

**Public Service Enterprise Group Incorporated
Travel Accident Insurance Plan
Summary Plan Description**

Public Service Enterprise Group Incorporated

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Every effort has been made to provide you with clear, accurate, understandable information about the Public Service Enterprise Group Incorporated Travel Accident Insurance Plan. This summary is based on information in the legal plan documents that govern the Plan. If there is a difference between the legal documents and this summary, decisions about participation, benefits payable, and the administration of the Plan will always be made according to the provisions in the legal documents.

Also, this is a description of the Plan under current law. Because laws are subject to change, the Plan also may change.

While Public Service Enterprise Group Incorporated intends to continue the Travel Accident Insurance Plan described in this summary, it reserves the right to end, suspend, or amend the Plan at any time, in whole or in part. Should this happen, you will be notified.

10/27/2004

Introduction

The Travel Accident Insurance Plan (the “Plan”) offers you and your family financial protection if you die or are seriously injured while traveling on business for Public Service Enterprise Group Incorporated (“PSEG”) and its participating affiliate companies (each an “Employer”). You are covered for accidents of all types when you travel on Employer business or work outside the U.S.

Additional Resources

If you have questions about the Plan after reading this document, call 1-800-571-0400 and follow the voice recognition prompts to speak with a Benefits Express™ representative. Representatives are available Monday through Friday, during normal working hours.

In addition, the *Your Benefits Desktop* website has information on the benefit programs available to you. To access *Your Benefits Desktop*, go to www.pseg.com/benefits.

Who Is Eligible

You are eligible for coverage if you are an active employee scheduled to work at least 40 hours per week. Coverage begins automatically on your first day of work and costs you nothing.

Non-employee directors of PSEG Companies and certain designated consultants of the policyholder are also eligible.

You are *not* eligible for benefits under the Plan if you are:

- A summer or seasonal employee;
Or
- A vacation or illness replacement;
Or
- Employed for an anticipated limited duration or a special project;
Or
- A leased employee.

Your Travel Accident Insurance Benefit

Benefits are payable if your death or dismemberment is caused by an injury that occurs while traveling on Employer business.

Cost of Coverage

Your Employer pays the full cost of this coverage. If you are eligible, coverage begins automatically on your first day of work. There are no enrollment forms to complete.

Coverage Amount

The amount of your benefit depends on the type of loss you suffer. The loss must be the result of a covered accident and occur within one year of that accident. No more than 100% of the insurance amount will be paid for an accident.

Death Benefit Amount

If you die as a result of an accident while traveling on Employer business, your survivor may receive a benefit amount equal to five times your annual base pay. The maximum coverage amount is \$1 million per individual.

Base Pay
Base pay is your annual rate of pay, not including overtime, bonuses, or any other form of additional compensation.

Also, the Plan will pay a maximum of \$8 million for any single aircraft accident. If more than one eligible employee suffers a loss in the same accident, the Plan will not pay more than the maximum limit of insurance (\$8 million). If an accident results in benefit amounts becoming payable, which, when totaled, exceed the applicable limit of insurance, the maximum limit of insurance will be divided proportionally among the eligible employees, based on each applicable benefit amount.

If you are an occupant of a vehicle that is lost or wrecked and is not found within a year from the date of the accident, you will be presumed dead. Benefits will be paid to your survivor accordingly.

Dismemberment Benefit

If you are injured in an accident while traveling on Employer business, you may receive a benefit from the Plan.

Dismemberment benefits are determined by applying a percentage to your total death benefit. If you suffer a loss as a result of an accident, the following chart describes what the Plan will pay.

Loss	Amount Paid (percentage of your death benefit amount)
Both hands or both feet*	100%
Speech and hearing	100%
Sight in both eyes	100%
Any combination of one hand*, one foot*, or the sight in one eye	100%
One hand*, one foot*, or the sight in one eye	50%
Speech or hearing	50%
Thumb and index finger of the same hand	25%

*Loss of a hand or foot means that the wrist or ankle has been completely severed; loss of sight means a complete loss of vision in an eye

To be eligible for benefits, a loss must be the direct result of a covered accident and occur within one year of the accident.

