

TRENDS INTERNATIONAL, LLC (TRENDS) TOTAL RETAIL SERVICES, INC. (TRS) SUMMARY PLAN DESCRIPTIONS (SPD)

HEALTH INSURANCE CONTINUATION INFORMATION:

COBRA CONTINUATION COVERAGE

Introduction to COBRA: This information is intended to provide information about your rights and responsibilities under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). This information does not change your status on the group health plan in any way. Rather, this information explains rights and responsibilities you may have in the future under the following group health plan(s):

(TRENDS AND TRS GROUP HEALTH PLANS)

If a COBRA qualifying event, which would terminate your group health plan coverage, occurs in the future, you would have the option to continue your coverage at your own expense. COBRA continuation coverage is the same group health plan coverage you had before your qualifying event. It is the same coverage provided to similarly situated active employees who have not experienced a qualifying event, but it does not include life insurance or disability coverage. Once you and your spouse or dependents (if any) become covered by the group health plan, there are specific qualifying events that may occur that cause you to lose coverage. Those events and the length of continuation coverage you could be allowed are:

Event	Duration of Coverage
Termination of employment (either voluntary or involuntary, other than for gross misconduct)	18 months
Reduction in hours (such as layoff, leave of absence, reduced work hours, etc.)	18 months
Death of the covered employee	36 months
Divorce or legal separation	36 months
Covered employee's entitlement to Medicare	36 months
Dependent child ceasing to be dependent	36 months
Bankruptcy (Title XI) of the employer	Possible lifetime coverage for covered retirees and their spouses and dependents only

Special rules apply if you are offered a Health Flexible Spending Accounts (FSA) under COBRA; the maximum coverage period for a Health FSA generally ends with the end of the plan year in which your COBRA qualifying event occurred. Please refer to your Summary Plan Description (SPD) to confirm your FSA plan year. You may also experience a loss of coverage "in anticipation" of a qualifying event, such as a divorce or legal separation.

If that happens, continuation coverage will be offered once the qualifying event has occurred (and has been reported within the proper time frames). In that case, coverage does not have to be provided from the date of your loss of coverage to the date of the qualifying event.

Who can elect COBRA: Each employee, spouse and dependent child covered by the group health plan the day before the qualifying event and who would lose coverage due to the qualifying event would be a COBRA qualified beneficiary. A child born to, or placed for adoption with, the covered employee during the period of COBRA continuation would also be a qualified beneficiary, if the employer/plan administrator is notified within 30 days of the birth or placement for adoption. Each qualified beneficiary would have an independent right to elect continuation coverage under COBRA. COBRA qualified beneficiaries will have the same rights, options and requirements as similarly situated active employees. You would not have to show evidence of insurability in order to elect. Certain time frames listed in this information may be extended if a qualified beneficiary is incapacitated. The word “you” throughout this information refers to any qualified beneficiary, as described above.

How to elect COBRA: Infinisource, Inc. mails COBRA notices on behalf of TRENDS AND TRS, and Infinisource, Inc. is the party responsible for all other COBRA administration, including COBRA elections and payments. Infinisource is not an insurance company or the provider of benefits. Once a qualifying event occurs and is reported properly, **TRENDS AND TRS** will instruct Infinisource to notify you, in writing, with specific information about your qualifying event. The notice will contain instructions for electing continuation coverage, as well as the last date on which you can elect. You will be allowed at least 60 days to elect continuation coverage. Verbal elections will not be accepted. If you elect continuation coverage, TRENDS AND TRS has the right to verify your eligibility for coverage. If you are not eligible, continuation coverage may be denied or retroactively terminated. The covered employee or spouse may elect on behalf of all other qualified beneficiaries; a parent or legal guardian may elect on behalf of dependent children. If you fail to timely elect, you will lose your right to continue coverage. Proof of timely election is your responsibility (the United States Postal Service offers several proof of mailing services). A COBRA election is deemed made on the date it is postmarked. If you waive continuation coverage in writing, you have 60 days from the later of the loss of coverage date or the date the notification was mailed to you to revoke your waiver and elect continuation coverage. Any claims you incur during the waiver period may not be covered. Infinisource does not administer waivers of continuation coverage. Instead of waiving your COBRA rights if you do not want COBRA, you simply do not need to send in your COBRA Continuation Coverage Election Form. During your election period, you may find that you have been removed from the group health plan. Once you make a timely election and payment, your coverage will be reinstated retroactive to your loss of coverage date. If you do not elect, any expenses you incur will become your financial responsibility. You are not required to make a payment with your COBRA election, but coverage may not be reinstated until a timely payment is made. Reinstatement of coverage often depends upon the insurance company, and typically takes 7-10 business days or more after your payment is received. To confirm your coverage status, please call the insurance company directly.

