

New Car Dealership Insurance & Benefits

**2023
RESULTS**



PENNSYLVANIA AUTOMOTIVE ASSOCIATION

Representing Pennsylvania franchised new car, truck, and powersports dealers

New Car Survey Results

478

Dealership Responses



2023 Dealership Insurance & Benefits

Survey Results

New Car - 478 Dealership Responses

The Pennsylvania Automotive Association (PAA) has prepared the following **2023 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.

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.

For all your employee benefit needs, contact PAA Insurance Agency - the brokers who know your business.

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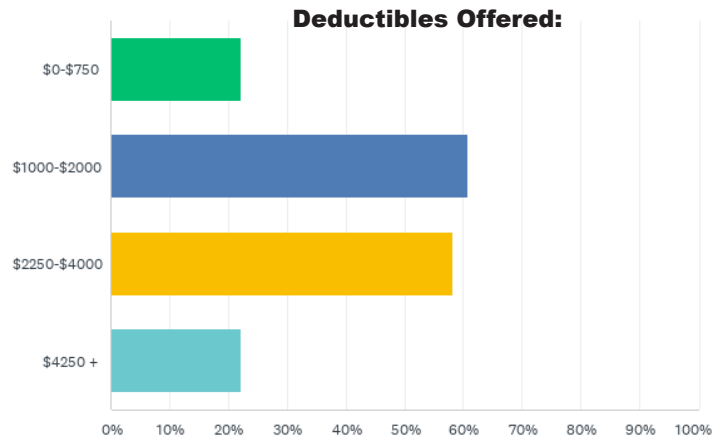
EMPLOYEES

Average dealership employs 47 people.

98% of dealerships offer health insurance to employees.

Dealerships often offer choices to their employees. 32% offer only 1 health plan. 60% offer 2-3 plans, and 8% offer 4 or more.

Dealerships offer the following deductible amounts:



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



96% of dealerships contribute to employee costs.

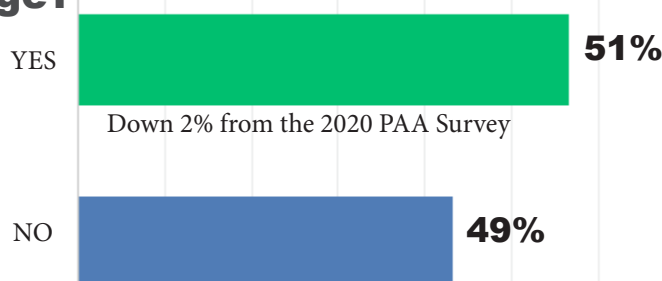
■ YES ■ NO

When dealers contribute to employee-only coverage, the average dealer across the state is contributing **70% of the premium** (up 5% from PAA's 2020 Survey) or an **average flat rate of \$427 per month** (up 27% from the 2020 Survey).

86% of dealerships shop for health insurance each year.

