

TRIPLE-S MANAGEMENT CORP

Form DEF 14A

March 18, 2011

**Table of Contents**

**SCHEDULE 14A  
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement

Definitive proxy statement

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

Definitive additional materials

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

**TRIPLE-S MANAGEMENT CORPORATION**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of filing fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement no.:

(3) Filing Party:

(4) Date Filed:



**Table of Contents**

March 18, 2011

Dear Shareholder:

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

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

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

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

Sincerely,

Luis A. Clavell-Rodríguez, MD

Chairman of the Board

---

**Table of Contents**

**TRIPLE-S MANAGEMENT CORPORATION**  
**P.O. Box 363628**  
**San Juan, Puerto Rico 00936-3628**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**to be held on Friday, April 29, 2011**

To our Shareholders:

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

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

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

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

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

By order of the Board of Directors,

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

---

<u>INFORMATION ABOUT VOTING, SOLICITATION AND THE ANNUAL MEETING</u>	2
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	7
<u>PROPOSAL 2 RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	11
<u>PROPOSAL 3 ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (SAY-ON-PAY-VOTE)</u>	12
<u>PROPOSAL 4 ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (FREQUENCY VOTE)</u>	14
<u>CORPORATE GOVERNANCE</u>	15
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	21
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	24
<u>INFORMATION ABOUT EXECUTIVE OFFICERS</u>	25
<u>COMPENSATION DISCLOSURE</u>	26
<u>Compensation Discussion and Analysis</u>	26
<u>Compensation Tables</u>	38
<u>Risk Considerations in our Executive Compensation Program</u>	48
<u>AUDIT COMMITTEE MATTERS</u>	48
<u>OTHER RELATIONSHIPS, TRANSACTIONS AND EVENTS</u>	50
<u>ANNUAL REPORT</u>	51
<u>INCORPORATION BY REFERENCE</u>	51

**Table of Contents**

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

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

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

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

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

---

**Table of Contents**

**INFORMATION ABOUT VOTING, SOLICITATION AND THE ANNUAL MEETING**

**Who can vote?**

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

**How many votes do I have?**

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

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

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

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

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

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

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

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

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

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



**Table of Contents**

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

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

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

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

**Can I change or revoke my vote?**

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

submitting another proxy by telephone or via the Internet;

submitting another proxy by fax or mail;

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

voting in person at the meeting.

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

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

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

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

**Who may be present at the annual meeting?**

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

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

**Table of Contents**

**What constitutes a quorum for the annual meeting?**

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

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

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

**What vote is required to approve each proposal?**

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

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

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

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

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

**Table of Contents**

**Who will count the votes?**

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

**What are the Board's recommendations?**

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

Election of Directors (page 7).

**The Board recommends a vote FOR each of these directors.**

Ratification of the Selection of the Independent Registered Public Accounting Firm (page 11)

**The Board recommends a vote FOR this proposal.**

Advisory Vote on the Compensation of Our Named Executive Officers (page 12)

**The Board recommends a vote FOR this proposal.**

Advisory Vote on the Frequency of An Advisory Vote on the Compensation of Our Named Executive Officers (page 14)

**The Board recommends a vote for THREE (3) YEARS in this proposal.**

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

**Will any other matters be voted on at this meeting?**

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

**Where can I find the voting results?**

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

**What is the cost of soliciting these proxies?**

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

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

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

**Table of Contents**

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

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

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

Any proposals, nominations or notices should be sent to:

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

**What happens if the meeting is postponed or adjourned?**

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

**Table of Contents****PROPOSAL 1 ELECTION OF DIRECTORS**

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

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

**Director Qualifications**

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

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

**Nominees for Election**

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

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

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

**Table of Contents**

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

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

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

**Directors Continuing in Office*****Group 2 Directors (Terms Expire at the 2012 annual meeting)***

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

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

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

Mr. León-Irizarry, age 72, is a Certified Public Accountant and has over 40 years of experience in providing accounting, audit and business advisory services. He was with KPMG from 1977 until his retirement in 1998, and while there, was the partner in charge of rendering audit and advisory services to us for 10 years. He is the chairman of the Board's Audit Committee and a member of the Corporate Governance and Nominations Committee and the Executive Committee. Since February 2008, he has been a member of the board of directors of the UBS Puerto Rico Tax Free Family of Funds. He worked as a consultant for Falcón-Sánchez & Associates, a certified public accounting firm, from February 2000 to December 2001, and as a business consultant from January 1999 to February 2000, and from 2001 until the present. We believe Mr. León-Irizarry's qualifications to sit on our Board include his prior experience rendering services to us, financial expertise, and extensive experience providing audit, management advisory services, and financial and accounting services to complex organizations, including insurance companies. These qualifications make him particularly suited to be the Chairman of our Audit Committee.

**Table of Contents**

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

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

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

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

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

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

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



**Table of Contents**

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

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

***Management Director (Ex-Officio)***

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

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

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

**Table of Contents**

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

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

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

**Our Board of Directors recommends a vote FOR the proposal.**

**Independent Registered Public Accounting Firm Fees and Other Matters**

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

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

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

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

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

**Pre-Approval Policies and Procedures**

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

**Table of Contents**

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

**Background**

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

**Summary**

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

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

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

**Recommendation**

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

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

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

**Table of Contents**

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

**Our Board recommends a vote FOR the proposal.**

**Table of Contents**

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

**Background**

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

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

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

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

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

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

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

**Recommendation**

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

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

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

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

**Table of Contents**

**CORPORATE GOVERNANCE**

**General**

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

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

**Independence of Directors**

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

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

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

**Board of Directors Meetings and Committees**

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

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

**Table of Contents**

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

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

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

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

***Audit Committee***

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

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

***Compensation Committee***

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

**Table of Contents**

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

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

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

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

***Corporate Governance and Nominations Committee***

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

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

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

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



**Table of Contents**

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

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

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

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

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

***Investment and Finance Committee***

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

***Executive Committee***

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

**Table of Contents**

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

**Board Leadership Structure**

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

**Risk Oversight**

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

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

**Communications from Shareholders and Other Interested Parties**

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

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the chairman of the Board considers to be important for the directors to review. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

**Table of Contents**

Shareholders and other interested parties who wish to send communications on any topic to the Board should address such communications to Corporate Secretary, Triple-S Management Corporation, P.O. Box 363628, San Juan, PR 00936-3628, Attention: Secretary. All correspondence addressed to a director will be forwarded to that director.

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

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table contains information regarding the beneficial ownership of our Class B shares as of December 31, 2010 by the shareholders we know to beneficially own more than 5% of our outstanding Class B shares. These shareholders do not own Class A shares.

<b>Name and Address of Beneficial Owner<sup>(1)</sup></b>	<b>Amount and Nature of Beneficial Ownership<sup>(2)</sup></b>	<b>Percent of Class<sup>(3)</sup></b>
T. Rowe Price Associates, Inc. <sup>(4)</sup> 100 E. Pratt Street Baltimore, MD 21202	2,171,817	10.80
FMR LLC <sup>(5)</sup> 82 Devonshire Street Boston, Massachusetts 02109	1,815,748	9.03
Dimensional Fund Advisors LP <sup>(6)</sup> Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	1,327,834	6.61
North Run Advisors, LLC <sup>(7)</sup> North Run GP, LP North Run Capital, LP Todd B. Hammer Thomas B. Ellis One International Place Suite 2401 Boston, MA 02110	1,173,842	5.84
Wellington Management Company LLP <sup>(8)</sup> 280 Congress Street Boston, Massachusetts 02210	1,116,475	5.55
BlackRock, Inc. <sup>(9)</sup> 40 East 52nd Street New York, NY 10022	1,067,474	5.31

(1) For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act.

(2) For each person, the Amount and Nature of Beneficial Ownership column may include shares of a class of common stock attributable to the person because of that person's voting or dispositive power or other relationship. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.

- (3) Based on 19,872,986 Class B shares outstanding as of the December 31, 2010.
- (4) Based solely on a Schedule 13G filed by T. Rowe Price Associates, Inc. on February 11, 2011 reporting the above stock ownership as of December 31, 2010. T. Rowe Price Associates, Inc. ( Price Associates ) reports that it has sole voting power with respect to 686,260 Class B shares and sole dispositive power with respect to 2,171,817 Class B shares. These securities are owned by various individual and institutional investors which Price Associates serves as investment advisor with the power to direct investments and/or sole power to vote the securities. For the purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (5) Based solely on a Schedule 13G filed by FMR LLC on February 14, 2011 reporting the above stock ownership as of December 31, 2010. FMR LLC reports that it has sole voting power with respect to 20,000 Class B shares and sole dispositive power with respect to 1,815,748 Class B shares.

**Table of Contents**

- (6) Based solely on a Schedule 13G filed by Dimensional Fund Advisors LP on February 11, 2011 reporting the above stock ownership as of December 31, 2010. Dimensional Fund Advisors LP reports that it has sole voting power with respect to 1,302,064 Class B shares and sole dispositive power with respect to 1,327,834 Class B shares.
- (7) Based solely on a Schedule 13G filed by North Run Capital, LP, North Run GP, LP, North Run Advisors, LLC, Todd B. Hammer and Thomas B. Ellis on February 11, 2011 reporting the above stock ownership as of December 31, 2010. Each of North Run Capital, LP, North Run GP, LP, North Run Advisors, LLC, Todd B. Hammer and Thomas B. Ellis reports that it has shared voting power with respect to 1,173,842 Class B shares and shared dispositive power with respect to 1,173,842 Class B shares
- (8) Based solely on a Schedule 13G filed by Wellington Management Company, LLP on February 14, 2011 reporting the above stock ownership as of December 31, 2010. Wellington Management Company, LLP reports that it has shared voting power with respect to 1,116,475 Class B shares and shared dispositive power with respect to 1,116,475 Class B shares.
- (9) Based solely on a Schedule 13G filed by BlackRock, Inc. on February 9, 2011 reporting the above stock ownership as of December 31, 2010. Wellington Management Company, LLP reports that it has sole voting power with respect to 1,067,474 Class B shares and sole dispositive power with respect to 1,067,474 Class B shares.

