysern-Borrás also serves on the Boards of Directors of Seguros de Vida Triple-S, Inc., Seguros Triple-S, Inc., Interactive Systems, Inc., Triple-C, Inc., Smart Solutions Insurance Agency Corp. (a wholly owned subsidiary of Seguros de Vida Triple-S, Inc.), and Signature Insurance Agency, Inc. (a wholly-owned subsidiary of Seguros Triple-S, Inc.).

Since 1986, he has worked in *Grupo Pediátrico* of Caguas, Puerto Rico.

He has worked in several hospitals and has been Director of the Pediatric Department in 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 member of the Municipal Assembly of Caguas.

He is 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.

Table of Contents

Valeriano Alicea-Cruz, MD

Since 2000, he serves on the Boards of Directors of Triple-S Management and of Triple-S, Inc.

Currently, he is the Chairman of the Board of Directors of Interactive Systems, Inc.

He is also Secretary of the Board of Directors of Seguros de Vida Triple-S, Inc., and Vice-Chairman of the Board of Directors of Smart Solutions Insurance Agency Corp., (a wholly-owned subsidiary of Seguros de Vida Triple-S, Inc.).

He is an Ophthalmologist with a private practice since 1975, and has offices in two municipalities of Puerto Rico.

He was President of the Puerto Rico Medical Association.

He has served on the Medical Board of the Department of Transportation and Public Works, the Boards of Directors of *Ojos, Inc.*, the Puerto Rico Medical Association, the American Academy of Ophthalmology, and the Puerto Rican Society of Ophthalmology.

He is a member of the American Academy of Ophthalmology, the Society of Physicians graduated from the University of Puerto Rico and the Pan-American Association of Ophthalmology.

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

Since 2000, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

He is currently Treasurer of the Board of Directors of Interactive Systems, Inc.

Since 1964, Mr. Álvarez-Gallardo has served in various positions with *Méndez & Co., Inc.*, where he is the 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, Inc.

Mr. Álvarez-Gallardo holds a BBA degree in Business Administration from Iona College.

Table of Contents

Mario S Belaval

Since 1998 and 1999, he serves on the Boards of Directors of Triple-S, Inc. and Triple-S Management, respectively.

He serves on the Board of Directors of Seguros de Vida Triple-S, Inc.

Since 2002, he is a consultant of Miradero Capital Partners.

He was a consultant 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.

Arturo R. Córdova-López, MD

Since 1999, he is Assistant Secretary of the Boards of Directors of Triple-S Management and Triple-S, Inc.

He currently is Secretary of the Board of Directors of Seguros Triple-S, Inc. and Director and Vice-Chairman of the Board of Directors of Signature Insurance Agency, Inc. (a wholly-owned subsidiary of Seguros Triple-S, 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 is the immediate past Governor for Puerto Rico for the ACCP.

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, and critical care and managed care medicine.

Table of Contents

Carmen Ana Culpeper-Ramírez

She currently serves on the Boards of Directors of Triple-S Management, Triple-S, Inc., Interactive Systems, Inc., and Seguros de Vida Triple-S, Inc.

Since April 2004, she is 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 offers organizational development, project and financial management services.

She serves as member of the Boards of Directors of Levitt Homes, Inc. and Intech de Puerto Rico.

Previous to being appointed to the Small Business Administration, she served as Chairman of the Board of the San Juan Human Capital Development Board.

Ms. Culpeper-Ramírez has served as member of the Board of Directors of Banco Santander Puerto Rico and Centennial Communications Corporation.

Ms. Culpeper-Ramírez worked for two years (from 1997 to 1999) 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.

She also served as President of the Puerto Rico Chamber of Commerce (for the term 1999 to 2000).

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).

Porfirio E. Díaz-Torres, MD

Since 2000, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

He is currently Chairman of the Boards of Directors of Seguros de Vida Triple-S, Inc. and Smart Solutions Insurance Agency Corp., a wholly-owned subsidiary of Seguros de Vida Triple-S, 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 and President of the Puerto Rican Society of Cardiology.

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*, Dominican Republic.

Table of Contents

Manuel Figueroa-Collazo, PE, PhD

Since 2004, he serves on the Boards of Directors of Triple-S Management, Triple-S, Inc., and Seguros Triple-S, Inc.

He is also Vice-Chairman of the Board of Directors of Interactive Systems, 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 director of the Boards of *Corredor Tecnológico del Este*, Puerto Rico Products Association, EPSCOR, and *Vivero de Tecnología y Ciencia de Puerto Rico*.

He has eleven 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 Product Manager for AT&T Network Systems and for 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.

Vicente J. León-Irizarry, CPA

Since 2000, he serves on the Boards of Directors of Triple-S Management, Triple-S, Inc., and Seguros Triple-S, Inc.

He is currently Treasurer of the Boards of Directors of Triple-S Management, Triple-S, Inc., and Seguros Triple-S, Inc.

He is also Assistant Treasurer of the Board of Directors of Triple-C, Inc.

He is a Certified Public Accountant (CPA).

Since January 2002, he is a business consultant.

He worked as consultant of Falcón-Sánchez & Associates, a certified public accountants 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 BBA degree in Business Administration with a major in Accounting from the University of Puerto Rico.