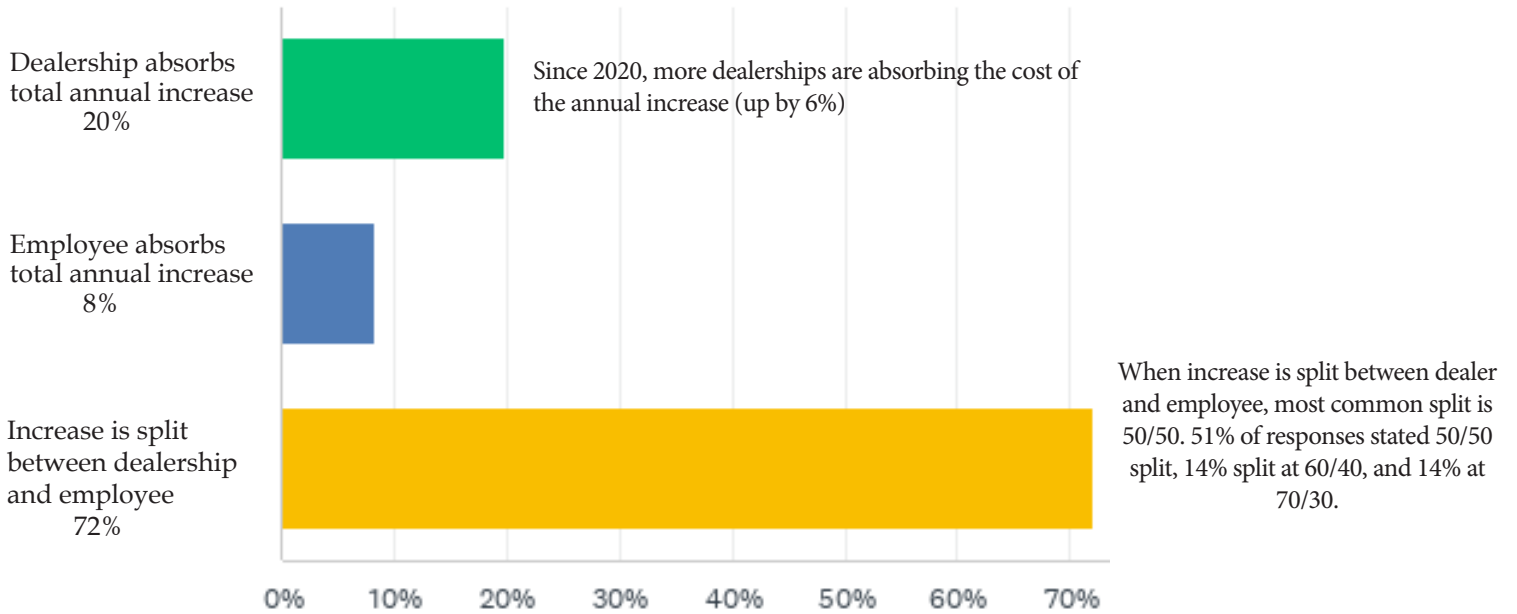
DEPENDENTS

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

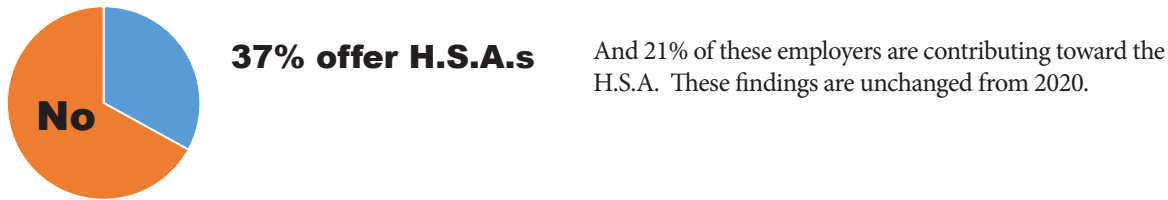


When dealers contribute to dependent coverage, the average dealer across the state is contributing **54% of the premium**.

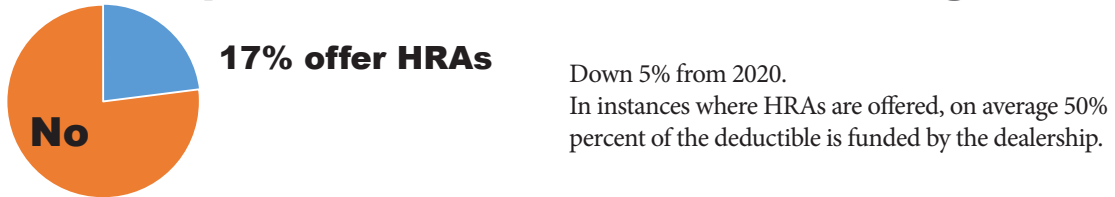
How are health insurance rate increases handled?



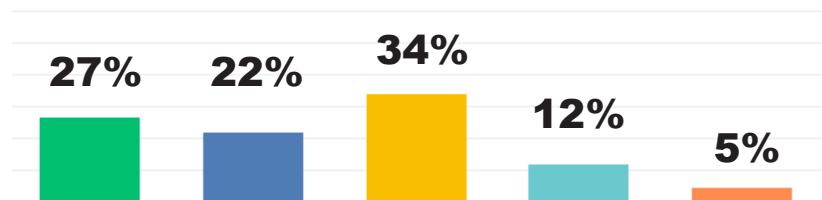
Does the dealership offer Health Savings Accounts (H.S.A.)?