Paying for Continuation Coverage: Once you elect, continuation coverage must be paid for from the loss of coverage date forward, in consecutive monthly increments. You may be charged up to 102% of the applicable premium (including the employer’s cost). Partial months of coverage (your first and last months of continuation coverage) will be prorated. Gaps in continuation coverage are not generally permitted. You will have 45 days from the date you elect to make your first payment. For monthly payments following your date

of election, the premium is due in full, on the first day of each monthly coverage period. Each monthly coverage period has a grace period of at least 30 days. Payments postmarked after any grace period ends (either the 45-day grace period or a monthly 30-day grace period) are considered late, and will not be

accepted. **TRENDS AND TRS** is not required to make exceptions based upon individual circumstances, and if you make a late payment; coverage will be terminated permanently, with no possibility of reinstatement. Invoices are not required, and you must postmark your payments by the monthly grace date even if you do not get an invoice. Returned checks (for instance, closed accounts, non-sufficient funds or stop payments) are the same as no payment at all. Proof of timely payment is your responsibility (the United States Postal Service offers several proof of mailing services). A COBRA payment is deemed made on the date it is postmarked.

If you participate in an HMO or walk-in clinic and use the provider's services during the election period, the plan may allow the employer, at the employer's option, to treat such use as a constructive election of COBRA coverage. You would be obligated to pay any applicable charge for the coverage within 45 days of the constructive election. HMOs may provide region-specific coverage. If you are outside the region, coverage may be reduced similarly to that of active employees outside the region. In certain instances, coverage may be eliminated or provided for emergency service only. If the employer has another plan that provides coverage outside the HMO region, that plan must be made available to you at the later of the date of your relocation, or the date you request the coverage. Please contact the employer/plan administrator or refer to your benefits booklet for specific information.

TAA Provisions/General Information: The Trade Act of 2002 created Trade Adjustment Assistance (TAA) available only to employees who have lost their jobs or experienced a reduction of hours because of import competition or shifts in product abroad.

TAA amended COBRA to create a special second COBRA election period for certain workers who did not elect COBRA coverage during the regular COBRA election period. The special second election period is available only in limited circumstances for certain individuals who have been affected by import competition or shifts abroad of production capacity and who are receiving TAA. The special second COBRA election period generally runs from the first day of the month in which an individual begins receiving TAA. COBRA coverage elected during the special second election period commences on the first day of that election period. There is no retroactive COBRA coverage for the gap period from the initial COBRA qualifying event to the first day of the special second election period. However, gap period must be disregarded in determining whether there has been a 63-day break in coverage under HIPAA.

Under HIPAA's creditable coverage rules, if there is a 63-day break in coverage, the coverage that was in effect before the break in coverage may be disregarded when applying creditable coverage to reduce the plan's pre-existing condition exclusion period. Under the TAA of 2002, certain breaks in coverage are not counted for this purpose.

Special Second Election Period: The special second election period assists workers who first become eligible for the TAA new COBRA tax credit sometime after they have lost their jobs, if they did not originally elect COBRA coverage (perhaps because you could not afford COBRA premiums). You are given a second chance to make a COBRA election; the following are details pertaining to the special second election period:

- It is a 60-day period beginning generally on the first day of the month when an individual began receiving TAA (or would be eligible to receive but for the requirement that unemployment benefits be exhausted).
- COBRA election must be made within six months after you lost your group health plan coverage or, if earlier, by the end of the 60-day election period.
- COBRA coverage elected during the special second election period is not retroactive to the date the plan coverage was lost but begins on the first day of the special second election period.

Qualifying Health Insurance:

- COBRA continuation coverage
- Coverage under a group health plan available under your spouse's employer

How to Apply: Once your worker group has been certified by the U.S. Department of Labor, you need to go to the nearest local State Unemployment Insurance (UI) agency and file an application for determination of your individual eligibility for TAA. A staff member of the State UI agency will take your application and make a determination as to whether you are eligible.

