2020 DEALERSHIP INSURANCE & BENEFITS
New Car Survey Results - Greater Pittsburgh

90 Dealership Responses
The Pennsylvania Automotive Association (PAA) has prepared the following 2020 Dealership Insurance & Benefits Survey Results to assist its dealer members in being as efficient as possible in the operation of their dealerships and to reflect the industry’s participation in insurance programs and employee benefits. PAA’s Dealership Insurance & Benefits Survey Results captures information that is not included in NADA’s annual Dealership Workforce Study, and PAA highly recommends that dealerships participate in the NADA Study each year to receive information on sales and compensation trends.

Employees value health care coverage perhaps more than any other benefit, but employers are struggling with the escalating costs of providing quality programs. PAA offers a number of insurance carriers in all areas of Pennsylvania with a wide range of benefit choices. These choices will enable employers to design benefit packages that meet their needs and fit their budget.

We provide the enclosed information for your use in comparing your benefit options with those of other dealerships throughout Pennsylvania. For all your employee benefit needs, contact PAA Insurance Agency - the brokers who know your business.

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EMPLOYEES
Average dealership employs 41 people.

100% of dealerships offer health insurance to employees.

Does the dealership contribute to the cost of employee-only health coverage?

100% of dealerships contribute to employee costs.

When dealers contribute to employee-only coverage, the average dealer across the state is contributing 65% of the premium, in Pittsburgh 68%. Or, contributing an average flat rate of $336 per month across the state and $275 per month in the Greater Pittsburgh area.

DEPENDENTS

Does the dealership contribute toward the cost of dependent health coverage?

When dealers contribute to dependent coverage, the average dealer in the Greater Pittsburgh area is contributing 64% of the premium or an average flat rate of $300 per month.
How are health insurance rate increases handled?

- Dealership absorbs total annual increase 20%
- Employee absorbs total annual increase 16%
- Increase is split between dealership and employee 64%

When increase is split between dealer and employee, most common split is 50/50 (45% of responses stated 50/50 split) followed by 60/40 with the employer paying more (32% of responses stated 60/40 split).

Does the dealership offer Health Savings Accounts (H.S.A.)?

- 40% offer H.S.A.s
- And 30% of these employers are contributing toward the H.S.A.

Does the dealership offer Health Reimbursement Arrangements (HRA)?

- 16% offer HRAs
- Up 6% from 2017

Does the dealership offer self-funded Health Insurance?

- 20% offer self-funded health insurance
- Down 14% from 2017

Dealers described Self-Funded Plans as:

- Level Funded
- Administrative Services Only (ASO)
- Consortium
- Captive
- Reference Based Pricing
Do you provide a Section 125 Plan to your employees?

- 96% offer a Section 125 Plan

Which most accurately describes your dealership’s dental plan:

- Dealership pays 100% of the cost of employee-only coverage: 8%
- Dealership pays a portion of the cost of employee-only coverage: 4%
- Dealership pays 100% of the cost of family coverage: 20%
- Dealership pays a portion of the cost of family coverage: 16%
- Dealership offers coverage, but requires the employee to pay 100% of the cost: 48%
- Dealership does not offer dental coverage: 4%

If the dealership is paying a portion of the dental insurance, the average portion is 60%.

Which most accurately describes your dealership’s vision plan:

- Dealership pays 100% of the cost of employee-only coverage: 4%
- Dealership pays a portion of the cost of employee-only coverage: 4%
- Dealership pays 100% of the cost of family coverage: 12%
- Dealership pays a portion of the cost of family coverage: 12%
- Dealership offers coverage, but requires the employee to pay 100% of the cost: 48%
- Dealership does not offer vision coverage: 20%

If the dealership is paying a portion of the vision insurance, the average portion is 62%.
Which most accurately describes your dealership’s life insurance coverage?

- **70%** Dealership pays 100% of the cost of coverage for employees. (Down 5% from 2017)
- **22%** Dealership pays a portion of the cost. (Up 8% from 2017)
- **0%** Dealership offers coverage, but requires the employee to pay 100% of the cost.
- **8%** Dealership does not offer life insurance coverage.

What level of life insurance coverage does the dealership pay for?

- **55%** Same flat amount for all employees
- **19%** Tiered based on the employee’s position
- **12%** A percentage of the annual salary
- **8%** Life Insurance is not offered

Which retirement savings plan(s) do you offer?

- **401(K) 83%** 84% match employee contributions to the 401(k) plan (up 12% from 2017).
- **30%** match based on salary, average match is 3.5%.
- **20%** based on profitability.
- **40%** match a % of the employees contribution.
84% of dealerships provide **short-term disability insurance to employees** (down 4% from 2017).

How are premiums paid?

- 100% by employer: 38%
- 100% by employee: 62%
- Shared by employer and employee: 0%

71% of dealerships provide **long-term disability insurance to employees** (down 8% from 2017).

How are premiums paid?

- 100% by employer: 6%
- 100% by employee: 94%
- Shared by employer and employee: 0%

Dealerships are also offering....

- Cancer Insurance: 60%
- Accident Insurance: 68%
- Hospital Income Insurance: 52%
- Critical Illness Insurance: 60%
- Flexible Spending Account: 24%
- Gap Insurance: 4%
Employees at dealerships are eligible for vacation...

Employees with 1-4 years of service are entitled to...

- Less than 5 days: 4%
- 5-9 days: 46%
- 10-12 days: 42%
- 13-15 days: 8%

Employees with 5-10 years of service are entitled to...

- 10-12 days: 50%
- 13-15 days: 42%
- 16-20 days: 8%

Are employees entitled to carry over unused vacation days? No - 87%

Do employees have the option of receiving payment for unused vacation days? Yes - 58%

Which statement best describes the dealership’s sick leave policy?

- Allow 0-3 days per year: 93%
- Allow 3-6 days per year: 5%
- Allow 6-10 days per year: 2%
- Allow 10 or more days per year: 0%
- Do not have a sick leave policy: 0%

**The City of Pittsburgh Paid Sick Days Act went into effect on March 15, 2020. Dealerships located in the city of Pittsburgh are required to provide one hour of paid sick leave for every 35 hours an employee works. Learn more at: https://pittsburghpa.gov/mayor/paid sickleave**
30% of Dealerships are allowing employees to enroll through an employee benefits electronic enrollment platform.

4.2 ★

average rating

Dealerships are aware of and complying with the following requirements...

- Form 5500 Filing (100+ Groups)
- Wrap Summary Plan Descriptions (SPD)
- Summary of Benefits & Coverages (SBC)
- 1094C/1095C Reporting Requirements (50+ Groups)
- CHIP Notice
- Women’s Healthcare & Cancer Rights Notice

PAA would like to thank the 530 new car and 75 truck dealerships who participated in the 2020 Insurance Benefits Survey. The PAA Insurance Agency can assist your dealership in determining what benefit options are right for your dealership’s employees.

Contact PAA today for all your benefit needs.