

Amendment No. 1

to the
**Restated Dependents' Group Term Life Insurance
Supplementary Contract**
as part of the

Restated Group Term Life Insurance Policy
No. 38000-A (herein called the Group Policy)

issued to the
Board of Trustees of the Employees Retirement System of Texas ("ERS")
(herein called the Trustee)

Effective September 1, 2003 (except as otherwise noted)

Ratifies changes by statute or Rule since September 1, 2001
and relates back to those changes.

A. Article I is amended as follows:

1. Effective June 1, 2003, Section C is deleted in its entirety and replaced with the following:

Act means the Texas Employees Group Benefits Act (Chapter 1551, *Texas Insurance Code*).

2. Subsections a., b., c. and d of Section F are deleted in their entirety and replaced with the following:

Excluding in either 1 or 2 above,

- a. Any person who is a Full-Time Employee as defined in the Act, and is covered for Basic Group Term Life Insurance or Optional Group Term Life Insurance under the Group Policy;
- b. Any person who is a Part-Time Employee as defined in the Act, and is covered for Basic Group Term Life Insurance or Optional Group Term Life Insurance under the Group Policy;
- c. Any person who is a Retiree as defined in the Act and is covered for Basic Group Term Life Insurance or Optional Term Life Insurance under the Group Policy;
- d. Any person who was within the 31-day conversion period stipulated in Article IX of the Group Policy, or any person approved for benefits under Article VII of the Group Policy.

B. Article III is amended as follows:

The first sentence of Article III is deleted in its entirety.

C. Article V is deleted in its entirety and is replaced with the following:

The amount of insurance which will be in force under this Supplementary Contract will be in accordance with the Trustee's Application under Section II, Schedule of Insurance for Dependents Group Term Life Insurance Supplementary Contract, and in accordance with the classifications of Employee or Retiree at the time of death of the Dependent.

D. Article VII is amended as follows:

1. Section A is amended to read, "Upon termination of the Employee's employment with the State of Texas; or"
2. Section E is amended to read, "The date the Employee or Retiree is expelled from the Group Benefits Program for fraud or attempted fraud."
3. Section F is deleted in its entirety.

E. Article IX is amended as follows:

The first paragraph (through Section C) is deleted in its entirety and is replaced with the following:

If the spouse of an Employee or Retiree is insured under this Supplementary Contract, an Accelerated Life Benefit Payment for Dependents has not been paid for the spouse, and the coverage for that spouse terminates due to:

- A. termination of the Employee's employment with the State of Texas; or
- B. termination of membership of the Employee or Retiree in the class or classes eligible for coverage under this Supplementary Contract; or
- C. the death of the Employee or Retiree;

Nothing contained herein shall be held to alter or affect any of the terms and conditions of said policy other than as herein stated. All other terms of the original agreement shall remain in force and effect.