Table of Contents

Fernando L. Longo-Rodríguez, MD

Since 1997 and 1999, he serves on the Boards of Directors of Triple-S, Inc. and Triple-S Management, respectively.

He was Chairman of the Boards of Directors of Triple-S Management and Triple-S, Inc., from 1999 to 2002.

He is Vice-Chairman of the Board of Directors of Triple-C, Inc.

He has a private practice in otolaryngology in Bayamón, Puerto Rico.

Presently, he is Secretary of the Board of Directors of Hospital San Pablo in Bayamón, Puerto Rico.

He has been member of the American Medical Association, the Society of Military ENT, the Puerto Rican Medical Association, and Junior Member in the American Academy of Facial Plastic and Reconstructive Surgery.

Doctor Longo-Rodríguez holds a BS degree from the University of Puerto Rico.

He also holds an MD degree from the University of Puerto Rico, School of Medicine and a Specialty in Otolaryngology from the San Juan Municipal Hospital.

Wilfredo López-Hernández, MD

Since 1999, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

Currently, he is Vice-Chairman of the Board of Directors of Seguros Triple-S, Inc.

He is Treasurer of the Board of Directors of Signature Insurance Agency, Inc., a wholly owned subsidiary of Seguros Triple-S, 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.

He has been member of the Puerto Rico Urological Association, *Société Internationale D Urologie*, American Confederation of Urology, and the American Urological Association.

He holds a BS degree from the University of Puerto Rico, an MD degree from the University of Santiago de Compostela, Spain, and a Specialty in Urology from the University of Puerto Rico, School of Medicine.

Table of Contents

Manuel A. Marcial-Seoane, MD

Since 2002, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

Currently, he also is Assistant Secretary of the Board of Directors of Triple-C, Inc.

Doctor Marcial-Seoane is presently the Chairman and Chief Executive Officer of University Pathologists, Inc., a surgical pathology group practice.

He also serves as Director of Business Development for Quest Diagnostics of Puerto Rico, Inc., a reference medical laboratory.

He served as Director of the Advisory Board at Hospital Pavía, from 1995 to 2002.

He dedicated his first decade of practice to academic medicine, serving as Professor and Chairman of Pathology at the *Universidad Central del Caribe*, School of Medicine.

He is Fellow of the American College of Physicians, the American Society of Clinical Pathologists, the College of American Pathologists, the American College of Physician Executives, and the American College of Gastroenterology.

He pursued his premedical education at Johns Hopkins and received his MD degree from the University of Puerto Rico in 1979.

He did his pathology residency and gastrointestinal pathology fellowship at Harvard's Brigham and Women's Hospital.

Doctor Marcial-Seoane is a Diplomat of the American Board of Pathology in both Anatomic and Clinical Pathology.

Miguel Nazario-Franco

Since 2004, he serves on the Boards of Directors of Triple-S Management, Triple-S, Inc., Triple-C, Inc., and Interactive Systems, Inc.

Mr. Nazario-Franco is an active member of the Boards of Directors of *El Nuevo Día*, Ferré Investment Fund, Puerto Rico Aqueduct & Sewer Authority, *Compañía para el Desarrollo Integral de la Península de Cantera*, and the Puerto Rico Electric Power Authority.

From 1994 to 2002, Mr. Nazario-Franco was President and Chief Executive Officer of Puerto Rican Cement Co., Inc. from where he retired.

He was President of the Puerto Rico Manufacturers Association and Chairman of the Industrial Advisory Council of the University of Puerto Rico Engineering Campus.

He is also member of the Advisory Boards of Cortés Industrial Organization.

He served as member of the Advisory Boards of the Puerto Rico Department of Education and *Consejo Asesor de la Industria de la Construcción* until December 2004.

Mr. Nazario-Franco holds a BBA in Accounting from the University of Puerto Rico.

Table of Contents

Juan E. Rodríguez-Díaz, Esq.

Since December 2004, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

Mr. Rodríguez-Díaz is a commercial, corporate and tax attorney authorized to practice law in Puerto Rico and New York.

Currently, he is 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 has served as director of the Boards of local banks and several local and U.S. companies.

He serves as director of the Boards 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 in Law (LLM) from New York University School of Law.

Wilmer Rodríguez-Silva, MD

Since 1999, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

He is currently Vice-Chairman of the Boards of Directors of Triple-S Management and Triple-S, Inc.

In addition, he is also Chairman of the Board of Directors of Triple-C, Inc., and Director of the Board of Directors of Seguros Triple-S, Inc.

He is Secretary of the Board of Directors of Interactive Systems, Inc.

Doctor Rodríguez-Silva is the former Chief of the Gastrointestinal Section of the San Pablo Medical Center.

He is also a member of the American College of Physicians, the American Gastroenterology Association, the American Society for Gastrointestinal Endoscopy, the Puerto Rico Medical Association, Former President of the Puerto Rico Society for 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.

Table of Contents

Ramón M. Ruiz-Comas, CPA

Since May 2002, he has served as President and Chief Executive Officer of Triple-S Management, and as such, has served as Director on the Board of Directors of Triple-S Management.