**Table of Contents**

The following table contains information regarding the beneficial ownership of our common stock as of March 2, 2011 by:

each director and nominee for director named in this proxy statement;

each executive officer named in the Summary Compensation Table included in this proxy statement; and

all of our directors and executive officers as a group.

Name and Address of Beneficial Owner <sup>(1)</sup>	Class A Shares		Class B Shares		Total Shares Beneficially Owned	% of Class <sup>(3)</sup>
	Amount and Nature of Beneficial Ownership <sup>(2)</sup>	% of Class <sup>(3)</sup>	Amount and Nature of Beneficial Ownership <sup>(2)</sup>	Shares Acquirable Within 60 Days <sup>(4)</sup>		
<i>Directors:</i>						
Luis A. Clavell-Rodríguez	17,218	*	24,831	0	24,831	*
Carmen Ana Culpeper-Ramírez	0	*	5,849	0	5,849	*
Antonio F. Faría-Soto	0	*	7,983	0	7,983	*
Manuel Figueroa-Collazo	0	*	11,449	0	11,449	*
Jorge L. Fuentes-Benejam	0	*	4,649	0	4,649	*
José Hawayek-Alemañy (5)	10,192	*	19,457	0	19,457	*
Vicente J. León-Irizarry	0	*	5,849	0	5,849	*
Jaime Morgan-Stubbe	0	*	4,649	0	4,649	*
Roberto Muñoz-Zayas	21,269	*	25,380	0	25,380	*
Juan E. Rodríguez-Díaz	0	*	8,649	0	8,649	*
Jesús R. Sánchez-Colón (6)	1,013	*	6,636	0	6,636	*
Adamina Soto-Martínez	0	*	7,949	0	7,949	*
Francisco Toñarely	0	*	0	0	0	*
<i>Named Executive Officers:</i>						
Ramón M. Ruiz-Comas (7)	0	*	84,086	215,517	299,603	1.52
Juan J. Román-Jiménez	0	*	28,012	155,172	183,184	*
Luis A. Marini-Mir	1,000	*	3,621	21,724	25,345	*
Arturo Carrión-Crespo	0	*	8,759	39,052	47,811	*
Socorro Rivas-Rodríguez	0	*	25,962	155,172	181,134	*
Eva G. Salgado-Micheo	0	*	8,059	46,552	54,611	*
<i>All our directors, nominees and executive officers as a group (21 persons)</i>						
	50,692	*	294,831	637,629	932,460	4.74

\* Less than 1% of outstanding common stock of such class.

(1) For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. Under this rule, a person is deemed to be the beneficial owner of securities that can be acquired by such

person within 60 days of the record date upon the exercise of options or warrants or upon the vesting of deferred stock awards.

- (2) For each person, the Amount and Nature of Beneficial Ownership column may include shares of a class of common stock attributable to the person because of that person's voting or dispositive power or other relationship. Unless otherwise indicated, each person in the table has sole voting and investment power over the shares listed. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.
- (3) Each beneficial owner's percentage ownership is determined by assuming that all options held by such persons that are exercisable within 60 days of the record date have been exercised, based on 9,042,809 Class A shares and 19,689,020 Class B shares outstanding as of the record date.
- (4) The number shown equals the stock options exercisable or that may become exercisable within 60 days of March 2, 2011.
- (5) Includes 51,000 shares and 3,000 shares owned by Dr. Hawayek-Alemañy's mother-in-law and brother-in-law, respectively, with respect to which he does not have voting or dispositive powers.
- (6) Includes 5,051 shares owned by the spouse of Dr. Sánchez-Colón, with respect to which he has shared voting and dispositive powers.



**Table of Contents**

- (7) Mr. Ruiz-Comas is the president and chief executive officer. Pursuant to our articles of incorporation and our bylaws, the president is a member of our Board while acting in such capacity.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC initial reports of ownership of our common stock on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. To our knowledge, no persons currently beneficially own more than 10% of a registered class of our equity securities. Officers and directors are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of our records and written representations by the persons required to file these reports, during the fiscal year ended December 31, 2010, our officers and directors complied with all Section 16(a) filing requirements, except as follows: (i) Mr. Rodríguez-Díaz, a member of our Board, was late filing a Form 4 to report one transaction and (ii) Ms. Soto-Martínez, a member of our Board, was late filing a Form 4 to report one transaction.

**Table of Contents****INFORMATION ABOUT EXECUTIVE OFFICERS****Executive Officers of Triple-S Management**

The following table sets forth (i) the name, age and position of each of our executive officers as of December 31, 2010 and (ii) the business experience of each person named in the table during at least the past five years.

<b>Executive Officer</b>	<b>Age</b>	<b>Position(s)</b>	<b>Business Experience</b>
Ramón M. Ruiz-Comas, CPA	54	President and Chief Executive Officer	President and Chief Executive Officer since May 2002
Socorro Rivas-Rodríguez, CPA	63	President and Chief Executive Officer of Triple-S Salud, Inc.	President and Chief Executive of Triple-S Salud, Inc., our managed care subsidiary, since May 2002
Eva G. Salgado-Micheo	54	President of Triple-S Propiedad Inc.	President of Triple-S Propiedad Inc, our property and casualty insurance business, since July 2003
Arturo Carrión-Crespo, CPA	53	President of Triple-S Vida, Inc.	President of Triple-S Vida, Inc., our life insurance subsidiary, since 1998
Luis A. Marini-Mir	62	President of Triple-C, Inc.	President of Triple-C, Inc., our Commonwealth of Puerto Rico Health business, from October 1999 to October 2010
Juan J. Román-Jiménez, CPA	45	Vice President of Finance and Chief Financial Officer of Triple-S Management Corporation	Vice President of Finance and Chief Financial Officer since 2002
Francisco Martorell-Basanta	48	Vice President of Corporate Development	Vice President of Corporate Development since April 2008; Managing Partner and founder of Ubequity Partners LLC, a mergers and acquisitions advisory firm, from 2004 to 2008
Roberto García-Rodríguez	47	Vice President, General Counsel and Secretary	Vice President and General Counsel since May 2008; Secretary since May 2010; Vice President of Corporate and Legal Affairs for Puerto Rico Telephone Company from 2007 to 2008; Vice President of Legal Affairs for Puerto Rico Telephone Company from 2004 to 2007

**Table of Contents****COMPENSATION DISCLOSURE****Compensation Discussion and Analysis*****Introduction***

The Board's Compensation Committee oversees the design and administration of our executive compensation program. The program is designed to support the attainment of our vision, financial and strategic goals, and operating imperatives while supporting good corporate governance principles and aligning our interests with those of our shareholders. We believe that an effective executive compensation program recognizes individual contributions as well as overall business results, rewards executives for achieving our annual and long-term goals, aligns executive and shareholder interests intended to ultimately improve shareholder value, and reflects responsible corporate governance practices.

***Summary of Key Executive Compensation Decisions***

The following table summarizes the compensation-related decisions were made by the Compensation Committee and ratified by our Board in 2010 and early 2011, and the rationale for each. These decisions were made with consideration given to the Company's executive compensation philosophy, the Company's operating performance for fiscal 2010, individual executive performance, and prevailing compensation trends in the external market.

<b>Compensation Component</b>	<b>Principal Contribution to Compensation Objectives</b>	<b>Description and 2010/2011 Highlights</b>
<i>Base Salary</i>	Attracts, retains and rewards executives with an appropriate salary level that reflects the executives' scope and breadth of responsibility, individual performance against the objectives set for their positions and their relative value in the marketplace.	<p>Base salaries are targeted at the median of the competitive market, which is described under the heading "Determining Executive Compensation" on page 29. Actual positioning varies above or below the median to reflect each executive's performance over time, experience and skill set relative to comparable positions at our peer companies, and criticality to the Company.</p> <p>The Compensation Committee approved merit increases for the NEOs and other executive officers on February 16, 2010. On average, base salaries were increased by approximately 4.8% for the NEOs. Salary increases for individual executive officers were determined by the Committee based on a review of individual performance, level of compensation provided for comparable positions in our identified peer groups, relative pay differences within the Company, and the Company's overall budget for base salary increases.</p>
<i>Performance-Based Annual Cash Incentive</i>	Focuses executives on achieving annual financial, operating, and individual objectives. Elements in the plan are directly linked to driving shareholder value. Total cash compensation of base salary	Performance-based annual cash incentives are determined based on how well the company performs against pre-established goals for premiums earned, net income adjusted to exclude realized and unrealized gains/losses in investment and derivatives, net

and the targeted incentive opportunity is established based on what

of related income tax, and individual objectives specific to each NEO. The Committee establishes a threshold, a target and a maximum performance goal for each financial metric. Each level represents a different performance expectation considering factors such as the Company's annual operating budget for the year, the Company's

**Table of Contents**

**Compensation Component**

**Principal Contribution to Compensation Objectives**

is considered competitive in the marketplace. Actual compensation, however, varies above or below the competitive benchmark depending on actual Company and individual performance.

**Description and 2010/2011 Highlights**

prior year performance, and the historical performance levels of our peer group. Target performance is set at a level that is considered to be challenging yet attainable, and the corresponding payout for achievement of target performance equates to what is considered competitive relative to our peer group. Threshold performance is set at a minimally acceptable level of performance and results in a payout that may vary from no payout to one that is below competitive standards. Maximum performance represents, in our estimation, superior performance for the year and corresponds to an above median compensation opportunity.

For 2010, the Committee approved annual incentive payouts to NEOs at an average of approximately 94% of target based on the Company's 2010 operating performance and individual executive performance.