Does the dealership offer Health Reimbursement Arrangements (HRA)?



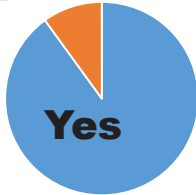
Does the dealership offer self-funded Health Insurance?



Dealers described Self-Funded Plans as:

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

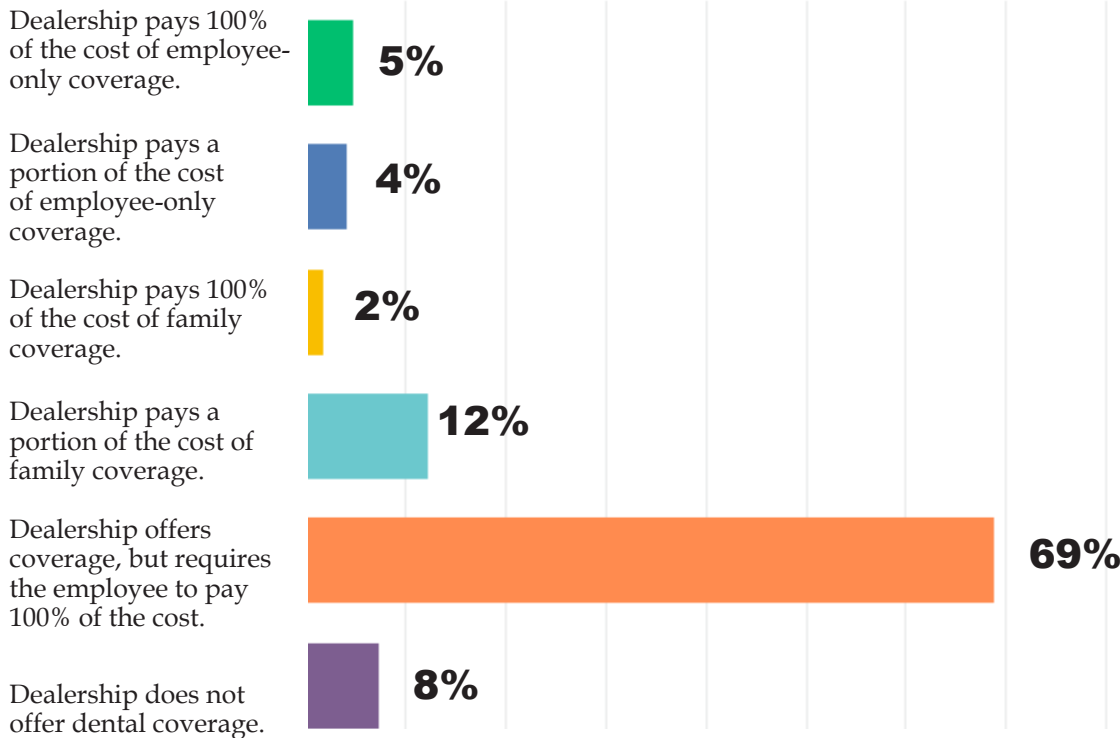
Do you provide a Section 125 Plan to your employees?