Currently, he is Director of the Boards of Directors of Seguros de Vida Triple-S, Inc., Seguros Triple-S, Inc., Interactive Systems, Inc., Triple-C, Inc., Signature Insurance Agency, Inc. (a wholly owned subsidiary of Seguros Triple-S, Inc.), and Smart Solutions Insurance Agency Corp. (a wholly owned subsidiary of Seguros de Vida Triple-S, Inc.).

Mr. Ruiz-Comas served as Executive Vice-President of Triple-S Management from November 2001 to April 2002 and as Senior Vice-President and Chief Financial Officer of Triple-S Management from February 1999 to October 2001.

Prior to that, he was Triple-S, Inc.'s Senior Vice-President of Finance from 1995 to 1999 and Vice-President of Finance from 1990 to 1995.

He is a Certified Public Accountant (CPA).

He is 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 BBA degree in Business Administration with a major in Accounting from the University of Puerto Rico.

Jesús R. Sánchez-Colón, DMD

Since 2000, he serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

Also, he is Secretary of the Boards of Directors of Triple-S, Inc. and Triple-S Management, since 2002.

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 the Secretary and the Auditor.

He currently serves as Chairman of the Board of Directors of *B. Fernández & Hermanos*.

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.

Table of Contents

Adamina Soto-Martínez, CPA

Since 2002, she serves on the Boards of Directors of Triple-S Management and Triple-S, Inc.

Currently, she is Assistant Treasurer of the Boards of Directors of Triple-S Management and Triple-S, Inc.

Also, she is Treasurer of the Boards of Directors of Seguros de Vida Triple-S, Inc. and Triple-C, Inc.

She is a Certified Public Accountant (CPA).

She is currently 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 State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

She is a graduate of the University of Puerto Rico.

Manuel Suárez-Méndez, PE

Since 1998 and 1999, he serves on the Boards Directors of Triple-S, Inc. and Triple-S Management, respectively.

Currently, he is 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.

He is also Assistant Secretary of the Board of Directors of Triple-C, 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 CAAM, University of Puerto Rico, Mayagüez Campus, and has post graduate studies in Urban Planning from the University of Puerto Rico.

Table of Contents

Listed below is certain biographical information of Dr. José Hawayek-Alemañy, a nominee for member of the Board of Directors of Triple-S Management showing his experience in the last five (5) years.

José Hawayek-Alemañy, MD

Since 1976, he serves as Professor at the University of Puerto Rico, School of Medicine.

He was director of the Office of Graduate Medical Education at the University of Puerto Rico, School of Medicine, from 1988 to 1998.

He was Dean of Academic Affairs at the University of Puerto Rico, School of Medicine, from 1998 to 2002.

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.

He was Senate Member and Treasurer of the OB-GYN Section of the Medical College of Puerto Rico.

He served as President of the Advisory Committee for Medicare Carriers in Puerto Rico.

He also served as Triple-S External Evaluator for OB-GYN cases.

He holds a BS degree in Pre Med from the University of Puerto Rico, Mayagüez Campus, a MD degree from the University of Puerto Rico, School of Medicine, and a Specialty in OB-GYN from University Hospital.

Table of Contents

Listed below is biographical information of Certain Executive Officers of the Corporation.

Name	Work Experience in the Last Five Years
Ramón M. Ruiz-Comas, CPA	(1) President and Chief Executive Officer of Triple-S Management since May 2002, (2) Executive Vice-President of Triple-S Management from 2001 to 2002, (3) Senior Vice-President and Chief Financial Officer of Triple-S Management from 1999 to 2001, (4) Finance Senior Vice-President of Triple-S, Inc. from 1995 to 1999, and (5) Finance Vice-President of Triple-S, Inc. from 1990 to 1995.
Héctor R. Ramos-Díaz, Esq.	(1) Senior Vice-President for Corporate Affairs of Triple-S Management since 1999, and (2) Senior Vice-President of Triple-S, Inc. from 1995 to 1999.
Juan José Román-Jiménez, CPA	(1) Finance Vice-President and Chief Financial Officer of Triple-S Management since 2002, (2) Executive Vice-President of Triple-C, Inc. from 1999 to 2002, and (3) Finance Vice-President of Triple-C, Inc. from 1996 to 1999.
Socorro Rivas-Rodríguez, CPA	(1) President of Triple-S, Inc. since May 2002, (2) General Manager and Executive Vice-President of Triple-S, Inc. from 1999 to 2002, and (3) Executive Vice-President of Triple-S, Inc. from 1990 to 1999.
Pablo Almodóvar-Scalley	(1) Senior Vice-President and Chief Operating Officer of Triple-S, Inc. since April 2004, (2) Finance and Administration Senior Vice-President of Triple-S, Inc. from 2003 to 2004, (3) Finance Vice-President of Triple-S, Inc. from 2000 to 2004, and (4) Finance Vice-President of Seguros Triple-S, Inc. from 1995 to 1999.
Alejandro E. Franco-Linares, MD	Senior Vice-President of the Medical, Dental, and Professional Affairs Division of Triple-S, Inc. since 1996.
Jaime R. Pericás-Alfaro	(1) First Vice-President of the Sales and Marketing Division of Triple-S, Inc. since 2001, and (2) Sales Representative of Triple-S, Inc. from 1994 to 2001.