*Long-Term Equity Incentives*

Rewards the achievement of long-term business objectives that benefit our shareholders. Elements in the plan directly link compensation with share price improvement over a multi-year period. Supports the retention of a talented management team over time.

No long-term incentives were granted to NEOs in 2010

In early 2011, the Committee approved the design of 2011 equity awards for executives, which emphasizes long-term performance by delivering 75% of the annual award value in performance-based equity that may be earned only if specific measures of operating performance are attained. The remaining 25% of the annual award value is delivered in restricted stock to emphasize the retention of key executives

For the three-year plan beginning in 2011, the Committee established three levels of goal attainment based on three-year cumulative premiums earned, operating income and EPS, and determined the corresponding award size for each performance level for each NEO. These goals were set based on what the Committee believes to be minimally acceptable, challenging yet attainable, and exceptional performance in the context of the

Company's stated objectives for premiums earned, operating income and EPS.

In summary, the Compensation Committee concluded that the 2010 performance based compensation together with 2010 base salary levels are well aligned with the Company performance for the year and that the linkage between pay and performance is strong.

**Compensation Policies**

During the year, we made several changes to the Company's compensation practices or policies to align them with what is considered best practice. The actions taken include the following:

Modified the compensation philosophy to better reflect the current state of our business, objectives for the executive compensation program, and best practices in corporate governance and executive compensation

**Table of Contents**

Implemented a compensation recoupment policy that permits the Company to recover incentive compensation paid based on erroneous financial results that were later the subject of an accounting restatement

Implemented an equity award grant policy that establishes a fixed grant date each year for equity awards to protect the Company against the timing of awards to coincide with the release of information that could result in the delivery of a monetary benefit to executives

Implemented executive share retention and ownership guidelines to emphasize executive stock ownership, focus executive attention on long-term shareholder value creation, and strengthen the alignment between executive and shareholder interests

Conducted a compensation risk assessment with the assistance of our independent compensation consultant, Cook & Co. Based on the findings of the assessment, the Compensation Committee concluded that our compensation policies and practices for fiscal 2010 do not create risks that are reasonably likely to have a material adverse effect on the Company

***Compensation Philosophy***

The Triple-S executive compensation program is designed to achieve the following objectives:

reinforce our corporate values by combining our efforts to deliver superior business results with good governance, socially responsible business practices, and high ethical standards;

promote a high performance culture with clear emphasis on accountability and variable pay that is tied to both short and long-term results; recover any incentive-based compensation that is based on erroneous financial results in the event of an accounting restatement due to material non-compliance with any financial reporting requirement of the securities laws

attract, retain and motivate top talent cost-effectively by offering competitive total compensation opportunities;

require moderate levels of share ownership that increase with executives' scope of responsibilities;

emphasize uniformity of design features across corporate and business units to reinforce collaboration, limit program complexity, and increase the effectiveness of the entire executive team;

align executive and shareholder interests through long-term equity based plans;

maintain a clear and understandable framework for evaluating the effectiveness of the program's design features;

prohibit any activities by employees that hedge their economic risk of owning Company stock; and

provide a balanced total compensation program to ensure that management is not encouraged to take unnecessary and excessive risks that may harm the Company.

***Compensation Consultants***

The Compensation Committee has the sole authority to engage and terminate the services of outside consultants. The Compensation Committee has retained Cook & Co. as its independent compensation consultant to

**Table of Contents**

advise the Compensation Committee on matters related to the compensation of executives and directors. Cook & Co. has not and will not, without prior approval of the Compensation Committee, provide any other services for us.

***Named Executive Officers***

The Named Executive Officers include our chief executive officer, our chief financial officer, the three other most highly compensated executive officers who were serving as executive officers at December 31, 2010, and one individual who would have been among our three most highly compensated executive officers at December 31, 2010 had he been serving the Company in such capacity at that time:

Ramón M. Ruiz-Comas, our chief executive officer;

Juan J. Román-Jiménez, our chief financial officer;

Socorro Rivas-Rodríguez, the president of our managed care subsidiary, Triple-S Salud, Inc.;

Arturo Carrión, the president of our life insurance subsidiary, Triple-S Vida, Inc.;

Eva G. Salgado, the president of our property and casualty insurance subsidiary, Triple-S Propiedad, Inc.; and

Luis A. Marini-Mir, the former president of our third party administrator subsidiary, Triple-C, Inc.

***Determining Executive Compensation***

We compare the compensation of the Named Executive Officers to that of companies with which we compete or could compete for executive talent, capital and customers. These companies include private or publicly-held companies, stand-alone businesses and/or divisions of larger corporations. Our size and/or organizational complexity are considered when selecting comparable companies in Puerto Rico and the United States and data analysis methods. Within our general competitive framework, specific comparisons may vary by type of role.

In 2009, Cook & Co. provided the Compensation Committee with relevant market data and alternatives to consider when making executive compensation decisions. Using data prepared by Cook & Co., the Compensation Committee compared each element of total compensation to a list of direct industry competitors and comparable companies in Puerto Rico ( Comparable Group ). The companies comprising the Comparable Group are:

AMERIGROUP Corporation  
Alleghany Corporation  
Aspen Insurance Holdings Ltd  
Centene Corporation  
Delphi Financial Group, Inc.  
Erie Indemnity Company  
First BanCorp  
HCC Insurance Holdings, Inc.  
HealthSpring, Inc.  
Infinity Property & Casualty Corporation  
Magellan Health Services  
Molina Healthcare, Inc.  
Oriental Financial Group  
Popular Inc.  
Santander BanCorp  
State Auto Financial Corporation  
W Holding Company  
WellCare Health Plans, Inc.  
Zenith National Insurance



Corporation

We generally update the Comparable Group compensation benchmark every other year. We will update this benchmark again during 2011.

For comparison purposes, our annual revenues are around the median of the Comparable Group. Total compensation which includes base salary, short and long-term variable pay opportunities, benefits and perquisites is generally between the 25<sup>th</sup> and 50<sup>th</sup> percentile of the Comparable Group, on average.

Based on our compensation philosophy, a significant percentage of total compensation is delivered in the form of incentive compensation. The Compensation Committee has not adopted a policy or formula to allocate total compensation among its various components. As a general matter, the Compensation Committee reviews competitive pay information provided by Cook & Co. as well as our current operating goals and environment to

**Table of Contents**

determine the appropriate level and mix of incentive compensation. Actual amounts earned from incentive compensation are realized only as a result of individual or Company performance, depending on the type of award, based on a comparison of actual results to pre-established goals.

***Principal Components of Executive Officer Compensation***

Executive compensation is delivered predominantly through base salary, annual cash bonuses, long-term incentive compensation, retirement programs and a non-qualified deferred compensation plan.

***Base Salary***

Base salaries are designed to recognize an individual's contribution to the organization and his or her experience, knowledge, and responsibilities. Base salaries also aim to provide competitive compensation, appropriate incentives and financial stability to the Named Executive Officers for assuming a significant level of responsibility.

Therefore, according to our salary adjustment policy salary increases are based on a number of factors, including: importance of the position to us and level of responsibility, individual performance, growth in position, market level salary increases, our financial performance and ability to pay. Also, the policy establishes that base pay adjustments send clear performance messages and make moderate distinctions based on performance. Significant distinctions in performance by executives are recognized through our annual cash bonus program. In addition, this policy requires that timing for increases, promotions and changes in responsibilities be consistent with market practice and that base salaries for executives be reviewed on an annual basis and adjusted as necessary to ensure pay levels remain competitive.

***Annual Cash Bonus***

The annual cash bonus portion of an executive's total compensation opportunity is intended to accomplish a number of objectives, including reinforcing the optimization of operating results throughout the year, facilitating the achievement of our stated objectives, paying for performance and reinforcing individual accountability, supporting our long-term objective to create shareholder value, and providing market competitive cash compensation when performance objectives for the year are met or exceeded. This bonus can be highly variable from year to year depending on actual performance results.

The Company sets target cash bonus amounts as a percentage of base salary for all executives at the beginning of each year based on job responsibilities, internal relativity, and a review of competitive market data. Actual bonus payouts may range from zero to 150% of the target opportunity depending on the Company's financial results relative to predetermined performance goals and the Compensation Committee's subjective review of each executive's individual performance. The Compensation Committee approves the awards and has discretion to determine any changes to the final amount to be paid. The Committee did not exercise its discretion in determining the awards for 2010.

