

New Car Dealership Insurance & Benefits

PHILADELPHIA

2023
RESULTS



PENNSYLVANIA AUTOMOTIVE ASSOCIATION

Representing Pennsylvania franchised new car, truck, and powersports dealers



2023 Dealership Insurance & Benefits

Survey Results

GREATER PHILADELPHIA AREA

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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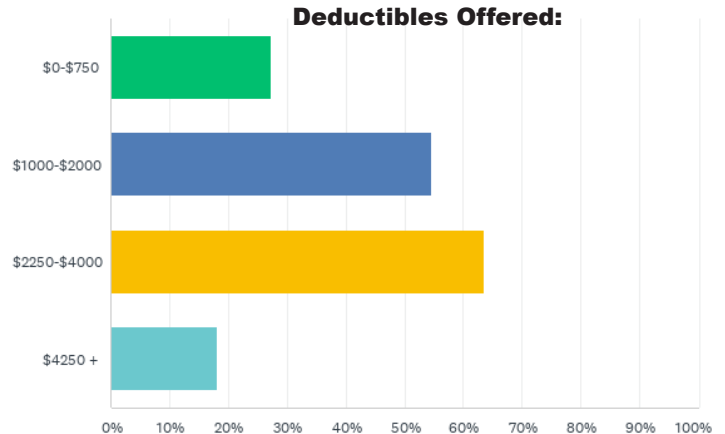
EMPLOYEES

Average dealership employs 53 people.

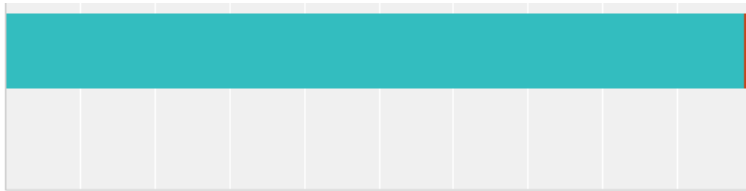
100% of dealerships offer health insurance to employees.

Dealerships often offer choices to their employees. 27% offer only 1 health plan. 59% offer 2-3 plans, and 14% offer 4 or more.

Dealerships offer the following deductible amounts:



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



95% of dealerships contribute to employee costs.

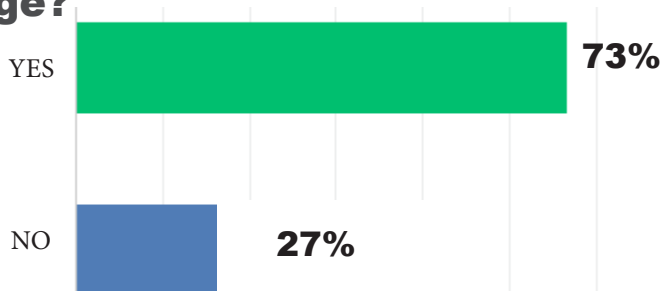
■ YES ■ NO

When dealers contribute to employee-only coverage, the average dealer across the state is contributing 70% of the premium.

81% of dealerships shop for health insurance each year.