Each state has designated an agency to administer the TAA program. Generally, this agency is the State Employment Security agency; if not, the local office staff of the State Unemployment Insurance agency will be able to direct you to the designated agency.

Establishing Eligibility for TAA: All petitions for TAA are filed with the Division of Trade Adjustment Assistance (DTAA). DTAA has sole responsibility for conducting a fact-finding investigation to determine whether group eligibility criteria have been met and issues an official notice of its decision no later than 60-days after receiving the petition.

In order for the U.S. Department of Labor to issue a Certificate Regarding Eligibility to Apply for Worker Adjustment Assistance, the following requirements must be met:

1. That workers have been totally or partially laid off.
2. That sales or productions have declined.
3. That increased imports have contributed importantly to worker layoffs.

Once the U.S. Department of Labor issues Certification Regarding Eligibility, trade affected workers may apply for benefits under the TAA program.

Appeal Rights: Affected workers whose petitions for TAA are denied by the U.S. Department of Labor may request administrative reconsideration of the U.S. Department of Labor's finding within 30 days after publication of the final determination in the Federal Register.

The request for reconsideration must be in writing, including the TAA investigation number, a description of the group of workers on whose behalf the petition was filed, and must cite specific reasons why the workers consider the decision to be in error, either according to the facts, the interpretations of the facts or the law itself. Requests for reconsideration should be mailed to the **U.S. Department of Labor, Division of Trade Adjustment Assistance, 200 Constitution Ave., N.W. Room N-5428, Washington, D.C. 20210, Phone 202-693-3560.**

Refundable Credit: You can claim this credit and get a refund even if you do not owe any taxes.

Advanceable Credit: HCTC Program Kits have been created and are being sent to all potentially eligible individuals nationwide. Therefore, you may have or should be receiving the kit if you have properly applied and were approved for the tax credit. The kit includes eligibility and health plan information, questions and answers and a registration form.

To receive the advanceable credit, you must register by mailing the registration form or call the HCTC Customer Contact Center at 866-628-4282 to ensure you are eligible and to provide your health plan information. Once you become successfully registered you will send 35% of the eligible health plan premium to the HCTC program. The HCTC program will then add the remaining 65% of your premium and submit the full 100% to your health plan. Until the HCTC program begins making payments to your insurance plan, you should continue to pay 100% of your health insurance coverage and claim the credit by filing Form 8885 with your federal income tax return.

HCTC represents a partnership of federal, state and private industry. For additional information on the Health Coverage Tax Credit, go to www.irs.gov and enter keyword "HCTC".

Extending Continuation Coverage: If, in the future, your qualifying event is the employee's termination or reduction of hours (or by any other name, a qualifying event that allows for 18 months of continuation), there are two types of extensions that may allow for a longer continuation coverage period.

Social Security Disability Determination: If any qualified beneficiary is deemed disabled by the Social Security Administration, all qualified beneficiaries may receive an additional 11 months of continuation coverage (29 months from the original qualifying event). To qualify, all three of these requirements must be met:

1. The Social Security Administration must determine that the disability existed or began prior to, or within the first 60 days of continuation coverage.
2. You must provide the Social Security disability award letter before your 18-month continuation coverage period ends.
3. You must provide the Social Security disability award letter within 60 days from the later of your Event Date, Loss of Coverage date, or the date of the award letter.

You must also follow the reporting instructions found in the section "Event Reporting Procedure." During a disability extension, you may be charged up to 150% of the applicable premium (including the employer's cost) for the coverage. If the Social Security Administration later determines that the disabled qualified beneficiary is no longer disabled, the disability extension will end. Continuation coverage will terminate for all

qualified beneficiaries at the end of the month that is 30 days after the date of the Social Security Determination (but not before the end of the original 18 months). If you are deemed no longer disabled, you must report this change within 30 days, following the instructions under the section "Event Reporting Procedure."