For 2010, the target annual cash bonus for each of the Named Executive Officers as a percentage of salary was as follows:

<b>Executive</b>	<b>Target Bonus Percent</b>
Ramón M. Ruiz-Comas	70%
Juan José Román-Jiménez	50%
Socorro Rivas-Rodríguez	70%
Arturo Carrión-Crespo	55%
Eva G. Salgado	70%
Luis A. Marini-Mir	55%

**Table of Contents**

The Compensation Committee determines annual cash bonus awards based on two types of performance measures: financial results and individual criteria. Financial results account for 80% of each Named Executive Officer's evaluation and individual performance criteria account for the remaining 20%. This weighting is intended to emphasize the financial performance of the Company while encouraging the achievement of other important goals. The weighting of financial results, in turn, is evenly divided between premiums earned and adjusted net income to promote profitable revenue growth. The financial results component of the cash bonus performance goals of our chief executive officer and chief financial officer is based on consolidated results. Awards to our business unit executives are split 30% based on our consolidated results and 50% based on the results of the relevant business unit. This distribution in weighting is designed to encourage each executive with responsibility for a business unit to focus on his or her individual business while working as a team to achieve the Company's overall success. For 2010, annual cash bonus performance measures were as follows:

**Corporate Executives**

	<b>Performance Measure And Weighting</b>		
	<b>40%</b>	<b>40%</b>	<b>20%</b>
<i>(dollar amounts in millions)</i>	<b>Consolidated</b>	<b>Consolidated</b>	
<b>Performance</b>	<b>Premiums</b>	<b>Adjusted</b>	<b>Individual</b>
	<b>Earned</b>	<b>Net Income</b>	
<b>Ramón M. Ruiz-Comas and Juan José Román-Jiménez</b>			
Maximum	\$ 2,396.6	\$ 78.8	See
Target	\$ 1,997.2	\$ 65.7	Table
Minimum	\$ 1,597.8	\$ 52.6	Below

**Table of Contents****Business Unit Executives**

<i>(dollar amounts in millions)</i>	<b>Performance Measure And Weighting</b>				
	<b>Consolidated Results</b>		<b>Business Unit</b>		<b>20% Individual Criteria</b>
	<b>15%</b>	<b>15%</b>	<b>25%</b>	<b>25%</b>	
<b>Premiums</b>	<b>Adjusted Net Income</b>	<b>Premiums</b>	<b>Adjusted Net Income</b>		
<b>Performance</b>	<b>Earned</b>	<b>Earned</b>	<b>Earned</b>	<b>Earned</b>	
<b>Socorro Rivas-Rodríguez</b>	<b>Triple-S Salud, Inc.</b>				
Maximum	\$2,396.6	\$ 78.8	\$2,152.2	\$ 61.7	See
Target	\$1,997.2	\$ 65.7	\$1,796.0	\$ 51.4	Table
Minimum	\$1,597.8	\$ 52.6	\$1,436.8	\$ 41.1	Below
<b>Arturo Carrión</b>	<b>Triple-S Vida, Inc.</b>				
Maximum	\$2,396.6	\$ 78.8	\$ 126.0	\$ 12.5	See
Target	\$1,997.2	\$ 65.7	\$ 105.0	\$ 10.4	Table
Minimum	\$1,597.8	\$ 52.6	\$ 84.0	\$ 8.3	Below
<b>Eva G. Salgado</b>	<b>Triple-S Propiedad, Inc.</b>				
Maximum	\$2,396.6	\$ 78.8	\$ 120.8	\$ 9.8	See
Target	\$1,997.2	\$ 65.7	\$ 100.7	\$ 8.2	Table
Minimum	\$1,597.8	\$ 52.6	\$ 80.6	\$ 6.6	Below
<b>Luis A. Marini-Mir</b>	<b>Reform Business</b>				
Maximum	\$2,396.6	\$ 78.8	\$ 430.3	\$ 8.8	See
Target	\$1,997.2	\$ 65.7	\$ 358.6	\$ 7.3	Table
Minimum	\$1,597.8	\$ 52.6	\$ 286.9	\$ 5.8	Below

The following table summarizes the individual performance goals for 2010 for each of the Named Executive Officers. The Compensation Committee did not allocate a specific weight to the various components of the criteria, and its evaluation of each executive's performance with respect to each criterion was subjective.

<b>Executive</b>	<b>Individual Performance Criteria</b>
Ramón M. Ruiz-Comas, Socorro Rivas-Rodríguez, Eva G. Salgado, and Luis A. Marini-Mir	Asset protection, board relations, communications, enterprise risk management, human resources, leadership, management development, management operations, and strategic planning
Juan J. Román-Jiménez	Board relations, investor relations, communications and leadership, enterprise risk management, financial reporting and control, investments for the finance division, management development, management operations, and regulatory compliance

The Company believes that premiums earned and adjusted net income are key drivers of shareholder value and the most relevant measures by which to assess the Company's short-term business performance. Consolidated premiums earned represents the annual expected premiums earned in the calendar year as presented in the consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). Adjusted net income is measured as the net income earned in the calendar year, as presented in the consolidated financial statements in accordance with U.S. GAAP, minus the realized and unrealized gains/losses in investment and derivatives, net of related income tax effect. The Company believes that the mix of performance measures focus executives appropriately on improving both top-line growth (through premiums earned) and bottom-line growth

(through adjusted net income), while also emphasizing individual accountability through each executives' individual performance goals.

**Table of Contents**

In addition to the annual cash bonus described above, we pay an annual bonus each December to all of our active employees, including the Named Executive Officers. This bonus is determined based on a non-performance predetermined formula and paid if the employee has worked more than 700 hours as of September 30 of each year and is an employee at the date of payment. The amount paid under this bonus is approximately 9% of base salary and, with respect to the bonus payable to the Named Executive Officers, is included in the bonus column of the Summary Compensation Table.

*Long-Term Incentive Awards*

We believe that long-term incentives in the form of equity-based compensation are an important and essential element of the Company's total compensation program that ensure our ability to attract, motivate, and retain top talent responsible for the Company's long-term success. Our long-term incentives to key executive employees are designed to accomplish a number of important objectives, including to align management and shareholder interests, balance the short-term orientation of other compensation elements, provide a variable portion of total compensation tied to long-term market and financial performance of the Company, build executive stock ownership, hold executives accountable for their long-term decisions, reinforce collaboration across the Company, retain key talent over the long term, and share success with those who directly impact our performance results.

The Company made a long-term incentive grant to its executives during 2007 in connection with our initial public offering. No long-term incentive grants were made in 2008, 2009 or 2010 to our Named Executive Officers. The Company's policy is to make annual long-term incentive grants to its executives during the first quarter of the year. Also, we may make grants to newly hired employees in connection with their employment.

In 2011, the Compensation Committee approved the design for 2011 equity awards to executives, which will provide both performance-based equity ( performance shares ) that may be earned only if specific measures of operating performance are attained and time-based vesting restricted stock that is earned only if the executive remains employed with the Company over the vesting period. We assigned a weighting of 75% of the total equity award value to performance shares consistent with our stated philosophy of promoting a high performance culture with clear emphasis on accountability and variable pay that is tied to long-term results, and 25% of the total equity award value to restricted stock to emphasize the retention of key executives and alignment with shareholders.

Under the 2011 design, performance share awards may be earned if specific goals are attained over a three-year performance period. At the beginning of the performance period, minimum, target and maximum performance levels along with the associated number of shares that may be earned will be established by the Committee. The actual number of shares that may be earned may be as high as 150% of the target amount if the maximum level of performance for all metrics is achieved or as low as zero if the minimum level of performance for all metrics is not achieved over the three-year performance period. A summary of the performance share metrics and rationale for each is presented below:

<b>Performance Metric</b>	<b>Weighting</b>	<b>Rationale</b>
3-Year Cumulative Premiums Earned, Net	20%	Premiums earned, net improvement is critical to the continued growth and health of our business. Premiums earned, net is a key contributor to EPS and shareholder value creation
3-Year Cumulative Operating Income	35%	Operating income improvement emphasizes cost control and is important as we continue to grow our top line. Operating income is also a key contributor to EPS and shareholder value creation
3-Year Cumulative EPS	45%	EPS sets the expectation for our shareowners of our company's success. We use EPS as the key accounting measure and evaluation of how our company is performing

## **Table of Contents**

Restricted stock may be earned only if the executive remains employed with the Company over the vesting period. Restricted stock vests in equal proportions over the three-year vesting period (i.e., one-third per year beginning on the first anniversary of the date of grant). The Compensation Committee believes that the three-year performance period associated with performance shares and the three-year vesting period of restricted stock focuses our executives on sustained performance and supports retention objectives.

See page 33 in the Long-Term Incentive Awards section for more detail regarding the operation of performance share awards.

The Compensation Committee carefully considers the impact of the cost of equity awards, as well as dilution, in order to achieve a balance between our costs, competitiveness and maintaining employee incentives.

### *Equity Award Grant Policy*

In 2011, the Committee adopted a grant policy for equity awards to eligible employees, including the Named Executive Officers. The purpose of the equity award grant policy is to ensure the integrity of the award granting process and avoid the possibility or appearance of timing of equity grants for the personal benefit of executives.

Under the policy, equity awards are made at the Compensation Committee's first regularly scheduled meeting after the filing of the Company's Annual Report on Form 10-K. Equity grants to certain newly hired employees, including executive officers, are made on the 15<sup>th</sup> day of the month following the date of hire (or the next succeeding business day that the NYSE is open). Special equity grants to continuing employees are made on the 15<sup>th</sup> day of the month (or the next succeeding business day that the NYSE is open); provided, that the Award is approved on or prior to such grant date. No off-cycle Awards may be granted to the Company's executive officers during quarterly and event-specific blackout periods under the Company's insider trading policy. Stock options have an exercise price equal to the closing market price of Triple-S's common stock on their grant date. Our equity incentive plans prohibit the re-pricing or exchange of equity awards without shareholder approval.

### *Retirement Programs*

Our qualified and non-qualified employee retirement plans provide a retirement income base to eligible substantial majority of our employees, including our eligible executive officers. All of our NEOs, except for Mr. Carrión-Crespo, participate in these retirement programs. Union employees hired after December 19, 2006, as well as non-union employees hired after September 30, 2007, are ineligible to participate. Employees who participate in our qualified plan also participate in our non-qualified plan to the extent their income levels exceed compensation and benefit limits imposed by the United States Internal Revenue Code of 1986, as amended.

### *Non-Qualified Deferred Compensation Plan*

Under our non-qualified deferred compensation plan, senior executives, including our Named Executive Officers, who elect to become participants, may defer until a future date a portion of their annual compensation and benefit from the tax advantages related to such deferral.

## **Role of Executive Officers in Compensation Decisions**

The Compensation Committee is responsible for all compensation decisions with respect to Named Executive Officers of the Company. In determining the compensation of Named Executive Officers other than the chief executive officer, the Committee takes into account the recommendations of the chief executive officer. The chief executive officer annually reviews the performance of the other Named Executive Officers. The conclusions reached and recommendations based on these reviews, including with respect to base salary adjustments and annual incentive award amounts, are presented to the Compensation Committee. The Compensation Committee reviews and approves the compensation of the Named Executive Officers, including the chief executive officer.