Table of Contents

Name	Work Experience in the Last Five Years
Roberto O. Morales-Tirado, Esq.	(1) President of Seguros de Vida Triple-S, Inc. since 2000, (2) Consultant to Seguros de Vida Triple-S, Inc. and Triple-S, Inc. from 1998 to 2000, and (3) President and Chief Executive Officer of AIG Life Insurance Company of Puerto Rico from 1993 to 1998.
Raquel E. Lugo-Ramírez, Esq.	(1) Operations Vice-President of Seguros de Vida Triple-S, Inc. since November 15, 2004, (2) Lawyer and Public Notary in the private practice from June 2004 to November 2004, and (3) Operations Vice-President of Universal Life Insurance Co. from February 1994 to May 2004.
Eva G. Salgado-Micheo	(1) President of Seguros Triple-S, Inc. since July 2003, (2) Senior Vice-President of the Underwriting Department of Seguros Triple-S, Inc. from 2002 to July 2003, (3) Vice-President of the Underwriting Department of Seguros Triple-S, Inc. from 1997 to 2002, and (4) Senior Vice-President of the Underwriting Department of Integrand Assurance Company from 1979 to 1996.
Roberto J. Martínez-Santiago, CPA	(1) Executive Vice-President and Chief Operating Officer of Seguros Triple-S, Inc. since April 2004, (2) Senior Vice-President of the Finance Department of Seguros Triple-S, Inc. from 2003 to 2004, and (3) Vice-President of the Finance Department of Seguros Triple-S, Inc. from 1999 to 2003.
José Del Amo-Mójica	(1) Vice-President of the Underwriting Department of Seguros Triple-S, Inc. since January 2004, (2) Manager of the Underwriting Department of Seguros Triple-S, Inc. from 2001 to 2004, and (3) Manager of the Department of Bonds of Seguros Triple-S, Inc. from 1998 to 2001.
Carlos D. Torres-Díaz	President of Interactive Systems, Inc. since 1996.
Ramón O. De La Torre-Rolón	Vice-President of Interactive Systems, Inc. since 1996.

Table of Contents

Name	Work Experience in the Last Five Years
Luis A. Marini-Mir, DMD	(1) President of Triple-C, Inc. since 1999, (2) Dental Director of the Medical, Dental, and Professional Affairs Division of Triple-S, Inc. from 1998 to 1999, and (3) Dean of the Dental School, University of Puerto Rico, from 1993 to 1997.
Nydia Ortiz-Villafañe, CPA	(1) Executive Vice-President of Triple-C, Inc. since 2003, (2) Vice-President of the Internal Audit Office of Triple-S Management from 2001 to 2003, (3) Director of the Internal Audit Office of Triple-S Management from 1999 to 2001, and (4) Director of the Internal Audit Office of Triple-S, Inc. from 1997 to 1999.
Sarah López-Torres, MD	(1) Senior Vice-President of the Medical and Dental Affairs Division of Triple-C, Inc. since October 2004, (2) Vice-President of the Medical and Dental Affairs Division of Triple-C, Inc. from 2000 to 2004, (3) Medical Director of the Utilization Management Department of Triple-C, Inc. from 1997 to 1999, and (4) Medical Director of the <i>Corporación de Servicios Integrales de la Montaña</i> from 1988 to 1997.

TENURE OF DIRECTORS

The Articles of Incorporation and By-laws provide that the Board of Directors shall be divided into three groups, where Directors shall be elected to serve terms of three years in a staggered manner. They also provide that, with the exception of the President and Chief Executive Officer, Directors can only serve a maximum of three terms of three years each, or a total of nine years of service.

Article Eleventh of the Articles of Incorporation and Article 7-1 of the By-laws also state that the terms and years that a Director served in Triple-S, Inc. prior to the corporate reorganization that occurred in 1999, will be considered in order to determine the years and terms that the Director has served in Triple-S Management for tenure purposes. These provisions also state that any Director will continue serving his/her office until a successor is duly elected and takes possession of his/her office.

In addition, Triple-S Management has an outstanding policy adopted by the Board of Directors, which establishes that the Chairman of the Board of Directors, who is elected every year, cannot serve in said office for more than three years.

Table of Contents

BOARD OF DIRECTORS OF TRIPLE-S MANAGEMENT AND ITS COMMITTEES

The Board of Directors of Triple-S Management held twenty-six meetings during the fiscal year ended on December 31, 2004. During the last fiscal year, except for Manuel Suárez-Méndez, PE, all members of the Board of Directors attended more than 75% of the aggregate of: (1) the total number of meetings of the Board of Directors (regular and special), and (2) the total number of meetings held by all Committees of the Board of Directors of Triple-S Management on which the Board member served (during the periods that the Board member served).

The By-laws 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 of Directors may create any other Committee it deems necessary for the proper operation of Triple-S Management's business. In addition to these Standing Committees, Triple-S Management has a number of ad hoc committees.

A brief description of each of Triple-S Management's Standing Committees follows below.