Travel or Assignment Outside the United States

The Plan provides 24-hour business and pleasure coverage for employees permanently or temporarily assigned to work outside the United States. Benefits under this provision of the Plan are payable for death or dismemberment resulting from declared or undeclared war or acts of terrorism.

Changing Your Coverage

Any change in coverage due to a change in your job classification or base pay will take effect on the latest of the following:

- The first day of the month following the change (if you must be actively working for the change to take effect); or
- When you return to work, if you are not actively employed.

You will receive your new insurance coverage amount only for accidents that occur after the change is effective.

What Is Covered

When you are traveling on Employer business anywhere in the world, the Plan covers death or dismemberment due to certain transportation accidents. These include:

- Riding as a passenger in a public conveyance (e.g., taxi, bus, or commercial aircraft);
- Traveling in an aircraft owned, leased, or operated by the named pilot of the policyholder;
- Traveling in an aircraft chartered with pilot or crew on a one-time charter basis;
- Driving or riding as a passenger in a private car or truck; and
- Accidents where you are struck by a public conveyance or automobile.

Benefits are payable if death or dismemberment results from declared or undeclared war or acts of terrorism. Only country exclusions for declared or undeclared war are the United States, Canada, Iran, Iraq, Syria, Afghanistan, Pakistan, Saudi Arabia, Kuwait, and insured person's country of permanent domicile. Declared and undeclared war do not include acts of terrorism.

24-Hour Coverage

The Plan's 24-hour business travel coverage is extended to cover accidents of all types if you are away from any Employer facility and are not performing your normal job functions.

Full-time corporate officers (e.g., with the title of Vice President and above) receive 24-hour business and pleasure coverage for all types of accidents.

The Plan provides 24-hour business and pleasure coverage for all employees permanently or temporarily assigned to work outside the United States.

What Is Not Covered

The Plan does not pay benefits for losses due to:

- Intentional, self-inflicted injuries or suicide or attempted suicide;
- Commission or attempted commission of a felony;
- Accidents while you are on active duty in the armed forces of any country or international authority;
- Illness, disease, pregnancy, childbirth, miscarriage, or any bacterial infection other than a bacterial infection from a covered accidental cut or wound;
- Commuting to and from work;
- Travel or flight in any vehicle or device for navigation beyond the Earth's atmosphere or aerial navigation;
- Travel in an aircraft that you are flying, learning to fly, or acting as a member of the crew, except when the insurer provides specifically arranged coverage;
- Travel in an aircraft without a valid certificate of air worthiness or not flown by a pilot with a valid license;
- Travel in a military aircraft; and
- Travel in an aircraft that is being used for testing or experiments, crop treatment, fire fighting, sky writing, sky diving or hang gliding, racing, stunts, or any operation which requires a special permit from the FAA—except when the insurer provides specifically arranged coverage.

Naming Your Beneficiary

A beneficiary is the person(s) you choose to receive any benefit payable upon your death. You can name anyone as beneficiary for the Plan. Your beneficiary for the Plan does not have to be the same beneficiary that you name for the Group Term Life Insurance Plan. However, if you do not specifically designate another beneficiary, your Employer will assume it is the same beneficiary that you designated for the Group Term Life Insurance Plan.

To name or change a beneficiary, call 1-800-571-0400 and follow the voice recognition prompts to speak with a Benefits Express representative.

If you fail to designate a beneficiary for your life insurance and travel accident insurance benefits, your benefits will be paid to your estate.

If you are dismembered as a result of an accident while traveling on Employer business, benefits are paid to you.

When Coverage Ends

Your coverage ends if:

- You terminate employment;
- You no longer meet the eligibility requirements described on [page 1](#); or
- The Travel Accident Insurance Plan is discontinued.

How to File a Claim

Benefits may be paid in a lump sum or in monthly installments according to the payment options of the insurance company.

If you or your beneficiary wants to file a claim for benefits, contact:

Kenneth Brockman
PSEG
Risk Management
80 Park Plaza, T-6B
Newark, NJ 07101

You or your beneficiary will be asked to complete the necessary claim forms. Your completed paperwork will be sent to the insurance company to determine payment eligibility.