**Table of Contents**

**Compensation of Named Executive Officers for 2010**

The Compensation Committee evaluated the different components of compensation of the executive officers to ascertain compensation at adequate levels (defined as total compensation targeted at median external pay levels) when compared with companies in the Comparable Group and to retain its executive officers.

With Cook & Co.'s assistance, the Compensation Committee reviewed each pay component to align compensation to that of similar companies. The main purpose was to assure that we established a competitive compensation program.

*Base Salary*

In setting base salaries for 2010, the Compensation Committee considered the following factors:

The corporate budget, meaning our overall budget for base salary increases. The corporate budget was established based on planned performance for 2010. The objective of the budget is to allow salary increases to retain and motivate successful performers while maintaining affordability within our business plan.

The relative pay differences for different job levels.

Individual performance (base salary increases were driven by individual performance assessments).

Evaluation of peer group data specific to each executive position, where applicable.

The Compensation Committee applied the principles described above in establishing the 2010 base salary for Mr. Ruiz-Comas, the Corporation's chief executive officer. In an executive session, the Compensation Committee assessed Mr. Ruiz-Comas' 2009 performance, based on established corporate goals and financial objectives. It considered the Company's and Mr. Ruiz-Comas' accomplishment of objectives that had been established at the beginning of the year, the strategic direction of the Company and its own subjective assessment of his performance. On February 16, 2010, the Compensation Committee approved a 2010 salary increase for Mr. Ruiz-Comas of \$29,140, or 5% of his 2009 base salary, which was ratified by our Board.

Salary increases for all other Named Executive Officers were based on the aforementioned principles, and were in line with budget and salary increases for all other employees.

*Annual Cash Bonus Plan*

The cash bonus awards for 2010 were based on the performance of the Company against the stated objectives. For 2010, our reported consolidated net income, excluding realized and unrealized gains and losses on investments and derivatives (tax effected), was \$60.8 million, which was slightly lower than the targeted level. Also, total consolidated operating revenues, excluding net investment income, were \$1.9 billion, which was also slightly lower than the targeted level. On February 14 and March 1, 2011, the Compensation Committee and the Board, respectively, approved payments to the Named Executive Officers under the 2010 cash bonus plan, in the amounts set forth in the Summary Compensation Table.

*Long-Term Incentive Awards*

No long-term incentive awards were granted to Named Executive Officers in 2010.



**Table of Contents****Other Compensation Policies***Recoupment Policy*

In order to further align management's interests with the interests of shareowners and support good governance practices, our board adopted a recoupment policy applicable to incentive compensation to any current or former employee who received incentive compensation during the 3-year period (or in the event of fraud or misconduct, for any period) preceding the date on which the Company is required to prepare an accounting restatement due to the material noncompliance with any financial reporting requirement under the securities laws. The policy provides that the Company may, in the exercise of its discretion (as determined by the Compensation Committee) take action to recoup the amount by which such award exceeded the payment that would have been made based on the restated financial results. Our company's right of recoupment expires three years following the year for which the inaccurate performance criteria were measured. A copy of our current policy was filed as Exhibit 99.1 to our annual report on Form 10-K for the fiscal year ended December 31, 2010.

*Insider Trading and Anti-Hedging Policy*

Our company prohibits directors, officers, employees and consultants of the Company from trading in the securities of the Company or its affiliates (e.g., customers, suppliers, etc.), directly or through family members or other persons or entities, if they are aware of material nonpublic information relating to the Company or its affiliates. Trading includes purchases and sales of stock, derivative securities such as put and call options and convertible debentures or preferred stock, and debt securities (debentures, bonds and notes). Trading also includes certain transactions under Company plans (e.g., sale of underlying stock acquired upon the exercise of stock options, certain transactions associated with the Company's retirement savings plan, and voluntary additional contributions to the Company's dividend reinvestment plan). Our Insider Trading Policy also prohibits our directors, officers and certain other employees from engaging in any hedging or monetization transactions involving Company securities. For full details regarding our Insider Trading Policy please see our Code of Business Conduct and Ethics on our website.

*Stock Ownership Guidelines*

In 2011 we implemented stock ownership guidelines for our proxy officers and other key employees to align their interests with those of our shareowners. The guidelines require executives and other employees to own Company stock in an amount equal to a multiple of base salary, as follows:

<b>Level</b>	<b>Value of Stock as a Multiple of Base Salary</b>
CEO	5x
CFO and Subsidiary Presidents	3x
Corporate and Subsidiary Officers	2x
Other Selected Employees	1x

Until an executive reaches his or her applicable ownership level, he or she must retain 50% of the equity received from long-term compensation plans (after meeting tax withholding obligations), and once the ownership level is met, he or she may not sell shares if doing so would cause his or her ownership to fall below that level. The Committee plans to review progress toward meeting the ownership guidelines on an annual basis.

**Table of Contents**

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with management. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by:

Adamina Soto-Martínez, Chair of the Compensation Committee

Manuel Figueroa-Collazo

Jorge L. Fuentes-Benejam

Roberto Muñoz-Zayas

**Compensation Committee Interlocks and Insider Participation**

As of the record date, the members of the Compensation Committee are Ms. Soto-Martínez (chair) and Messrs. Fuentes-Benejam, Muñoz-Zayas, and Figueroa-Collazo. None of the members of the Committee is or has been one of our executive officers or employees. None of our executive officers served on the board of directors compensation committee of any other company for which any of our directors served as an executive officer at any time during 2010. Other than disclosed in Other Relationships, Transactions and Events in this proxy statement, none of the members of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K.

**Table of Contents****Compensation Tables****Summary Compensation Table**

The following table sets forth the total compensation paid to or earned by our Named Executive Officers as of December 31, 2010 for services rendered in all capacities to the Corporation.

Name and Principal Position	Year	Salary (1)	Bonus (2)	Awards (3)	Stock Options (4)	Plan Compensation (5)	Non-Equity Deferred Incentive (6)	Change in Pension Value and Non-Qualified Compensation (7)	All Other Compensation (8)	Total
Ramón M. Ruiz-Comas President and CEO, Triple-S Management Corporation	2010	\$611,949	\$56,295	\$0	\$0	\$368,061	\$385,000	\$98,550	\$1,519,855	
	2009	\$582,809	\$53,624	\$0	\$0	\$412,896	\$165,000	\$104,102	\$1,318,431	
	2008	\$563,100	\$51,818	\$0	\$0	\$425,000	\$60,000	\$104,309	\$1,204,227	
Juan J. Román-Jiménez Vice President of Finance & CFO of Triple-S Management Corporation	2010	\$419,800	\$38,682	\$0	\$0	\$183,100	\$155,000	\$46,780	\$843,362	
	2009	\$403,700	\$37,206	\$0	\$0	\$206,500	\$55,000	\$37,871	\$740,277	
	2008	\$390,000	\$35,950	\$0	\$0	\$210,600	\$40,000	\$40,423	\$716,973	
Socorro Rivas-Rodríguez President of Triple-S Salud, Inc.	2010	\$437,800	\$40,332	\$0	\$0	\$254,300	\$330,000	\$76,893	\$1,139,325	
	2009	\$425,000	\$39,158	\$0	\$0	\$292,700	\$290,000	\$69,545	\$1,116,403	
	2008	\$411,600	\$37,930	\$0	\$0	\$309,300	\$65,000	\$62,367	\$886,197	
Arturo Carrión-Crespo President of Triple-S Vida, Inc.	2010	\$256,600	\$21,383	\$0	\$0	\$144,700	\$0	\$53,314	\$475,997	
	2009	\$239,700	\$19,975	\$0	\$0	\$144,100	\$0	\$49,386	\$453,161	
	2008	\$229,400	\$19,117	\$0	\$0	\$125,600	\$0	\$39,831	\$413,948	
Eva G. Salgado President of Triple-S Propiedad, Inc.	2010	\$310,800	\$28,690	\$0	\$0	\$0	\$135,000	\$47,949	\$522,439	
	2009	\$296,100	\$27,343	\$0	\$0	\$184,800	\$70,000	\$56,282	\$634,525	
	2008	\$286,100	\$26,426	\$0	\$0	\$205,300	\$35,000	\$43,293	\$596,119	
Luis Marini-Mir President of Triple-C, Inc.	2010	\$258,500	\$23,895	\$0	\$0	\$67,500	\$120,000	\$54,019	\$523,914	
	2009	\$249,800	\$23,098	\$0	\$0	\$142,000	\$97,000	\$37,717	\$549,615	
	2008	\$241,900	\$22,374	\$0	\$0	\$102,000	\$35,000	\$41,440	\$442,714	

(1) Amounts represent base salary. Some of the Named Executive Officers deferred a portion of their salary under the non-qualified deferred compensation plan. The deferred amounts have been included in the Non-Qualified Deferred Compensation Table below.

(2) Represents annual non-performance based bonus. See Compensation Discussion and Analysis Annual Cash Bonus for detailed explanation.

- (3) The amounts represent the actuarial increase in the present value of the Named Executive Officer's benefits under our pension plan, and the Supplemental Benefit Plan, described below under Non-Contributory Defined Benefit Pension Plan. The increase was calculated using the interest rate, discount rate and form of payment assumptions consistent with those used in our financial statements. The calculation assumes benefit commencement is at normal retirement age (65), and was calculated without respect to pre-retirement death, termination or disability. Earnings on deferred compensation are not reflected in this column because we do not provide above market or guaranteed returns on non-qualified deferred compensation.

