

ISG Voluntary Employee Beneficiary Association (ISG VEBA)

Prescription Drug Program Description

About the ISG VEBA

The December 2002 Collective Bargaining Agreement between the United Steelworkers of America ("USWA") and International Steel Group, Inc. ("ISG") established a Voluntary Employees' Beneficiary Association ("VEBA") trust fund on behalf of former USWA-represented retirees (and surviving spouses) who had worked for LTV, Bethlehem Steel, Acme Metals and Georgetown Steel, and lost their negotiated health care benefits as the result of the bankruptcies of these companies.

Eligibility to Participate

Participation is limited to beneficiaries of the ISG Voluntary Employees' Beneficiary Association ("ISG VEBA"), as defined in the December 2002 Collective Bargaining Agreement between International Steel Group ("ISG") and the United Steelworkers of America ("USWA"). Generally, beneficiaries include retirees (and surviving spouses), and their eligible dependents, from USWA-represented bargaining units who, by reason of any collectively bargained agreement between the USWA and LTV Corporation, Bethlehem Steel Corporation, Acme Metals Incorporated or Georgetown Steel Corporation were retired on or before a specified date (as indicated below), and, at the time of retirement, were eligible for retiree health care benefits.

LTV	March 31, 2002
Bethlehem Steel	May 8, 2003
Acme Metals	June 1, 2002
Georgetown Steel	October 20, 2003

Beneficiaries also include certain former Bethlehem Steel employees (and dependents) that received a benefit under the Transition Assistance Program, and as of May 8, 2003 had 15 or more years of service and were eligible for immediate retirement.

Eligible dependents include your spouse and any dependent children, provided each dependent (a) had been enrolled as a dependent under your former employer sponsored health care coverage on the date it terminated, and (b) currently qualifies as a dependent on your federal tax return.

If you have questions regarding your eligibility for participation, please contact the ISG VEBA Administrator, toll-free, at 1 (888) 251-9494, on or after January 10, 2005.

Program Benefits

The program covers most prescription drugs obtained at a participating pharmacy or through mail order service, subject to the annual deductible, percentage coinsurance

amounts and annual benefit maximum described in the chart below. The prescription drugs are being offered to you at the EHS negotiated discount price.

Coverage for short-term drugs such as antibiotics will include up to a 30-day supply dispensed at an EHS participating pharmacy.

Coverage for maintenance drugs will include the initial fill at retail, plus two additional retail fills before you will be required to fill your maintenance drug for up to a 90-day supply through the EHS mail-order pharmacy.

The program also has a generic incentive provision, stating that, if you request a brand name drug when a generic drug is available and substitution is permissible, you will be responsible for the cost difference between the generic and the brand, in addition to your brand coinsurance. However, if your doctor requires that a brand drug be dispensed as written, even if a generic is available, you will only be responsible for the coinsurance amount as depicted in the chart below.

Generic drugs, both at retail and mail, can be obtained on the first day of coverage at the coinsurance or copayment amounts noted below and are not counted towards the annual deductible.

If you elect to enroll in the program, you will receive a more detailed benefit description from EHS, along with an Identification Card.

Effective Date	March 1, 2005		
Annual Deductible	\$100 (does not apply to generic drugs)		
Annual Benefit Maximum	\$3,000 (does not apply to generic drugs)*		
Retail Pharmacy (up to 30-day supply)	Coinsurance	Minimum Copay	Maximum Copay
Generic	15%	\$ 5.00	\$ 30.00
Brand Formulary**	20%	\$15.00	\$ 60.00
Brand Non-Formulary	35%	\$30.00	\$120.00
Mail Order (up to 90 day supply)			
Generic	15%	\$10.00	\$ 60.00
Brand Formulary**	20%	\$30.00	\$120.00
Brand Non-Formulary	35%	\$60.00	\$240.00

* If you purchase a covered brand name drug after you have reached the annual benefit maximum, you will continue to be able to obtain the drug at the EHS negotiated discount price, but you will be required to pay 100% of the discounted amount.

** The formulary is an extensive list of Food & Drug Administration (FDA) approved prescription drugs selected for their quality, safety and effectiveness. It includes products in every major therapeutic category. The formulary was developed by EHS Pharmacy and Therapeutics Committee made up of clinical pharmacists and physicians. Your program includes coverage for both formulary and non-formulary drugs at the specific coinsurance or copayment amounts listed above. A formulary listing will be sent to you following your enrollment, or you may view the formulary on the Internet at www.ehs.com

Monthly Premiums

If you elect to enroll in the program you will be required to pay **\$25** per month for each adult member (i.e. **\$50** for you and your spouse). There is no additional charge to enroll an eligible dependent child.

Enrollment Procedure

To enroll, please complete and sign the enclosed green enrollment form and return it to the ISG VEBA Administrator, along with your check for one month of premium (i.e. \$25 for a retiree, or \$50 for a retiree and spouse) no later than **January 31, 2005**. Thereafter, you will be billed quarterly (every three months), or you can elect to have your premium automatically charged monthly to your checking account, beginning April 2005.

Also note that the retiree must enroll in order to enroll a dependent spouse.

If you also wish to enroll a dependent child, you must check the appropriate box on the enrollment form. The ISG VEBA Administrator will then mail you a Dependent Child Enrollment Form, which must be completed and returned to the ISG VEBA Administrator.

If you do not enroll in the program before **January 31, 2005**, you not be able to enroll until the beginning of the next calendar quarter. If you enroll but then fail to make timely payment of required premiums, you will not be able to re-enroll before January 1, 2006.

For Additional Information

If you have any questions regarding the ISG VEBA or the Prescription Drug Program, please contact the ISG VEBA Administrator in writing at:

ISG VEBA
P.O. Box 54581
Cleveland, OH 44146

Or you may call toll-free at **1 (888) 251-9494** any business day between 8:00 am to 5:00 pm EST.

Future of the Program

The ISG VEBA is funded by contributions from ISG in accordance with a formula based on Company earnings and steel tonnage. The program benefits and premium amounts are jointly determined by ISG and the USWA, and are subject to amendment, modification or termination, depending on the availability of VEBA assets. The Trustee, however, has determined that the VEBA assets, along with retiree monthly premiums, will be adequate to maintain the Prescription Drug Program throughout calendar year 2005. Benefits for calendar year 2006 and beyond will be determined at a later date by ISG and the USWA.