Corporate Governance Committee

The Corporate Governance Committee develops and recommends to the Board of Directors of the Corporation: (1) the rules, norms, and guidelines to be followed in order to ensure the best practices of good corporate governance; (2) the Code of Business Conduct and Ethics, and oversees its compliance; (3) the Corporation's Policy to be followed in case a Director of the Corporation serves as a director, officer, or employee of another corporation; (4) the guidelines to be followed regarding the size, structure, and composition of the Board of Directors; (5) the guidelines to be followed regarding the attendance of the Directors to the Board or Committee meetings and the revision of documents for said meetings; and (6) an Orientation and Continued Educational Program for the Directors. As part of this Program, the Committee will identify and provide access to orientation programs, seminars, or materials appropriate for recently elected Directors.

Table of Contents

The Corporate Governance Committee also recommends to the Board of Directors the creation or consolidation of the Board's Committee functions so that these functions are consistent with the best practices of good corporate governance.

The Corporate Governance Committee annually reviews, or as deemed necessary: (1) the performance of the Board of Directors and its Committees, except for the Compensation, Nominations, and Audit Committees, as well as the adequacy of their structure and composition; and (2) the managerial structure of the Corporation and submits its recommendations to the Board of Directors of the Corporation.

The Corporate Governance Committee periodically receives and evaluates the succession and development plans for the President and Chief Executive Officer (CEO) of Triple-S Management, as well as those for the Executive Officers of the Corporation.

The Corporate Governance Committee may request the Resolutions and Regulations Committee of the Board of Directors of Triple-S Management to evaluate possible amendments to the Articles of Incorporation and By-laws of the Corporation, pursuant to the best practices of good corporate governance.

The Corporate Governance Committee has the authority to hire or terminate services of any expert advisor used to assist in the development, recommendation, and implementation of the rules, norms, and guidelines developed as part of the best practices of good corporate governance. The Committee has the authority to approve consulting fees and other retention terms. The Committee also has the authority to obtain third party counseling and assistance on legal, accounting, and other matters from internal or external sources.

The Committee met six times during the fiscal year ended December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Fernando J. Ysern-Borrás, MD, Chair of the Committee
- (2) José Arturo Álvarez-Gallardo
- (3) Vicente J. León-Irizarry, CPA
- (4) Fernando L. Longo-Rodríguez, MD
- (5) Wilmer Rodríguez-Silva, MD
- (6) Ramón M. Ruiz-Comas, CPA
- (7) Jesús R. Sánchez-Colón, DMD

Table of Contents

Finance Committee

The Finance Committee oversees all financial activities of the Corporation, provides guidance to the Board of Directors in connection with finance matters, studies changes in the economic structure of Triple-S Management, and evaluates financial procedures used by the Corporation.

The Committee met twelve times during the fiscal year ended on December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Vicente J. León-Irizarry, CPA, Chair of the Committee
- (2) Mario S Belaval
- (3) Wilfredo López-Hernández, MD
- (4) Wilmer Rodríguez-Silva, MD
- (5) Ramón M. Ruiz-Comas, CPA
- (6) Adamina Soto-Martínez, CPA
- (7) Fernando J. Ysern-Borrás, MD

Resolutions and Regulations Committee

The Resolutions and Regulations Committee regularly reviews the Articles of Incorporation and By-laws, in order to propose amendments or resolutions related to institutional corporate issues. The Committee also evaluates the resolutions proposed by the shareholders.

The Committee met nine times during the fiscal year ended on December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Jesús R. Sánchez-Colón, DMD, Chair of the Committee
- (2) Valeriano Alicea-Cruz, MD
- (3) José Arturo Álvarez-Gallardo
- (4) Porfirio E. Díaz-Torres, MD
- (5) Juan E. Rodríguez-Díaz, Esq.
- (6) Ramón M. Ruiz-Comas, CPA
- (7) Manuel Suárez-Méndez, PE
- (8) Fernando J. Ysern-Borrás, MD

Table of Contents

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 of Directors and to be presented as candidates to be nominated by the Board of Directors at the Annual Meetings, (2) recommend to the Board of Directors the best qualified candidates that can fill vacancies in the Board of Directors, (3) establish and periodically review the qualifications of the candidates to be nominated or appointed to the Board of Directors, and (4) recommend to the Board of Directors the best qualified candidates to occupy the position of President of Triple-S Management, when said position is vacant. A complete list of all the duties of the Nominations Committee is found in its Charter that is included as Exhibit A.

The Committee met six times during the fiscal year ended on December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Fernando L. Longo-Rodríguez, MD, Chair of the Committee
- (2) Mario S Belaval
- (3) Manuel Figueroa-Collazo, PE, PhD
- (4) Vicente J. León-Irizarry, CPA
- (5) Miguel Nazario-Franco
- (6) Jesús R. Sánchez-Colón, DMD
- (7) Fernando J. Ysern-Borrás, MD

Mr. Mario S Belaval, Mr. Manuel Figueroa-Collazo, Mr. Vicente J. León-Irizarry, and Mr. Miguel Nazario-Franco satisfy the applicable independence requirements as currently defined under the listing standards of the New York Stock Exchange.

The nominations process followed by the Committee is:

- (1) Triple-S Management's shareholders may recommend candidates to the Board of Directors. Candidates recommended by shareholders will receive the same consideration as candidates recommended otherwise. The information of the candidates recommended by a shareholder must be sent to the attention of the Secretary of the Board of Directors of Triple-S Management.