**Table of Contents**

(4) Other annual compensation consists of the following:

Name	Vehicles Allowance	Sick Leave & Vacation Paid (1)	Contributions to Defined Contribution Plans		Total
			Other	Other	
Ramón M. Ruiz-Comas	\$30,000	\$ 68,550	\$	\$	\$98,550
Juan José Román-Jiménez		46,780			46,780
Socorro Rivas-Rodríguez	30,550	43,343		3,000	76,893
Arturo Carrión-Crespo	25,248		28,066		53,314
Eva G. Salgado	28,200	19,749			47,949
Luis A. Marini-Mir	25,800	24,752		3,467	54,019

(1) We pay to all of our employees, including the Named Executive Officers, the sick leave days not used during the year and the excess, if any, of vacation days accrued over thirty days. Amounts included represent cash paid during 2010.

**Outstanding Class B Equity Awards at 2010 Fiscal Year-End**

The following table sets forth summary information regarding the outstanding equity award held by each of our named executive officers at December 31, 2010. Please note that ownership of vested shares of stock is set forth under Security Ownership of Certain Beneficial Owners and Management in this Proxy Statement.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Exercise Price	Market Awards: Number of Shares of Stock That Have Not Vested	Market Awards: Number of Shares of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Shares That Have Not Vested	Equity Incentive Plan Awards: Number of Shares That Have Not Vested
Ramón M. Ruiz-Comas	465,517			\$14.50				
Juan José Román-Jiménez	155,172			\$14.50				
Socorro Rivas-Rodríguez	155,172			\$14.50				

Arturo					
Carrión-Crespo	39,052	\$14.50	12/7/2014	\$	\$
Eva G. Salgado	46,552	\$14.50	12/7/2014	\$	\$
Luis A. Marini-Mir	21,724	\$14.50	12/7/2014	\$	\$
		39			

---

**Table of Contents****Options Exercised and Stock Vested in Fiscal Year 2010**

The following table summarizes the option exercises and stock award vesting for each of our named executive officers for the year ended December 31, 2010.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (1)	Value Realized on Vesting (\$) (2)
Ramón M. Ruiz-Comas			25,862	\$489,309
Juan José Román-Jiménez			8,622	\$163,128
Socorro Rivas-Rodríguez			8,622	\$163,128
Arturo Carrión-Crespo	7,500	\$ 35,625	1,207	\$ 22,836
Eva G. Salgado			1,207	\$ 22,836
Luis A. Marini-Mir			1,207	\$ 22,836

(1) Represents the number of restricted stock awarded on the date of our initial public offering that vested on December 7, 2010.

(2) The market value of restricted stock and performance awards that vested was calculated by multiplying the closing price of our Class B shares on December 6, 2010 (\$18.92), by the applicable number of shares.

**Pension Benefits**

We sponsor a non-contributory retirement program for certain of our employees. The NEO compensation covered by the pension plans is the annual salary set forth in the Summary Compensation Table. Our supplemental retirement program covers benefits in excess of the United States Internal Revenue Code ( IRC ) limits that apply to the non-contributory retirement program, which is a tax-qualified program under IRC rules. The following is a summary of the provisions of our defined benefit pension plans.

*Non-Contributory Defined-Benefit Pension Plan*

Employees age 21 or older with one year of service with a BCBSA organization who were hired by Triple-S Management on or before December 19, 2006 in the case of union employees (on or before September 30, 2007, in the case of non-union employees) are eligible to participate in our non-contributory defined-benefit pension plan. Union employees hired after December 19, 2006 are ineligible to participate. Non-union employees hired after September 30, 2007 are ineligible to participate.

The average earning calculated is based on the highest average annual rate of pay from any five consecutive calendar year periods out of the last ten years. Each year's earnings are limited by IRC Section 401(a)(17) and 415. For 2010, the pension earnings are limited to \$245,000.

For 2010, the accrued benefit for single life benefit was calculated using the following formula: (i) 2% of final average earnings multiplied by plan service (defined as full and partial years of employment with the Corporation or any of its subsidiaries) up to 30 years, minus (ii) 1.33% of primary Social Security benefit multiplied by benefit service up to 30 years, minus (iii) any benefit accrued under a prior BCBSA plan. The accrued benefit cannot be less than the benefit calculated considering employer service only. Beginning on January 1, 2011, the percentage of final average earnings in the formula described above changed to 1%.

Normal retirement

To be eligible for normal retirement benefits, termination of employment must occur after both (i) the attainment of age 65 and (ii) after five years of participation in the plan. The accrued benefit is payable at the normal retirement date.



**Table of Contents**

**Early retirement**

To be eligible for early retirement benefits, termination of employment must occur after both (i) the attainment of age 55 and (ii) five years of participation in the plan. The benefit will be the accrued benefit at normal retirement date minus 6% per year for each year beginning at age 62. There is no reduction if retirement occurs after age 62.

The plan also has a special early retirement provision. To be eligible, the termination of employment must occur after attaining 30 years of benefit service and election of immediate benefit commencement..

**Forms of payment**

The standard form of payment for a single participant is a straight life annuity; for a married participant, a reduced qualified joint and survivor annuity begins at the benefit commencement date, with 50% of the benefit continuing to the surviving spouse upon the earlier death of the participant. In lieu of the standard form of payment, a participant may elect, with the proper spousal consent, one of the optional forms of annuity payment or, alternatively, a single lump sum payment.

***Supplemental Retirement Plan***

Employees with non-contributory retirement program benefits limited by the IRC maximum compensation and benefit limits are eligible to participate in a supplemental retirement plan.

The accrued benefit is calculated by the same formula Used in the Defined Benefit Plan using the amount of salary in excess of the IRC limit.

Normal retirement, early retirement, and special early retirement provisions are the same as provided for the non-contributory defined-benefit plan, described above.

**Forms of payment**

The standard form of payment for a single participant is a straight life annuity; for a married participant, a reduced qualified joint and survivor annuity begins at the benefit commencement date, with 50% of the benefit continuing to the surviving spouse upon the earlier death of the participant.

**Table of Contents**

The following table presents pension plan information as of December 31, 2010 for the Named Executive Officers under our non-contributory retirement and supplemental retirement programs.

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years of Credited Service (1)</b>	<b>Present Value of Accumulated Benefit (2)</b>	<b>Payments During Last Fiscal Year</b>
Ramón M. Ruiz-Comas	Non-Contributory Retirement Program	20.56	\$ 620,000	
	Supplemental Retirement Program		\$ 910,000	
Juan José Román-Jiménez	Non-Contributory Retirement Program	14.98	\$ 280,000	
	Supplemental Retirement Program		\$ 190,000	
Socorro Rivas-Rodríguez (3)	Non-Contributory Retirement Program	28.97	\$1,320,000	
	Supplemental Retirement Program		\$1,045,000	
Arturo Carrión-Crespo	Non-Contributory Retirement Program			
	Supplemental Retirement Program			
Eva G. Salgado	Non-Contributory Retirement Program	14.89	\$ 415,000	
	Supplemental Retirement Program		\$ 110,000	
Luis A. Marini-Mir (3)	Non-Contributory Retirement Program	12.91	\$ 575,000	
	Supplemental Retirement Program		\$ 30,000	

- (1) The number of actual years of service with the Corporation of each Named Executive Officer exceeds the years of his or her credited service under both plans by one year because employees become eligible to participate in such plans upon completing one year of service with a BCBSA organization.
- (2) For additional information on the material assumptions applied in determining the present value of accumulated benefits, see note 17 ( Pension Plans ) to the Corporation s audited consolidated financial statements included in the Corporation s Annual Report on Form 10-K for the year ended December 31, 2010.
- (3) Participant is eligible for early retirement under both plans. Additional details on early retirement payments and benefit formula and eligibility standards can be found in the sections titled Non-Contributory Defined Benefit Pension Plan and Supplemental Retirement Plan above.

**Non-Qualified Deferred Compensation Table**

The following table presents compensation for the Named Executive Officers that has been deferred under a plan that is not tax-qualified:

<b>Executive</b>	<b>Registrant</b>	<b>Aggregate</b>	<b>Aggregate</b>
------------------	-------------------	------------------	------------------

Name	Contribution	Contribution	Earnings	Aggregate	Balance at
	Last Fiscal Year (1)	in Last Fiscal Year	in Last Fiscal Year	Withdrawals/ Distributions	Last Fiscal Year
Ramón M. Ruiz-Comas	\$ 13,200		\$ 6,499	\$(228,528)	\$ 100,563
Juan José Román-Jiménez	\$ 38,906		\$11,294	\$ (80,706)	\$ 243,822
Socorro Rivas-Rodríguez	\$ 27,000		\$70,326		\$1,498,525
Arturo Carrión-Crespo					
Eva G. Salgado	\$154,875		\$17,800		\$ 416,311
Luis A. Marini-Mir	\$ 30,000		\$20,394		\$ 447,307

(1) Amounts reported in this column for 2010 are reported as salary in the Summary Compensation Table.

Under our non-qualified deferred compensation plan, participants may elect to defer up to 20% of their gross annual cash compensation. The deferred compensation and accumulated interest will be paid on the occurrence of the following events:

termination of employment

retirement

six (6) months of continued disability

death

an elected fixed date occurring after the 5th but not later than the 25th anniversary of deferral

**Table of Contents**

Deferred compensation accumulates interest at an annual rate equivalent to the actual annual yield of the fixed income portion of the Corporation's investment portfolio for the corresponding year. Except as described below, no amounts are payable to Named Executive Officers upon termination of employment other than amounts payable in accordance with law or policies of the Corporation applicable to all employees, or as a result of a change in control of the Corporation.

**Description of Employment Agreements**

***Ramón M. Ruiz-Comas***

We entered into an employment agreement with Mr. Ruiz-Comas, dated as of March 4, 2010. Mr. Ruiz-Comas agreement has a two year term, unless terminated as set forth therein. The agreement provides for a base salary of \$611,949, which we may increase in accordance with existing policies. In addition, Mr. Ruiz-Comas is eligible to receive an annual cash bonus, contingent upon the achievement of annual performance objectives established in accordance with our policies. See the discussion under the caption "Compensation Discussion and Analysis Annual Cash Bonus" for more information on the bonuses paid for 2010.