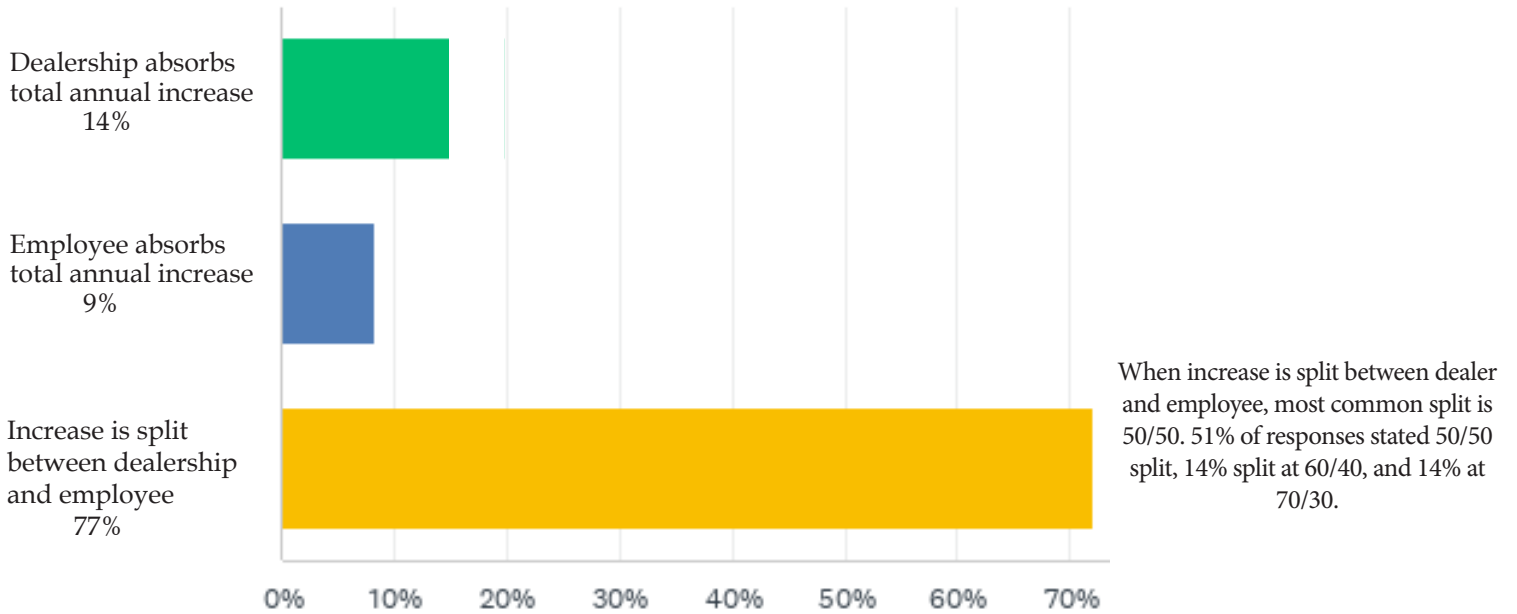
DEPENDENTS

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.)?



32% offer H.S.A.

And 25% of these employers are contributing toward the H.S.A.

Does the dealership offer Health Reimbursement Arrangements (HRA)?



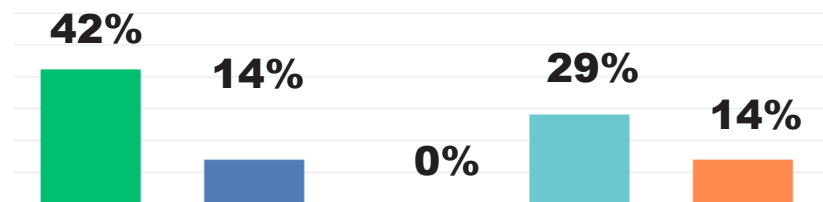
29% offer HRAs

This is 12% higher than statewide new car results. In instances where HRAs are offered, on average 50% percent of the deductible is funded by the dealership.

Does the dealership offer self-funded Health Insurance?



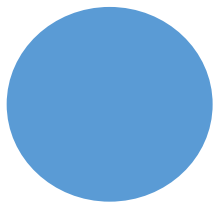
27% offer self-funded health insurance



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?



Yes

100% offer a Section 125 Plan

Which most accurately describes your dealership's dental plan:

Dealership pays 100% of the cost of employee-only coverage.

0%

Dealership pays a portion of the cost of employee-only coverage.

0%

Dealership pays 100% of the cost of family coverage.

5%

Dealership pays a portion of the cost of family coverage.

23%

Dealership offers coverage, but requires the employee to pay 100% of the cost.

73%

Dealership does not offer dental coverage.

0%

If the dealership is paying a portion of the dental insurance, the average portion is 57%.

Which most accurately describes your dealership's vision plan:

Dealership pays 100% of the cost of employee-only coverage.

9%

Dealership pays a portion of the cost of employee-only coverage.

9%

Dealership pays 100% of the cost of family coverage.

5%

Dealership pays a portion of the cost of family coverage.

18%

Dealership offers coverage, but requires the employee to pay 100% of the cost.