90% offer a Section 125 Plan

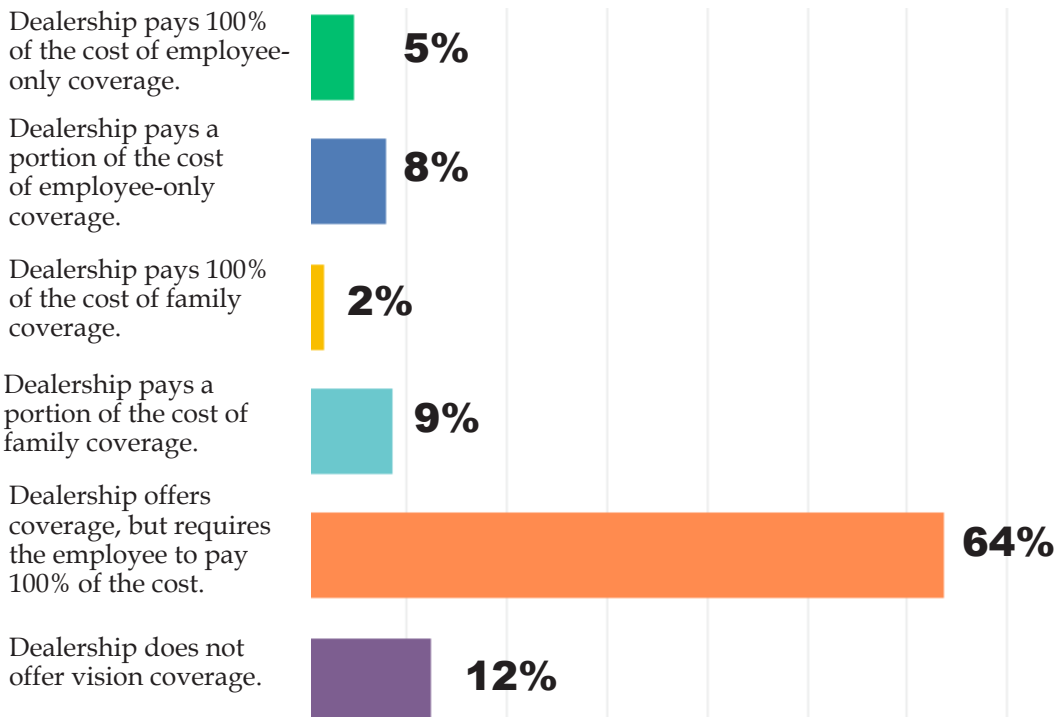
These findings are unchanged from 2020.

Which most accurately describes your dealership's dental plan:



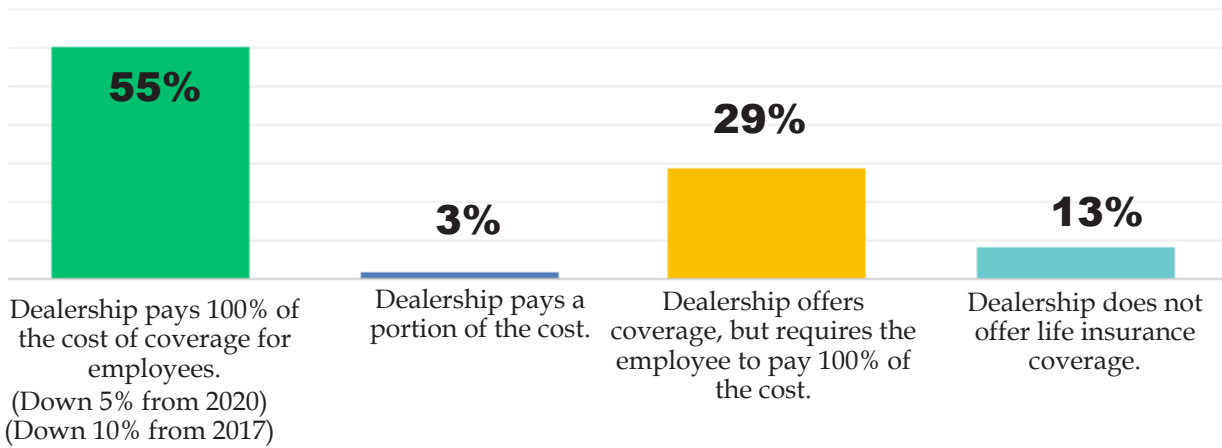
If the dealership is paying a portion of the dental insurance, the average portion is 57% (down 3% from 2020).