The agreement also provides that Mr. Ruiz-Comas has a right to, among other things:

an annual non-discretionary non-performance bonus, as described under the caption "Compensation Discussion and Analysis Annual Cash Bonus";

an automobile allowance;

the annual membership fees for a private club, two business related clubs and two professional associations;

the payment of premiums in connection with long term disability insurance and life insurance coverage (with a maximum coverage of \$100,000) for Mr. Ruiz-Comas;

the payment of premiums in connection with health and medical benefits for Mr. Ruiz-Comas and his dependents under our group health insurance plan; and

the right to participate in all employee benefit plans and programs, including long-term incentive compensation programs, generally available to senior executives.

Mr. Ruiz-Comas is subject to a covenant not to solicit our team members for 12 months following his resignation or termination or the expiration of the agreement. Mr. Ruiz-Comas is also subject to a covenant not to compete with us for 12 months following his resignation, termination or the expiration of the agreement.

In the event that we terminate Mr. Ruiz-Comas' employment without cause (other than for death or disability), provided Mr. Ruiz-Comas does not compete with us or solicit our team members during the 12-month period following termination, or disclose any confidential information, he will become entitled to the following severance benefits under his agreement:

an amount equal to the greater of the base salary payable (1) until the expiration of the agreement or (2) for one year, payable in equal monthly installments or in a lump sum, at the our option;

an amount equal to the base salary payable in 12 substantially equal monthly installments as consideration for Mr. Ruiz-Comas' obligation not to compete with us (the "Non-Compete Compensation");

the continuation of Mr. Ruiz-Comas' long term disability insurance, life insurance and health and medical benefits for Mr. Ruiz-Comas and his dependents until the later of one year or the expiration of the agreement; and

**Table of Contents**

the payment of any amounts due under our deferred compensation plan and/or related to Mr. Ruiz-Comas vested rights under our pension plan.

In the event that Mr. Ruiz-Comas employment terminates for cause, or as a result of his death or resignation, he will receive the base salary earned until the date of death or resignation, the liquidation of any applicable fringe benefits and the payment of amounts due under our deferred compensation plan and any vested rights under our pension plan. In the case of termination for cause or resignation, Mr. Ruiz-Comas will also be entitled to the Non-Compete Compensation.

In the event that Mr. Ruiz-Comas employment terminates as a result of the expiration of the employment term (other than through his request and regardless of whether there is any period of at-will employment following the employment term), provided Mr. Ruiz-Comas does not compete with us or solicit our team members during the 12-month period following termination, or disclose any confidential information, he will receive an amount equal to the base salary payable in 12 substantially equal monthly installments and the continuation of Mr. Ruiz-Comas long term disability insurance, life insurance and health benefits for Mr. Ruiz-Comas and his dependents for a 12-month period following termination.

For purposes of the agreement, cause means:

material breach by Mr. Ruiz-Comas of the agreement, his duties or any lawful written policies, rules, regulations, guidelines or codes of the Corporation, or

conviction of or plea of guilty or no contest to a felony or a misdemeanor involving fraud, dishonest or disreputable conduct or moral turpitude,

insubordination,

improper or disorderly conduct,

the existence of a conflict of interest not previously disclosed to the Board, or

a substantial reduction of the operations of the Corporation and its subsidiaries

Mr. Ruiz-Comas employment agreement also includes a change in control provision. A change in control is defined as:

the acquisition by any party of ownership of 25% or more of the total votes required for the election of our directors, or of such amount which, based on the cumulative vote, if this were allowed by the articles of incorporation and bylaws, would permit such party to elect 25% or more of our directors,

a consolidation, merger or other business combination, sale of assets or any combination thereof as a result of which the persons who were our directors prior to such transaction fail to constitute a majority of the Board;

a change of at least 30% of our directors as a result of a proxy fight, as such term is defined in Regulation 14A of the Securities Exchange Act of 1934, as amended; or

a sale or transfer of substantially all our assets to another non-affiliated corporation.

If, following a change in control, we terminate Mr. Ruiz-Comas without cause or Mr. Ruiz-Comas resigns for good reason, Mr. Ruiz-Comas would be entitled to receive the following special termination benefits:

**Table of Contents**

an amount equal to (1) the highest base salary received by Mr. Ruiz-Comas in any of the three fiscal years prior to the change in control *plus* (2) the average annual cash bonus received by Mr. Ruiz-Comas during the prior three fiscal years; and

the continuation of Mr. Ruiz-Comas' long term disability insurance, life insurance and health and medical benefits for Mr. Ruiz-Comas and his dependents for 24 months or until Mr. Ruiz-Comas obtains employment with comparable benefits.

For purposes of the agreement, "good reason" means:

a change in the nature or scope of Mr. Ruiz-Comas' duties or functions from those performed on the date immediately preceding the change in control;

a reduction in Mr. Ruiz-Comas' base salary from that received on the date immediately preceding the change in control;

a reduction in Mr. Ruiz-Comas' ability to participate in the compensation plans, such as bonus, stock options, incentives or other compensation plans, in which he participated on the date immediately preceding the change in control;

a change in the location of Mr. Ruiz-Comas' principal place of employment of more than twenty-five miles from the place where he maintained his work office on the date immediately preceding the change in control; or

the reasonable determination by the Board to the effect that, as a result of the change in control and a change in the circumstances thereafter affecting the employment position of Mr. Ruiz-Comas, he is unable to exercise the authority, powers, functions or duties assigned to his position on the date immediately preceding the change in control.

**Table of Contents****Potential Payments upon Termination or Change in Control**

On March 4, 2010, we entered into an employment agreement with Mr. Ruiz-Comas that entitled him to certain benefits upon a change in control or upon a termination of employment. These benefits are payable in accordance with his employment agreement. We describe this agreement, including the material conditions or obligations applicable to the receipt of these benefits, under the caption "Description of Employment Agreements" above. The table below sets forth the value of the benefits (other than payments that were generally available to salaried team members) that would have been due to Mr. Ruiz-Comas if he had terminated employment on December 31, 2010.

	Expiration of Employment Agreement <sup>(1)</sup>	Termination Without Cause <sup>(2)</sup>	Termination With Cause or Upon Resignation or Death	Change of Control  Resignation for Cause or Termination Without Cause <sup>(3)</sup>
<b>Ramón M. Ruiz-Comas*</b>				
Base Salary	\$ 611,949	611,949	\$ 0	\$ 1,223,898
Annual Short Term Bonus	0	0	0	455,898
Fringe Benefits	64,529	64,529	0	64,529
Non-Compete <sup>(4)</sup>	611,949	611,949	611,949	611,949
<b>Total</b>	<b>\$ 1,288,427</b>	<b>1,288,427</b>	<b>\$ 611,949</b>	<b>2,356,274</b>

\* Based on compensation payable to Mr. Ruiz-Comas for services rendered during 2010.

- (1) Base Salary and Fringe Benefits are payable in 12 equal monthly installments, provided the chief executive officer did not end negotiations or notify his desire not to renew.
- (2) Base Salary and Fringe Benefits payable are equal to the greater of the amount due at the expiration of the agreement or one year.
- (3) Base Salary and Annual Short Term Bonus payable is equal to twice the highest Base Salary paid in any of the prior three fiscal years *plus* the average Annual Short Term Bonus for the prior three fiscal years. The obligations to pay Fringe Benefits expires on the earlier of 24 months after the termination of employment or the date employment with comparable benefits is obtained.
- (4) The non-compete compensation is equal to the Base Salary payable in 12 equal monthly installments. This amount is not payable in the event of termination due to death.

**Table of Contents****Director Compensation**

The following tables summarize the fees or other compensation that our non-employee directors earned for services rendered as members of the Board or any committee of the Board during fiscal year 2010, pursuant to our current compensation structure.

**Director Compensation for Fiscal Year 2010**

Name	Fees Earned or Paid		Total
	in Cash (1)	Stock Awards (2)	
Adamina Soto Martínez	\$ 63,250	\$ 37,636	\$ 100,886
Antonio F. Faría Soto	55,900	37,636	93,536
Carmen Ana Culpeper	50,833	37,636	88,469
Jaime Morgan Stubbe	53,600	37,636	91,236
Jesús R. Sánchez Colón	51,350	37,636	88,986
José Hawayek	52,286	37,636	89,922
Juan E. Rodríguez Díaz	60,150	37,636	97,786
Luis A. Clavell	162,500	37,636	200,136
Manuel Figueroa Collazo	57,253	37,636	94,889
Roberto Muñoz Zayas	54,200	37,636	91,836
Vicente León Irizarry	68,250	37,636	105,886
Jorge L. Fuentes Benejam	55,797	37,636	93,433
	\$ 785,369	\$ 451,632	\$ 1,237,001

- (1) The Board holds an annual off-site meeting to discuss our strategic direction and comply with continuing education requirements, among other purposes. Some of the activities at this meeting could be considered non-work related; however, due to the difficulty in allocating the specific cost to each member and since total cost is estimated at less than \$6,000 per person, such amount was not included in the above table.
- (2) The amounts shown reflect the grant date fair value of the stock awards determined in accordance with the provisions of FASB Accounting Standards Codification Topic 718 (formerly referred to as FAS 123R). See footnote 21 of the Corporation's audited consolidated financial statements on Form 10-K for the year ended December 31, 2010.

Under our current directors' compensation structure, the chairman of the Board receives a monthly retainer of \$12,500 and all other Board members receive a monthly retainer of \$4,167. The chairman of the Audit Committee receives an additional monthly retainer of \$833, and the chairpersons of the Compensation and Corporate Governance and Nominations Committees receive an additional monthly retainer of \$500 and \$417, respectively. The following is the amount received by each director for each Board or committee meeting attended:

Meetings	Director
Audit Committee	\$350
Compensation Committee and Corporate Governance and Nominations Committee	\$300
All other committees and sub-committees	\$150

Directors who are also our employees do not receive any compensation for service rendered as members of the Board or any committee of the Board, or of any subsidiary board or subsidiary board committee.



