DEALERSHIP INSURANCE & BENEFITS
New Car Survey Results

530 Dealership Responses
2020 Dealership Insurance & Benefits Survey Results
New Car - 530 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 46 people.*

99.8% of dealerships offer health insurance to employees.

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

- **YES**
- **NO**

99.6% 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** (down 3% from PAA's 2017 Survey) or an **average flat rate of $336 per month** (down 8% from the 2017 Survey).*

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**DEPENDENTS**

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

- **YES**
- **NO**

53%  
Down 9% from the 2017 PAA Survey

47%

When dealers contribute to **dependent** coverage, the average dealer across the state is contributing **53% of the premium** or an **average flat rate of $530 per month**. *

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* Additional reports depict information specific to Philadelphia, Pittsburgh or Pennsylvania minus Philadelphia and Pittsburgh.
How are health insurance rate increases handled?

- Dealership absorbs total annual increase: 14%
- Employee absorbs total annual increase: 16%
- Increase is split between dealership and employee: 70%

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.)?

- 37% offer H.S.A.s
- And 21% of these employers are contributing toward the H.S.A, up 6% from 2017.

Does the dealership offer Health Reimbursement Arrangements (HRA)?

- 22% offer HRAs

Does the dealership offer self-funded Health Insurance?

- 22% offer self-funded health insurance
- Down 5% from 2017.

Dealers described Self-Funded Plans as:

- Level Funded
- Administrative Services Only (ASO)
- Consortium
- Captive
- Reference Based Pricing

And 21% of these employers are contributing toward the H.S.A, up 6% from 2017.
Do you provide a Section 125 Plan to your employees?

90% offer a Section 125 Plan

Which most accurately describes your dealership’s dental plan:

- Dealership pays 100% of the cost of employee-only coverage: 6%
- Dealership pays a portion of the cost of employee-only coverage: 6%
- Dealership pays 100% of the cost of family coverage: 5%
- Dealership pays a portion of the cost of family coverage: 10%
- Dealership offers coverage, but requires the employee to pay 100% of the cost: 66%
- Dealership does not offer dental coverage: 7%

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: 5%
- Dealership pays a portion of the cost of employee-only coverage: 5%
- Dealership pays 100% of the cost of family coverage: 3%
- Dealership pays a portion of the cost of family coverage: 10%
- Dealership offers coverage, but requires the employee to pay 100% of the cost: 57%
- 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?

- **60%** Dealership pays 100% of the cost of coverage for employees. (Down 5% from 2017)
- **29%** Dealership pays a portion of the cost.
- **2%** Dealership offers coverage, but requires the employee to pay 100% of the cost. (Up 8% from 2017)
- **9%** 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.
- **23%** Life Insurance is not offered.
- **9%** One times the annual salary.
- **9%** A percentage of the annual salary.
- **2%** Tiered based on the employee’s position.

Which retirement savings plan(s) do you offer?

- **92%** 401(k)
- **1%** Both a defined benefit and a 401(k)
- **1%** A defined benefit pension
- **4%** The dealership does not offer

- **83%** Match employee contributions to the 401(k) plan (up 4% from 2017).
- **56%** Match based on salary, average match is 3.5%.
- **10%** Based on profitability.
- **34%** Match a % of the employees contribution.

*The average dealer is paying a flat amount of $17,098 (an increase of 27% since 2017).
87% of dealerships provide **short-term disability insurance to employees** (down 4% from 2017).

**How are premiums paid?**

- 100% by employer: 34%
- 100% by employee: 62%
- Shared by employer and employee: 4%

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

**How are premiums paid?**

- 100% by employer: 9%
- 100% by employee: 90%
- Shared by employer and employee: 1%

Dealerships are also offering....

- Cancer Insurance: 65%
- Accident Insurance: 68%
- Hospital Income Insurance: 38%
- Critical Illness Insurance: 54%
- Flexible Spending Account: 28%
- Gap Insurance: 7%
Employees at dealerships are eligible for vacation...

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

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

Are employees entitled to carry over unused vacation days? No - 84%

Do employees have the option of receiving payment for unused vacation days? Yes 55%

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

Are employees allowed to carry unused sick days from one year to the next? No 93%
20% of Dealerships are allowing employees to enroll through an employee benefits electronic enrollment platform.

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.

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