UNITED FOOD AND COMMERCIAL WORKERS
AND FOOD EMPLOYERS LABOR RELATIONS
ASSOCIATION LEGAL BENEFITS FUND

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2012- 2013 CONTRIBUTION RATE
INCREASE JUSTIFICATION REPORT

MATTHEW J. AKMAN, ESQUIRE
AKMAN & ASSOCIATES, P.C.
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JUSTIFICATION REPORT FOR
REQUESTED INCREASE

As the Board of Trustees is aware, the firm of Akman & Associates, P.C. has consistently attempted to keep the cost of pre-paid legal services as reasonable as possible. I believe that our proactive cost management efforts over the last twenty five years have significantly contributed to the benefit being both affordable and without a decrease in services. In fact, as recently as this past year, Akman & Associates, P.C. has reduced staff while making significant efforts to continue employment of our most qualified personnel. Even with inflation and costs escalating in each year, this Provider did not receive an increase in our contribution rate of over .021% in most years prior to 2003. Akman & Associates, P.C. has since stayed very close to that increase percentage, while continuing to provide legal coverage for the working men and women of the United Food & Commercial Workers.

Based upon the above, the firm is requesting the following rates for the contract years 2012 – 2013:

Year	Current Rate	Increase Requested	New Rate 2013	% Increase
2012	$19.75	0.50¢	$20.25	.026%

In justification of the above increase, be advised of the following:

a) Salary increases for the staff servicing the FELRA participant's averages between 2.5% and 4.0%. The dollar amount of these increases may sound small, but remember this staff averages over 21 years of service with Akman and Associates, P.C. So the increase granted is to employees whose salary basis is higher than at any other legal services provider in the country.

b) Our health insurance premiums have increased by 5% since the last contract. Our prescription coverage costs have also increased.

c) Firm-wide office rental cost increases have averaged 4% since the last contract.

d) Costs for our phone lines and toll free watts lines have increased to close to 8% since the last contract.

e) Firm-wide malpractice costs have increased by 4%.

f) The benefits under the FELRA plan cover all general practice areas. To stay current with existing statutes and case law, all library and research functions have been converted to disc and on-line capabilities. While many of these technological updates were completed following the last contract, Akman & Associates, P.C. must continue to keep our technology in line with current legal standards. Further, educational program costs, which are required for firm personnel, have increased.

g) Retainers for our participating attorneys in Pennsylvania, Delaware, Virginia and West Virginia have increased by 5%.

h) As our attorneys cover the entire State of Maryland, mileage expenses are forever increasing.

Thank you very much for considering our increase justification. Akman & Associates, P.C. looks forward to our continuing partnership with the United Food & Commercial Workers and the Food Employers Labor Relations Association.

Sincerely,

Matthew J. Akman, Esquire

Akman & Associates, P.C.