Which most accurately describes your dealership's vision plan:

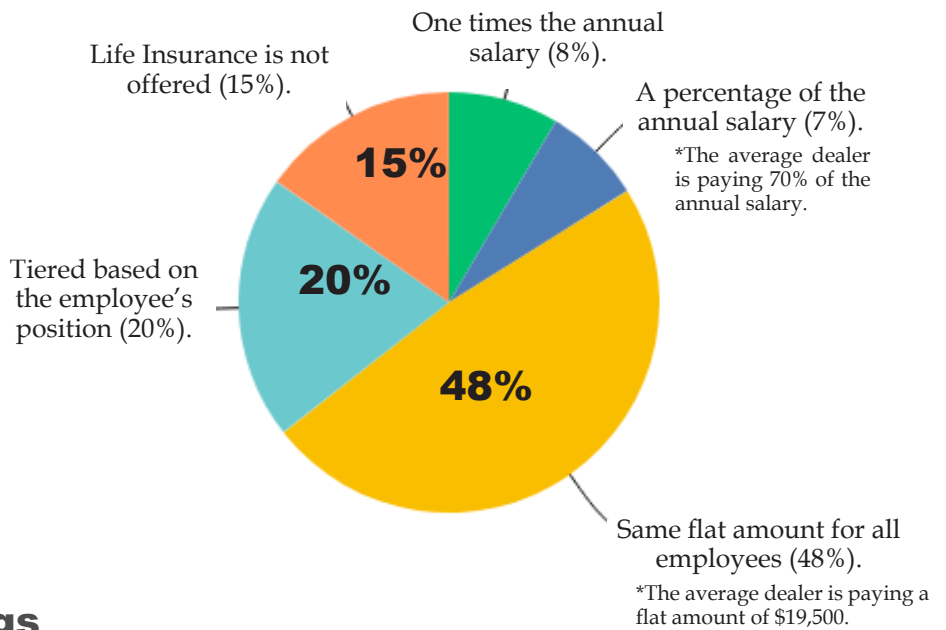


If the dealership is paying a portion of the vision insurance, the average portion is 58% (down 2% from 2020).

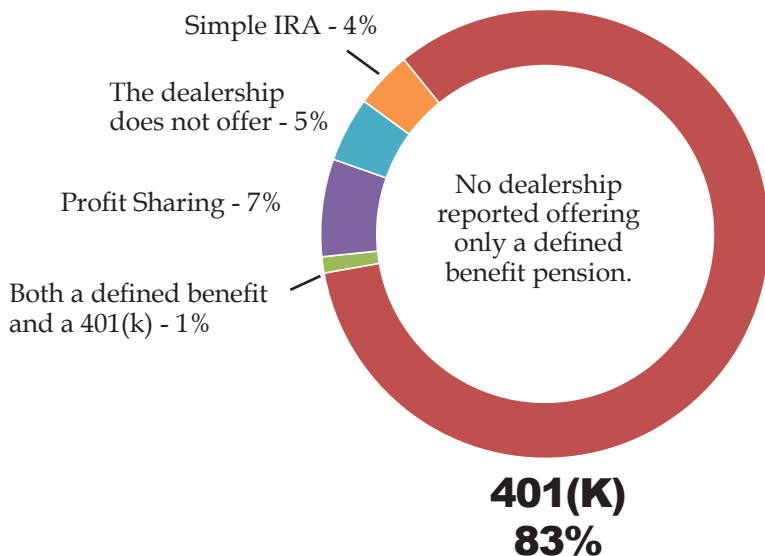
Which most accurately describes your dealership's life insurance



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



Which retirement savings plan(s) do you offer?



85% match employee contributions to the 401(k) plan (up 2% from 2020).

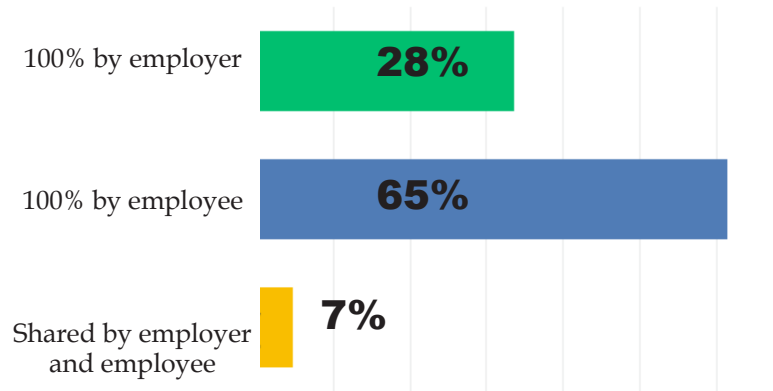
56% match based on salary, average match is 4%.

10% based on profitability.