Second Qualifying Events: If a second qualifying event that would normally cause a loss of coverage as a first qualifying event (death of the covered employee, divorce or legal separation, the covered employee's Medicare Entitlement or a dependent child ceasing to be a dependent child) occurs during the 18-month continuation coverage period, the spouse and/or dependent children who are qualified beneficiaries and who would have lost coverage may receive an additional 18 months of continuation coverage (36 months from the original qualifying event). In order to be eligible for this extension, you must follow the instructions under the section "Event Reporting Procedure," and report the second qualifying event within 60 days. Please note that an employee's entitlement to Medicare typically does not constitute a second qualifying event. You must follow the "Event Reporting Procedure" below to qualify for any extension described above. Once you report one of these events, Infinisource and **TRENDS AND TRS** will review your eligibility. If you are not eligible, you will receive a Notice of Unavailability that will explain why.

Conversion Coverage: After continuation coverage expires, you may be eligible to elect an individual conversion policy, if your group health plan has such an option. Conversion coverage is not the same as group health plan coverage, and it is not the same as continuation coverage. Rates and benefits may be different. For more information, refer to your plan booklet, summary plan description or contact the insurance company directly. Please examine your options carefully before declining this coverage. You should be aware that companies selling individual health insurance typically require a review of your medical history that could result in a higher premium or you could be denied coverage entirely.

Event Reporting Procedure: As described above, you may experience events that affect your continuation coverage. Those events include:

- Death of the covered employee
- Divorce or legal separation
- Dependent child ceasing to be dependent
- Social Security Disability Award
- No longer disabled determination

When you experience one of these events, you must report the event using the following procedure. Failure to report one of these events in a timely manner may make you ineligible for continuation coverage. Infinisource has a form, "COBRA Event Notice," available at no charge. You may call Infinisource at 800-594-6957 to request a form. You must report the events above in writing, but use of the form is not required if you include the following information:

- Name, address and phone number of the covered employee.
- Name, address and phone number of qualified beneficiaries experiencing the event.
- Group health plan coverage.
- The event experienced.

- The date of the event.
- For Social Security Disability Awards, you must include a copy of the award letter.
- If deemed no longer disabled, you must also include a copy of that letter.
- For all other events, you must include your signature and a statement that the event occurred as represented.

Send the "COBRA Event Notice" or other written format to: **Infinisource, Attention: COBRA Event Notice, PO Box 949, Coldwater, MI 49036**, or fax to 517-278-0764.

Your notice must be made within 60 days of the qualifying event, and in the case of a Social Security Disability, also within 60 days of the award letter and before the end of the 18-month continuation coverage period. If you are deemed no longer disabled, you must report that within 30 days of the determination.

Reasons COBRA will terminate: If you elect coverage under COBRA, you may continue coverage until the first of the following occurs:

1. The coverage expires date.
2. You first become, after the date you elect continuation coverage, covered by another group health plan that does not apply any pre-existing condition limitation or exclusion to you.
3. You first become, after the date you elect continuation coverage, entitled to Medicare.
4. Your payment is not postmarked by the end of any grace period.
5. **TRENDS AND TRS** ceases to provide any group health plan.
6. During the 11-month disability extension, a disabled qualified beneficiary is deemed no longer disabled by the Social Security Administration.
7. Your coverage is terminated for cause, such as fraud, on the same basis that coverage can be terminated for active employees.

After electing continuation coverage, you or any qualified beneficiary must notify Infinisource or TRENDS AND TRS, in writing, within 30 days of:

- Becoming entitled to Medicare Part A and/or Part B.
- Becoming covered under another group health plan that does not apply a pre-existing condition limitation or exclusion to you.
- Satisfying or exhausting any pre-existing condition exclusion period under another group health plan that applied to you.

Failure to provide this notice as required may result in retroactive termination of continuation coverage. Any expenses incurred during a period for which coverage is later terminated will become your financial responsibility, and may require repayment to the providers.

HIPAA and COBRA: The Health Insurance Portability and Accountability Act (HIPAA) created the concept of Creditable Coverage, which is coverage under a health plan used to reduce the pre-existing condition exclusion period imposed by another group health plan. Continuation coverage under COBRA counts as creditable coverage. Creditable coverage counts toward fulfillment of a pre-existing condition exclusion or limitation period, thus reducing the time a pre-existing condition is not covered, as long as any gap in coverage is less than 63 days. If and when you have a qualifying event, you may reduce the possibility of a

gap in coverage and the pre-existing condition exclusion period under another group health plan by electing continuation coverage. If you do not timely elect and pay for continuation coverage, you may experience a gap in coverage and may not be able to use your previous group health plan coverage as a credit toward reducing any pre-existing condition limitation or exclusion. In addition, if you do not exhaust your

continuation coverage, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you keep continuation coverage for the maximum time available to you.