If a Claim Is Denied

If a claim for benefits is denied in whole or in part, you may ask the claims administrator to review your claim. The claims administrator makes the ultimate decision on whether a claim meets all the requirements and conditions under this Plan.

How a Benefit Can Be Lost

Eligible claims for benefits will not be paid if:

- Your beneficiary or an estate executor cannot be located;
- All necessary information has not been supplied upon request; or
- An accident occurs after the Plan is terminated.

Administrative Information

Plan Name and Number

Public Service Enterprise Group Incorporated Travel Accident Insurance Plan—501

Plan Type

The Travel Accident Insurance Plan is a “group insurance plan.”

Employer Identification Number

22-2625848

Plan Sponsor and Administrator

The Plan is sponsored and administered by Public Service Enterprise Group Incorporated and its participating affiliate companies. You may contact the Plan Administrator at:

Public Service Enterprise Group, Inc.
Corporate Benefits
80 Park Plaza, T-21F
P.O. Box 1171
Newark, NJ 07101-1171
973-430-7000

Agents for Service of Legal Process

Legal process concerning the Plan may be served on the Corporate Secretary of PSEG at the following address. In addition, legal process may be served on the Plan Administrator.

Public Service Enterprise Group, Inc.
Corporate Benefits
80 Park Plaza, T-4B
P.O. Box 1171
Newark, NJ 07101-1171

Plan Year

The records for the Plan are kept on a calendar year basis; that is, January 1 through December 31.

Plan Funding

The Plan is funded by contributions from PSEG and its participating affiliate companies. No employee contributions are required or permitted.

Plan Amendment or Termination

PSEG and its participating affiliate companies expect to continue the Travel Accident Insurance Plan. However, they reserve the right, subject to contracts to which they are party, to amend, modify, or terminate the Plan. The decision to do so may be due to changes in Federal or State laws, the requirements of the Internal Revenue Code or the Employee Retirement Income Security Act of 1974 (ERISA), or any other reason.

PSEG and its participating affiliate companies specifically reserve the right to alter, amend, increase, decrease, or terminate such benefits to the full extent permitted by law at any time, in their sole discretion. If PSEG and its participating affiliate companies do change or terminate the Plan, they may decide to set up a different plan providing similar, lesser, or identical benefits. A Plan change may transfer Plan assets and debts to another plan or split a plan into two or more parts, subject to collective bargaining agreements.

If the Plan is amended, benefits to which you are entitled before the change are paid under the former provisions. Generally, if the Plan should ever be terminated, benefits will be paid for losses incurred up to the date of termination. The amount and form of any final benefit you or your beneficiary receives will depend on any contract provisions affecting the Plan, and PSEG's decisions.

After all benefits have been paid and other requirements of the law have been met, any remaining Plan assets will be, at the discretion of PSEG and its participating affiliate companies, either used to purchase benefits or distributed to Plan participants in accordance with the requirements of the law.

Claims Administrator

You may send claims to the Federal Insurance Company at:

Federal Insurance Company
Claims Service Center
600 Independence Parkway
Chesapeake, VA 23327-4700
800-252-4670

Your Rights under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

- Examine (without charge) at the Plan Administrator's office and at other specified locations—such as work sites and union halls—all Plan documents. These may include insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefits Administration, such as detailed annual reports.
- Obtain copies of all Plan documents and other Plan information by writing to the Plan Administrator. The Plan Administrator may charge a reasonable fee for these copies.
- Review a summary of the Plan's annual financial report. The Plan Administrator is required by law to make available to each participant a copy of this summary annual report. The summaries are available on the *Documents & Publications* section of *Your Benefits Desktop*.
- Receive a written explanation of the reason for the denial if your claim for a benefit is denied—in whole or in part. You have the right to have the Plan Administrator review and reconsider your claim.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one—including your employer, your union, or any other person—may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your ERISA rights.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your ERISA rights. For instance:

- If you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials—unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits which is denied or ignored—in whole or in part after a final review—you may file suit in a State or Federal court.
- If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court.

If you file suit, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if it finds your claim frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.