34% match a % of the employees contribution.

87% of dealerships provide short-term disability insurance to employees (Same results as 2020, which was down 4% from 2017).

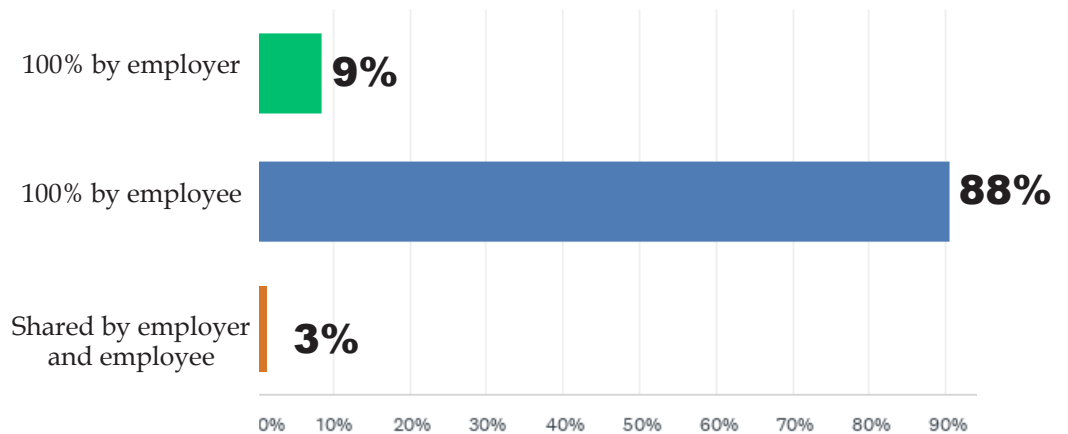
How are premiums paid?



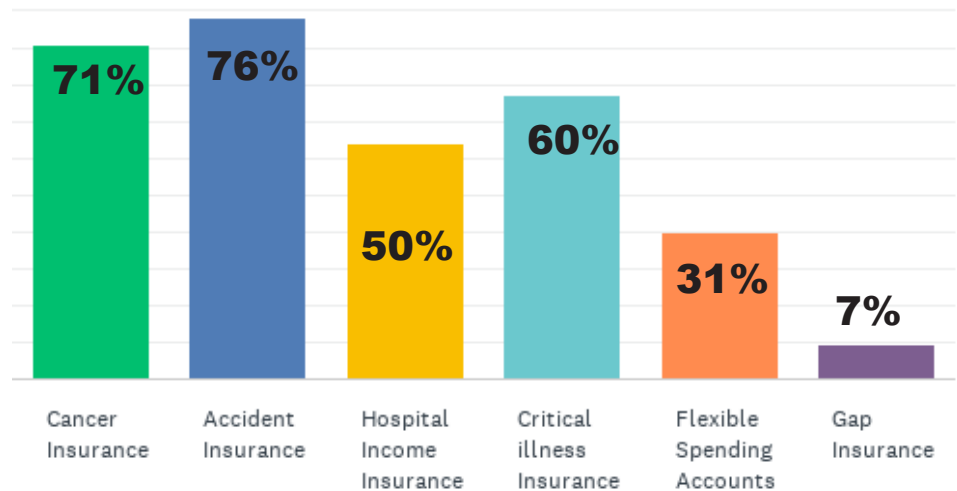
Since 2020, fewer employers are paying 100% (down 6% from 2020).

73% of dealerships provide long-term disability insurance to employees (up 2% from 2020).

How are premiums paid?