**Table of Contents****Risk Considerations in our Executive Compensation Program**

At the Compensation Committee's request, Cook & Co. worked with management in the fourth quarter of 2010 to conduct a risk assessment of all the compensation programs of the Company, which was completed in the first quarter of 2011. This assessment included an inventory of all compensation programs, including incentive compensation plans then in place at the Company, a review of the design and features of the Company's compensation programs with key members of management responsible for such programs, and an assessment of program design and features relative to compensation risk factors. The Compensation Committee reviewed the Company's risk profile and related risk management processes and the findings of the compensation risk assessment to determine if any material risks were deemed likely to arise from our compensation policies and programs and whether these risks are reasonably likely to have a material adverse effect on our business. The Compensation Committee determined that the Company's then-current pay plans and policies were not reasonably likely to have a material adverse effect on the Company. The Committee thereafter reported its findings to the Board.

**AUDIT COMMITTEE MATTERS****Report of the Audit Committee**

The Audit Committee charter establishes that the Audit Committee shall consist of three or more members of the Board. The Board has determined that each member of the Committee is independent. A copy of the Audit Committee Charter is available on our website at [www.triplesmanagement.com](http://www.triplesmanagement.com). In making this determination, the Board follows the audit committee independence standards set forth in the NYSE's director independence rules. Currently, the Committee is comprised of four directors, all of whom are independent under such standards. The Committee held ten meetings during the year ended December 31, 2010. Form 10-K and Form 10-Q filings were discussed in four of such meetings. The Audit Committee also met with management, the Chief Audit Executive, and the independent registered public accounting firm during 2010.

The role of the Committee is to assist the Board in its oversight of our financial reporting process, as well as our internal and external audit processes, independent registered public accounting firm's qualifications and performance of the internal audit function. The Committee also is responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm and the establishment of procedures for handling complaints. The Committee operates pursuant to the charter that was adopted by the Board and amended on December 6, 2010.

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 Chief Audit Executive when such position is vacant. The Committee has the resources and authority to discharge its responsibilities, including the authority to engage an independent registered public accounting firm 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 independent registered public accounting firm and reviews the proposed audit scope and approach, including coordination of the audit effort with the Internal Audit Office.

In the performance of its oversight function, the Committee has considered and discussed our audited consolidated financial statements for the fiscal year ended December 31, 2010 with management and PricewaterhouseCoopers, our independent registered public accounting firm.

The Committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications with Audit Committees* (SAS 61), as amended and adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by applicable requirements of the Public Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers its independence. 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.

**Table of Contents**

As set forth in the Charter, 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, and (3) evaluating management's progress to assess and manage enterprise risk issues. The independent registered public accounting firm is responsible for auditing our consolidated financial statements and expressing an opinion as to their conformity with U.S. GAAP.

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

Based on the Committee's consideration of the audited consolidated financial statements and the discussions referred to above with management and the independent registered public accounting firm, and subject to the limitations on the role and responsibilities of the Committee set forth in the Charter and those discussed above, the Committee recommended and the Board approved that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2010 for filing with the SEC.

*No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that the Corporation specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed to be filed under either the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.*

Submitted by:

Vicente J. León-Irizarry, CPA, Chair of the Audit Committee

Carmen Ana Culpeper-Ramírez

Antonio F. Faría-Soto

Adamina Soto-Martínez, CPA

**Table of Contents****OTHER RELATIONSHIPS, TRANSACTIONS AND EVENTS*****Transactions with Related Parties***

In the ordinary course of business, one or more of our subsidiaries provide insurance to a number of our individual directors and executive officers and to members of their respective immediate families. Certain directors and nominees have material ownership interests in or occupy senior positions, including as president or director, at certain entities to which one or more of our subsidiaries also provided insurance during 2010. Specifically, *San Jorge Children's Hospital*, at which Mr. Clavell-Rodríguez is the Chief Medical Officer, and *Altura Healthcare*, holding company of *San Jorge Children's Hospital*, paid premiums totaling \$1,171,111 and \$328,802, respectively; *Kevane Grant Thornton, LLP*, an accounting firm at which Ms. Soto-Martínez was a partner until October 2009, and to which she continues to provide consulting services, paid premiums totaling \$339,177; *Palmas del Mar Properties, Inc.*, a real estate and resort development company of which Mr. Morgan-Stubbe is the President, paid premiums amounting to \$232,919; *B. Fernández & Hermanos*, a food distribution company of which Mr. Sánchez-Colón is the Chairman of the Board of Directors, paid premiums amounting to \$2,223,286; *Interamerican University*, at which Mr. Fuentes-Benejam is a member of the Board of Trustees, paid premiums totaling \$9,946,242; and *Universidad Sagrado Corazón*, at which Mr. Ruiz-Comas is a member of the board of directors, paid premiums totaling \$1,240,623. The terms on which our subsidiaries provide insurance to related parties are the same as the terms offered to unrelated parties.

Our directors that are physicians and dentists, or their affiliated entities, are also service providers to TSI in the ordinary course of their businesses as physicians and dentists. Some of our directors, their immediate family members and affiliated entities received more than \$120,000 in compensation for services as healthcare providers to one or more of our subsidiaries in 2010. Specifically, *San Jorge Children's Medical Specialties*, a medical group of which our Chairman of the Board, Mr. Clavell-Rodríguez, is the managing partner and controlling shareholder, received total payments from TSI of \$153,338; *San Jorge Children's Hospital* received total payments from TSI of \$590,724; Dr. Sánchez-Colón and/or his immediate family received total payments from TSI of \$145,066. The terms of the provider agreements with TSI pursuant to which the above payments were made are the same as the terms of the provider agreements of physicians and healthcare organizations who are not directors or affiliated with our directors.

During 2010, Triple-S Propiedad, Inc., our property and casualty insurance subsidiary, engaged in the ordinary course of business, the legal services of González Villamil Law Offices, of which Mr. Roberto Ruiz-Comas, brother of Mr. Ruiz-Comas, our president and chief executive officer, was a partner until October 31, 2010. The fees paid to González Villamil Law Offices for 2010 amounted to approximately \$658,863. The Board approved the engagement of such law firm.

***Policies and Procedures for Related Party Transactions***

The Corporation has adopted a policy directed at the review and approval of transactions with related parties. This policy instructs our directors and executive officers to inform the Corporate Governance and Nominations Committee of proposed related party transactions that would need to be disclosed pursuant to Item 404(a) of Regulation S-K, and provides guidelines for the review and approval of such transactions. Additionally, under our code of business conduct and ethics, all employees, officers and directors are required to avoid conflicts of interest. Employees, including officers, must review with, and obtain the approval of, their supervisors or the office of the general counsel, any situation that may involve a conflict of interest. The code broadly defines a conflict of interest as whenever an individual's personal interests interfere or diverge in any way (or appear to interfere or diverge) with our interest, and specifically notes involvement (either personally or through a family member) in a business that is a competitor, supplier or customer of the Corporation. Moreover, on an annual basis, each of our directors and executive officers are required to complete a director and officer questionnaire which requires disclosure of any transactions with the Corporation in which the director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest.

**Table of Contents**

**ANNUAL REPORT**

Our 2010 Annual Report to Stockholders accompanies the proxy materials being provided to all stockholders. Those documents are not a part of the proxy solicitation materials. We will provide, without charge, additional copies of our 2010 Annual Report to Stockholders upon the receipt of a written request by any stockholder.

**INCORPORATION BY REFERENCE**

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate all or portions of our filings, including this Proxy Statement, with the SEC, in whole or in part, the Compensation Committee Report and the Report of the Audit Committee contained in this Proxy Statement shall not be deemed to be incorporated by reference into any such filing or deemed filed with the SEC under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

San Juan, Puerto Rico, March 18, 2011.

**LUIS A. CLAVELL-RODRÍGUEZ, MD**  
Chairman of the Board

**ROBERTO GARCÍA-RODRÍGUEZ**  
Secretary of the Board

**Table of Contents**

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report is/ are available at [www.proxyvote.com](http://www.proxyvote.com).

**TRIPLE-S MANAGEMENT CORPORATION**

**April 29, 2011 9:00 AM (local time)**

**This proxy is solicited by the Board of Directors**

The shareholder hereby appoints Ramón M. Ruiz-Comas and Juan J. Román-Jiménez, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common stock of TRIPLE-S MANAGEMENT CORPORATION that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholder(s) to be held at 9:00 AM (local time) on April 29, 2011, at the Miramar Room of the Sheraton Puerto Rico Convention Center and Casino Hotel, 200 Convention Boulevard, San Juan, Puerto Rico, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**

---

**Table of Contents**

**TRIPLE-S MANAGEMENT CORPORATION**

*Office of Legal Affairs*

**PO BOX 363628**

**SAN JUAN, PR 00936-3628**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**Electronic Delivery of Future PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

<b>Nominees</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
a. Adamina Soto-Martínez	o	o	o
b. Jorge Fuentes-Benejam	o	o	o
c. Francisco Toñarely	o	o	o

**The Board of Directors recommends you vote FOR proposals 2 and 3.**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
2. Ratification of the selection of the independent registered public accounting firm	o	o	o

3. Advisory Vote on the Compensation of Our Named Executive Officers	o	o	o
--	---	---	---

**The Board of Directors recommends you vote 3 YEARS on the following proposal:**

	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>Abstain</b>
--	---------------	----------------	----------------	----------------

4. Advisory Vote on the Frequency of An Advisory Vote on the Compensation of Our Named Executive Officers.	o	o	o	o
--	---	---	---	---

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

**Signature [PLEASE SIGN WITHIN BOX]      Date**

**Signature (Joint Owners)      Date**