Table of Contents

- (2) The Nominations Committee's duties are to ensure that the Board of Directors 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 of Directors and present their recommendations to the Board of Directors for nominations 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 the By-laws. They include the following: (a) not having filed for bankruptcy, nor engaged in any fraudulent conveyance that constitutes a fraud on creditors, (b) not have been convicted of a crime of 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 the 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 Triple-S Management 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., a subsidiary of Triple-S Management, for at least two (2) years prior to their nomination as Directors of Triple-S Management.
- (4) The Nominations Committee develops qualifying criteria and is responsible for seeking, interviewing, and selecting those potential candidates that, in their judgment, are best qualified, and make the appropriate recommendations to the Board of Directors. Throughout this process, the Committee may verify that the selected individuals demonstrate 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 Triple-S Management, including the needs of Triple-S Management as vacancies occur. This practice is aimed at complying with good corporate governance practices.

Table of Contents

- (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.
- (6) The Committee identified and recommended to the Board of Directors four nominees to be elected as Directors of the Board who are currently members of the Board of Directors of Triple-S Management: Dr. Arturo R. Córdova-López, Dr. Wilfredo López-Hernández, Dr. Wilmer Rodríguez-Silva, and CPA Adamina Soto-Martínez.
- (7) The Committee also identified and recommended to the Board of Directors one nominee to be elected as Directors of the Board of Directors who is not currently serving as Director: Dr. José Hawayek-Alemañy.

Compensation Committee

The duties of the Compensation Committee are to: (1) develop, recommend, and review the compensation policies for the Executives Officers of the Corporation, (2) recommend to the Board of Directors the compensation of the Executive Officers of the Corporation, and (3) recommend to the Board of Directors of the Corporation those changes to the compensation levels of the Directors of the Corporation that are deemed necessary.

The Committee met eleven times during the fiscal year ended December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Adamina Soto-Martínez, CPA, Chair of the Committee
- (2) Mario S Belaval
- (3) Manuel Figueroa-Collazo, PE, PhD
- (4) Vicente J. León-Irizarry, CPA
- (5) Manuel Suárez-Méndez, PE
- (6) Fernando J. Ysern-Borrás, MD

Table of Contents

Audit Committee

The Audit Committee reviews the following matters: (1) whether the Corporation has adequate internal controls and its compliance with applicable laws and regulations, (2) activities of the Internal Audit Office, (3) results from audits made by regulators, (4) consolidated financial reports of the Corporation, and (5) the annual report prepared by external auditors. In addition, the Audit Committee appoints the public accounting firm to serve as the external auditors of the Corporation.

The Committee met fourteen times during the fiscal year ended December 31, 2004.

As of March 24, 2005, the members of the Committee are:

- (1) Mario S Belaval, Chair of the Committee
- (2) Carmen Ana Culpeper-Ramírez
- (3) Manuel Figueroa-Collazo, PE, PhD
- (4) Vicente J. León-Irizarry, CPA
- (5) Miguel Nazario-Franco
- (6) Adamina Soto-Martínez, CPA
- (7) Manuel Suárez-Méndez, PE

The Board of Directors, in its best business judgment, has determined that each of the members of the Audit Committee, including its Chair, satisfies the applicable independence requirements as currently defined under the listing standards of the New York Stock Exchange.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee consists of seven members of Triple-S Management's Board of Directors. Each of the members of the Audit Committee satisfies the applicable independence requirements under the rules of the New York Stock Exchange.

The Audit Committee operates pursuant to a Charter that was adopted by the Board of Directors of Triple-S Management. 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.

Table of Contents

The role of the Audit Committee is to assist the Board of Directors in its oversight of the Corporation's financial reporting process, as well as the Corporation's internal and external audit processes. The Committee can communicate directly with the Board of Directors, and require corrective plans related to findings included in reports submitted by the internal or external auditors, as well as any other matter brought to the attention of the Committee.

The Committee 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.

As set forth in the Charter, the Corporation's management is responsible for: (1) the preparation, presentation, and integrity of the Corporation's 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. The independent auditors of the Corporation are responsible for auditing the Corporation's consolidated financial statements and expressing an opinion as to their consistency with generally accepted accounting principles.

The members of the Committee are not full-time employees of the Corporation. 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.

In the performance of its oversight function, the Audit Committee has reviewed and discussed the consolidated audited financial statements of the Corporation for the fiscal year ended December 31, 2004 with the Corporation's management and the independent auditors.

The Audit Committee has also discussed with the external auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as currently modified or supplemented. In addition, the Audit Committee has received a written statement from KPMG, LLP confirming its independence, as required by the 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 external auditors to the Corporation is compatible with maintaining the auditors' independence, and has discussed with the external auditors their independence from the Corporation and its management.

Table of Contents

Based on the Audit Committee’s review of the consolidated audited financial statements and the discussions referred to above with the Corporation’s management and the external auditors, and subject to the limitations of the role and responsibilities of the Audit Committee set forth in the Charter and those discussed above, the Audit Committee recommended to the Board of Directors that the Corporation’s consolidated audited financial statements be included in Triple-S Management’s Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the Securities and Exchange Commission (SEC).