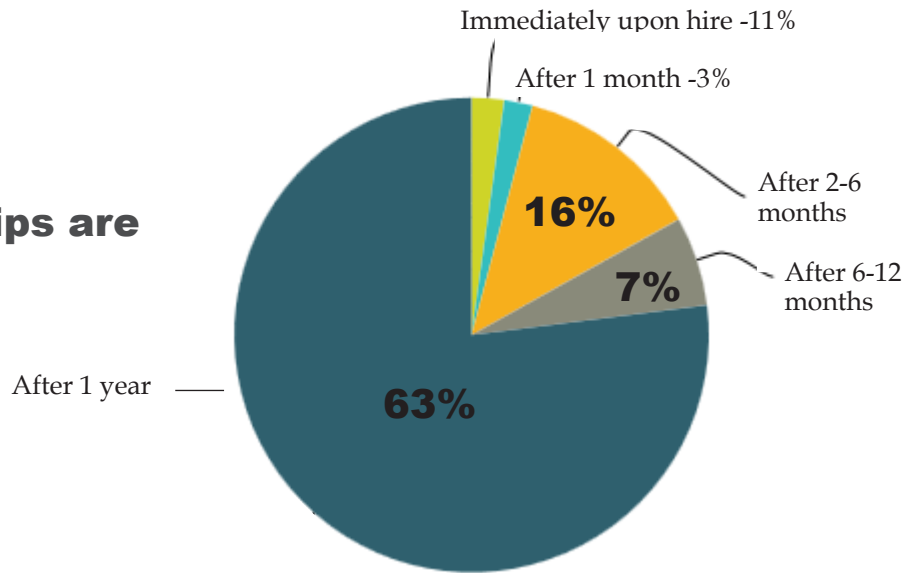
Dealerships are also offering....



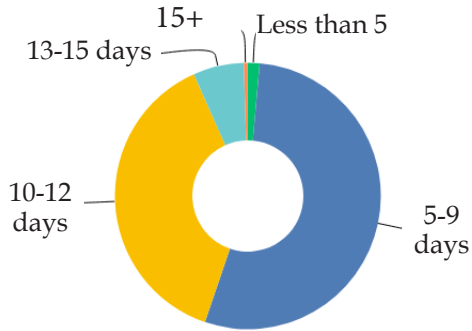
Since 2020, more voluntary coverages are being offered to employees. Cancer insurance is up 6%, Accident Insurance up 8%, Hospital Income Insurance up 12% and Critical Illness Insurance is up 6%. More dealerships are also offering Flexible Spending Accounts, an increase of 3% since 2020.

Employees at dealerships are eligible for vacation...

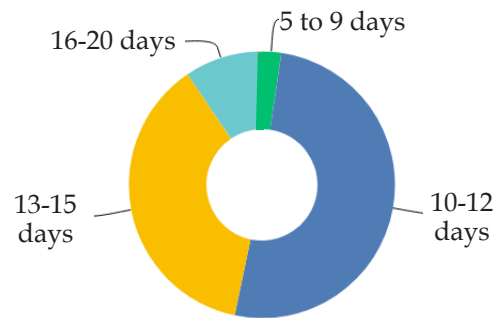
Compared to 2020, more dealerships are providing vacation immediately upon hire (up 6%).



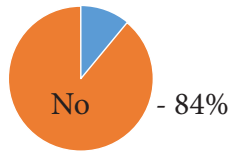
Employees with 1-4 years of service are entitled to...



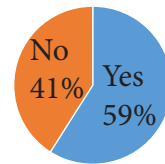
Employees with 5-10 years of service are entitled to...