More Information: This notice does not fully describe your continuation coverage or other plan rights. You can find more complete information in your summary plan description, plan booklet or certificate. If you have questions about your COBRA rights or this notice, please contact Carol Kilgore (317-388-4007) or Mary Duckworth (317-388-4042). It is important to keep **TRENDS AND TRS** informed of address changes for all qualified beneficiaries. This notice contains important information about your rights and responsibilities under the COBRA law. Please keep this notice for future reference.

Women's Health and Cancer Rights Act of 1998 (WHCRA): WHCRA requires a group health plan to notify you, as a participant or a beneficiary, of your potential rights related to coverage in connection with a mastectomy. Your plan may provide medical and surgical benefits in connection with a mastectomy and reconstructive surgery. If it does, coverage will be provided in a manner determined in consultation with your attending physician and the patient for a) all stages of reconstruction on the breast on which the mastectomy was performed; b) surgery and reconstruction of the other breast to produce a symmetrical appearance; c) prostheses; and d) treatment of physical complications of the mastectomy, including lymphedema. The coverage, if available under your group health plan, is subject to the same deductible and coinsurance applicable to other medical and surgical benefits provided under the plan. For specific information, please refer to your summary plan description or benefits booklet, or contact **TRENDS AND TRS**.

ARRA Subsidy Provisions

(For qualifying events on or after February 17, 2009, and on or before May 31, 2010.)

Under the American Recovery and Reinvestment Act of 2009 (ARRA) you may be eligible to pay only 35% of your COBRA premium. The other 65% would be government paid for up to 15 months, but only if: (1) You are, and continue to be, eligible for the premium subsidy; and (2) You elect to continue COBRA coverage. In addition, as indicated below, ARRA has been further changed by the Department of Defense Appropriations Act, 2010 (2010 DOD Act), the Temporary Extension Act of 2010 and the Continuing Extension Act of 2010.

Who is Eligible for the 65% COBRA Premium Subsidy?

Assistance eligible individuals (AEIs) are entitled to elect COBRA coverage and pay only 35% of the applicable premium. An AEI must meet all of the following requirements:

1. You lost group health plan coverage due to a covered employee being ***involuntarily terminated from employment*** through May 31, 2010.
2. You were entitled to elect COBRA continuation coverage due to that qualifying event.
3. You are not eligible for other group health plan coverage or Medicare.

AEIs include spouses and dependent children of the covered employee whose coverage was lost due to an ***involuntary termination of employment***. Eligibility for the premium subsidy under ARRA does not allow eligibility for the HCTC under the Trade Act.

Subsidy Reduction: For Modified Adjusted Gross Income (MAGI) between \$125,000 and \$145,000 (or between \$250,000 and \$290,000 for married, filing jointly), the subsidy available would be reduced proportionately. An AEI may irrevocably opt out of receiving the subsidy. An AEI who fails to opt out and whose MAGI exceeds these limits (i.e., \$145,000 for single individuals and \$290,000 for married, filing jointly) would owe an additional tax on the federal tax return equal to the amount of the subsidy.

How Long Does the Premium Subsidy Last?

The subsidy would start as of the first period of COBRA continuation coverage under the Plan and would continue until the earliest of the following:

1. 15-months from the first date of the first month in which you receive the subsidy.
2. When you would become ELIGIBLE for coverage under any other group health plan (other than certain permitted coverage described below) or Medicare.
3. The date on which you would cease to be eligible for COBRA coverage (e.g., failure to pay the premium timely).

Caution: You must notify the plan if you or any related AEI are eligible for any other group health plan coverage or Medicare and NO longer eligible to receive the premium subsidy. A COBRA premium subsidy ineligibility notice is included for this purpose. Failure to notify the plan may result in a penalty in the amount of 110% of the subsidy received for periods during which you were not eligible for the subsidy.

The following types of permitted coverage will not disqualify an AEI from receiving the premium subsidy:

1. Coverage that is only dental, vision, counseling or referral services (or a combination of those services).
2. Coverage under a Health FSA under Section 106(c) (2) of the Code.
3. Coverage through an on-site medical facility maintained by the employer, consisting primarily of first-aid services, prevention and wellness care, or similar care (or a combination thereof).