Submitted by the Audit Committee

- (1) Mario S Belaval, Chair of the Committee
- (2) Carmen Ana Culpeper-Ramírez
- (3) Manuel Figueroa-Collazo, PE, PhD
- (4) Vicente J. León-Irizarry, CPA
- (5) Miguel Nazario-Franco
- (6) Adamina Soto-Martínez, CPA
- (7) Manuel Suárez-Méndez, PE

APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The Audit Committee intends to retain the services of KPMG LLP, as external auditors, to audit the consolidated annual financial statements of the Corporation for the fiscal year ending December 31, 2005.

Representatives of KPMG LLP will be present at the Annual Meeting and will be afforded the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

DISCLOSURE OF AUDIT FEES

The following is a description of the fees paid or accrued by the Corporation for the audit and other services provided by KPMG LLP for the fiscal years ended December 31, 2004 and 2003. The aggregate Audit Fees, Tax Fees and All Other Fees are summarized in the following table:

	2004	2003
Audit Fees	674,000	628,200
Tax Fees	55,850	65,800
All Other Fees	122,350	100,702
Total	852,200	794,702

Table of Contents

Audit Fees

The aggregate Audit Fees paid or accrued by the Corporation for professional services rendered by KPMG LLP as of and for the fiscal years ended December 31, 2004 and 2003 refer to the audit of the Corporation's annual consolidated financial statements, and for the reviews of the consolidated financial statements included in the Corporation's quarterly report on Form 10-Q.

Audit Related Fees

There are no Audit Related Fees paid or accrued by the Corporation as of and for the fiscal years ended December 31, 2004 and 2003.

Tax Fees

The aggregate Tax Fees paid or accrued by the Corporation for professional services rendered by KPMG LLP as of and for the fiscal years ended December 31, 2004 and 2003 refer to general consulting fees on tax matters to the Corporation.

Financial Information Systems Design and Implementation Fees

There are no Financial Information Systems Design and Implementation Fees paid or accrued by the Corporation as of and for the fiscal years ended December 31, 2004 and 2003.

All Other Fees

The aggregate All Other Fees paid or accrued by the Corporation for other professional services rendered by KPMG LLP as of and for the fiscal years ended December 31, 2004 and 2003 were related to Information Risk Security Regulatory Compliance Assessments of Medicare and support to the Internal Audit Office.

The Audit Committee has considered that the provision of the services covered by this paragraph is compatible with maintaining the independence of the external auditors of the Corporation.

Pre-Approval Policies and Procedures

All auditing services and non-audit services must be pre-approved by the 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 Committee prior to the completion of the audit.

All non-audit services were pre-approved by the Audit Committee.

Table of Contents

EXECUTIVE COMPENSATION

Compensation of Directors

The Compensation Program for Directors establishes that only Directors who are not employees of Triple-S Management receive compensation for attendance to Board of Directors or Committee meetings.

Pursuant to this Program, the Chairman of the Board of Triple-S Management receives a monthly fee of \$875 and each Director receives a monthly fee of \$667. The Directors also receive \$200 for each Board of Directors meeting attended. Furthermore, the members of each Core Committee (as such term is defined in the By-laws of Triple-S Management) receive \$200 for each Core Committee meeting attended, except for the Audit Committee members who receive \$250 for each Audit Committee meeting attended. The members of the other Committees and Subcommittees receive \$150 for each meeting attended. The Chairs of each Committee and Subcommittee receive an additional \$100 fee for each Committee meeting presided.

During the fiscal year ended December 31, 2004, the Directors received health insurance free of charge. For those Directors that are currently serving as Directors, the health insurance plan also includes coverage for spouses and dependants.

Directors traveling outside of Puerto Rico in relation to his/her responsibilities as Director of Triple-S Management, except for the Annual Meeting of the Board of Directors, receive \$300 per day plus reasonable reimbursable expenses.

Compensation of Executive Officers

Annual Compensation

The following table sets forth the annual compensation for Triple-S Management's President and Chief Executive Officer (CEO), and the Corporation's four most highly compensated executive officers for the fiscal years ended December 31, 2004, 2003 and 2002.

Table of Contents**Summary of Compensation Table**

Name	Year	Annual Compensation			All Other Compensation ⁽³⁾
		Salary	Bonus ⁽¹⁾	All Other Annual Compensation ⁽²⁾	
Ramón M. Ruiz-Comas, CPA ⁽⁴⁾	2004	\$ 450,800	\$ 210,306	\$ 88,707	\$ 27,750
	2003	402,500	140,000	78,231	26,328
	2002	328,800	40,346	63,073	7,876
Socorro Rivas-Rodríguez, CPA ⁽⁵⁾	2004	348,398	173,745	84,809	7,679
	2003	311,788	117,000	81,593	
	2002	295,811	100,000	68,132	
Alejandro E. Franco-Linares, MD ⁽⁶⁾	2004	241,538	79,152	50,292	
	2003	209,502	49,760	60,745	
	2002	202,994	42,534	56,105	
Eva G. Salgado Micheo	2004	218,503	104,500	44,304	8,068
	2003	161,769	27,901	33,985	1,175
	2002	128,099	24,432	26,996	7,004
Luis A. Marini-Mir, DMD ⁽⁷⁾	2004	205,803	101,351	51,747	3,172
	2003	185,388	68,250	43,870	8,445
	2002	171,388	64,800	44,971	8,413

(1) Includes performance bonus.