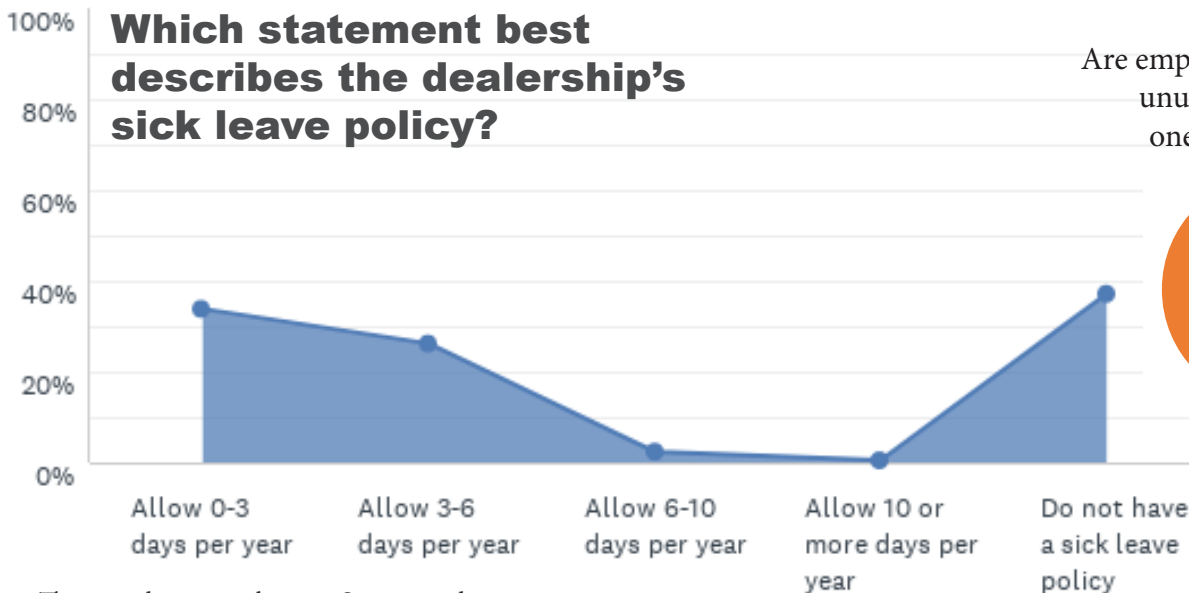
Are employees entitled to carry over unused vacation days?



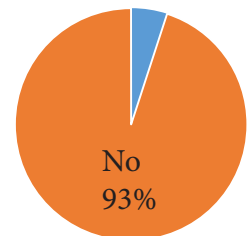
Do employees have the option of receiving payment for unused vacation days?



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



Are employees allowed to carry unused sick days from one year to the next?



These results mirror the 2020 Survey results.

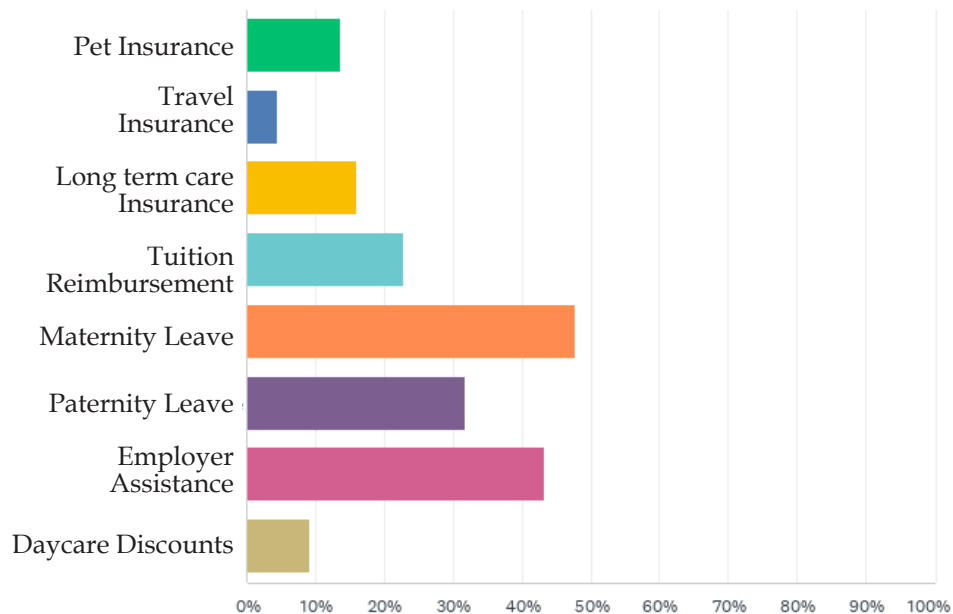
32% of Dealerships are allowing employees to enroll through an employee benefits electronic enrollment platform. Up 12% from 2020.

Those dealerships rate the electronic platform they are using:



40% of Dealerships are transmitting enrollment data to insurance carriers by paper application, **27%** by benefit administration or payroll system report, and **20%** by Electronic data interchange (EDI) file feed.

Dealerships provide additional ancillary benefits such as:



Pennsylvania Automotive Association
1925 North Front Street, Harrisburg, PA 17102
717-255-8311

PAA would like to thank the 478 new car, 52 truck dealerships and 20 powersport dealerships who participated in the 2023 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.