How Does an AEI Elect the Premium Subsidy?

An AEI must elect COBRA by completing the required forms.

Does this Election Extend the Period that COBRA Continuation Coverage is Available?

No. The premium subsidy under ARRA **does not extend** the period of COBRA coverage. Instead, ARRA provides a reduced COBRA premium for a limited period of time to make COBRA continuation coverage more affordable.

What if I Receive a Health Coverage Tax Credit (HCTC)?

You may decide whether you wish to receive the COBRA subsidy or the HCTC. You may not receive both. ARRA made several changes to the provisions of the Trade Act of 2002, which created the HCTC. These changes include:

1. An increase in the amount of the HCTC from 65% to 80% of premiums for coverage from May 1, 2009, through December 31, 2010.
2. Temporary extensions of the maximum period of COBRA continuation coverage for covered employees with a nonforfeitable right to a benefit from the Pension Benefit Guaranty Corporation and for those individuals who are eligible for Trade Adjustment Assistance.

Please contact Infinisource to determine eligibility or call the HCTC Customer Contact Center toll-free at 866-628-4282. TTD/TTY callers may call toll-free at 866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

How Did the 2010 DOD Act, the Temporary Extension Act of 2010, and the Continuing Extension Act of 2010 Change ARRA?

Under these laws, the ARRA subsidy program was changed on December 19, 2009, (2010 DOD Act Enactment Date), March 2, 2010 (Temporary Extension Act of 2010 Enactment Date), and April 15, 2010 (Continuing Extension Act of 2010 Enactment Date). The changes took immediate effect and include:

- **Extended Eligibility Period.** The eligibility period for becoming an AEI now ends May 31, 2010, instead of December 31, 2009. Your continuation coverage can start after May 31, 2010, as long as the qualifying event occurs no later than May 31, 2010.
- **Extended Subsidy Period.** The maximum ARRA subsidy period is now 15 months for all AEIs. This would include any AEIs whose subsidy previously expired on or after November 16, 2009.

- **Reduction in Hours Followed by Involuntary Termination.** The ARRA subsidy is now available to individuals who experience a reduction in hours followed by an involuntary termination of employment if that termination occurs on or after March 2, 2010, and on or before May 31, 2010. The subsidy begins with the first period of coverage after the termination. In this limited circumstance, those Qualified Beneficiaries who never elected COBRA or discontinued COBRA have a new special election right for electing COBRA. The special election period ends 60 days after notice is sent. Qualified Beneficiaries making this special election do not have to pay for any gap in coverage between the original loss of coverage date and the first period of coverage after the involuntary termination of employment date. For pre-existing conditions, any gap in coverage is not treated as a "break in coverage" under relevant HIPAA rules. This does not change the length of the COBRA maximum coverage period. It is still based on the original reduction in hours Qualifying Event date.
 - ❖ 60 days after the 2010 DOD Act Enactment Date, which is February 17, 2010, or
 - ❖ 30 days after the date the notice of this extended payment deadline has been sent

You must make this payment by the extended payment deadline in order to maintain your continuation coverage. The extended grace period applies **ONLY** to coverage periods that begin during the Transition Period. Subsequent coverage periods do not have an extended grace period.

- **Refunds and Credits.** To the extent that you have paid the full premium for months of continuation coverage that are now subsidized under the 2010 DOD Act, your plan has the option of redistributing payments to future months (for example, a full payment made for December will be redistributed to the subsidized payments for December, January and part of February) or providing a refund, in accordance with ARRA rules.
- **Reduction in Hours Followed by Involuntary Termination.** The ARRA subsidy is now available to individuals who experience a reduction in hours followed by an involuntary termination of employment if that termination occurs on or after March 2, 2010, and on or before May 31, 2010. The subsidy begins with the first period of coverage after the termination. In this limited circumstance, those Qualified Beneficiaries who never elected COBRA or discontinued COBRA have a new special election right for electing COBRA. The special election period ends 60 days after notice is sent. Qualified Beneficiaries making this special election do not have to pay for any gap in coverage between the original loss of coverage date and the first period of coverage after the involuntary termination of employment date. For pre-existing conditions, any gap in coverage is not treated as a "break in coverage" under relevant HIPAA rules. This does not change the length of the COBRA maximum coverage period. It is still based on the original reduction in hours Qualifying Event date.