(2) Includes liquidation of accrued sick days not used, Christmas bonus, memberships, or company car expenses. In prior Proxy Statements, for the years 2003 and 2002, the Christmas bonus was included in the Bonus column.

(3) Includes liquidation of accrued vacations.

(4) Ramón M. Ruiz-Comas, CPA deferred from his base salary \$13,200, \$73,200, and \$78,800 during 2004, 2003, and 2002, respectively.

(5) Socorro Rivas-Rodríguez, CPA deferred from her base salary \$151,839, \$124,572, and \$120,595 during 2004, 2003, and 2002, respectively.

(6) Alejandro Franco-Linares, MD deferred from his base salary \$20,416 in 2004.

(7) Luis A. Marini-Mir, DMD deferred from his base salary \$30,000, \$42,496, and \$30,000 during 2004, 2003, and 2002, respectively.

Table of Contents

REPORT OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

The Board of Directors evaluates the compensation policy for the President and CEO, and Executive Officers of the Corporation based on the recommendations made by the Compensation Committee of the Board. The compensation policy is developed considering, among other factors, competitive pay practices, business strategies, and employee retention.

In 2004, the Compensation Committee requested proposals from various consulting firms in order to evaluate the compensation policies for the Executive Officers and to recommend changes in the compensation packages in order to make the compensations competitive and promote the development and retention of employees. Furthermore, the proposals would need to propose an evaluation structure which would take into consideration the performance of the Executive Officers based on the business plans and strategies of the Corporation. The Committee selected the proposal of James F. Reda & Associates.

The Committee intends to implement the recommendations of said firm for the fiscal year 2005.

The President and Chief Executive Officer

On an annual basis, the President and CEO submits to the Board of Directors a plan setting forth both quantitative and qualitative goals applicable to each year, as well as long-term goals. In order to determine the President and CEO's compensation, the Board of Directors evaluates the President's performance by taking into consideration the growth of the organization, implementation of diversification strategies, achievement of financial goals, improvements to the products and services offered by the Corporation, and development of human resources. During 2004, CPA Ramón M. Ruiz-Comas' compensation consisted of an annual base salary and an annual bonus. For that year, the Board of Directors voted to increase CPA Ramón M. Ruiz-Comas' base annual salary to \$450,800, which is comparable to other chief executive officers in the insurance industry and is targeted to be in the mid-range of these base salaries. In addition, in 2004 CPA Ramón M. Ruiz-Comas received a performance bonus of \$210,306.

CPA Ramón M. Ruiz-Comas' 2004 base salary increase and performance bonus reflected his role in Triple-S Management's success in achieving certain annual performance measures related to revenues, production output, gross profit margin, and profitability, as well as individual performance.

Table of Contents

Executive Officers

The group of Executive Officers of the Corporation is composed of a President and CEO of Triple-S Management, the Presidents of the Subsidiaries, the Executive Vice-Presidents, the Senior Vice-Presidents, and the Vice-Presidents.

The Compensation Committee's recommendations to the Board of Directors of the Corporation for the approval of the 2004 salary increases and the bonuses to be awarded to the Executive Officers were made pursuant to the plan and compensation policy, which considers the particular Executive Officer's contribution towards the achievement of growth of the organization, implementation of a diversification strategy, achievement of financial goals, improvements to the product and service delivery system, and development of human resources.

Submitted by the Compensation Committee

- (1) Adamina Soto-Martínez, CPA, Chair of the Committee
- (2) Mario S Belaval
- (3) Manuel Figueroa-Collazo, PE, PhD
- (4) Vicente J. León-Irizarry, CPA
- (5) Manuel Suárez-Méndez, PE
- (6) Fernando J. Ysern-Borrás, MD

Table of Contents**PENSION PLAN**

Triple-S Management sponsors a noncontributory defined-benefit pension plan for all of the Corporation's employees who are twenty-one years of age or older and have completed one year of service. Pension benefits begin to vest after five years of vesting service and are based on years of service and final average salary, as both terms are defined in the plan documents.

In addition to the minimum funding requirements set forth in the Employees Retirement Income Security Act of 1974, as amended, the Plan's funding policy is to contribute such additional amounts as Triple-S Management may determine to be appropriate from time to time.

The following table sets forth the estimated annual benefits that would become payable under the Retirement Plan based on certain assumptions as to annual base salary levels and years of service. The amounts payable in this table are not necessarily representative of amounts that actually may become payable under the Pension Plan. The amounts represent the benefits upon retirement on December 31, 2004 of a participant at sixty-five years of age.

Pension Plan Table

Remuneration*	Years of Service				
	15	20	25	30	35
\$ 125,000	\$ 37,500	\$ 50,000	\$ 62,500	\$ 75,000	\$ 75,000
150,000	45,000	60,000	75,000	90,000	90,000
175,000	52,500	70,000	87,500	105,000	105,000
200,000	60,000	80,000	100,000	120,000	120,000
225,000	67,500	90,000	112,500	135,000	135,000
250,000	75,000	100,000	125,000	150,000	