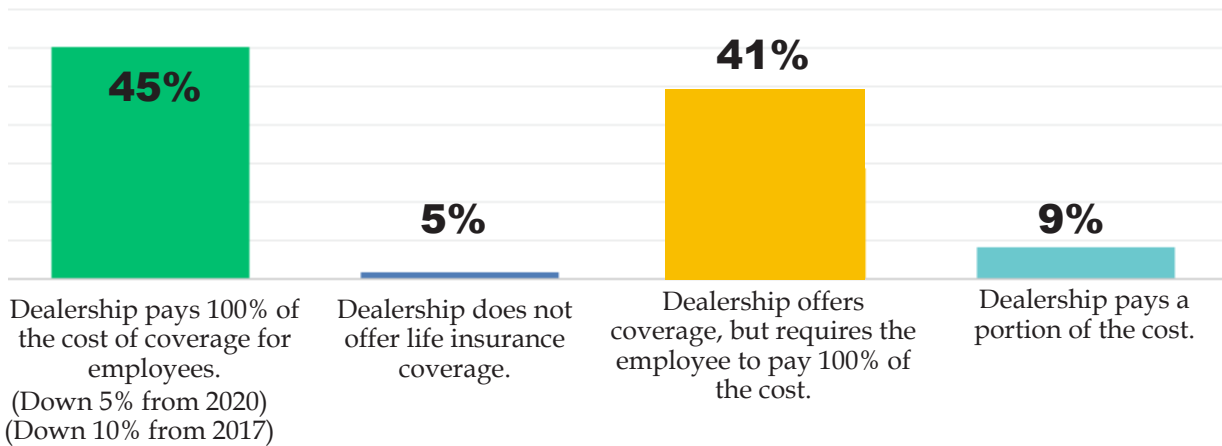
55%

Dealership does not offer vision coverage.

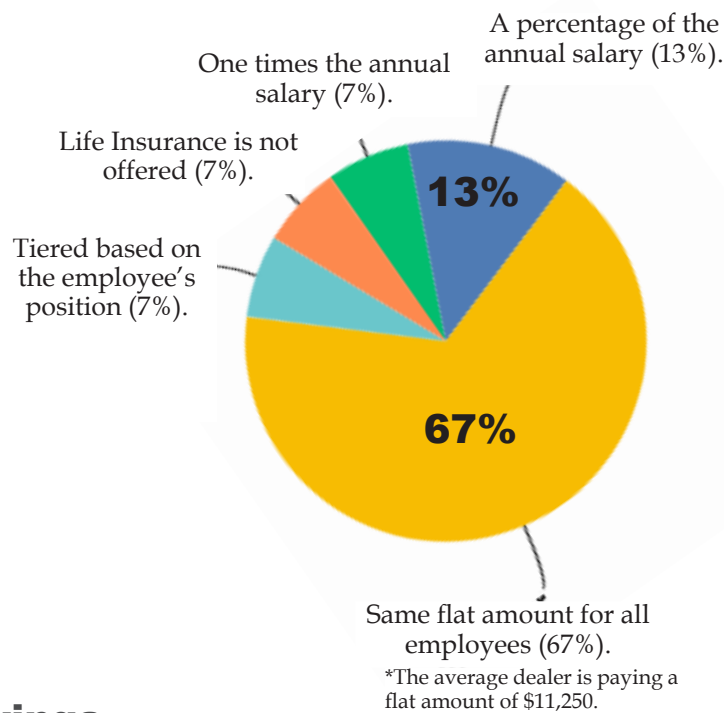
5%

If the dealership is paying a portion of the vision insurance, the average portion is 58%.

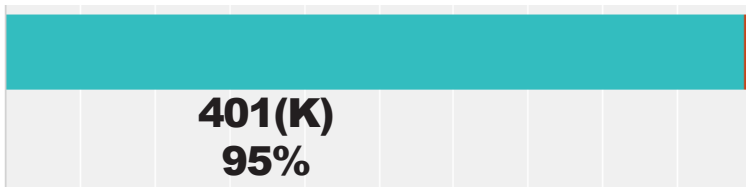
Which most accurately describes your dealership's life insurance



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



Which retirement savings plan(s) do you offer?



The dealership does not offer - 5%

95% match employee contributions to the 401(k) plan (up 10% from statewide).

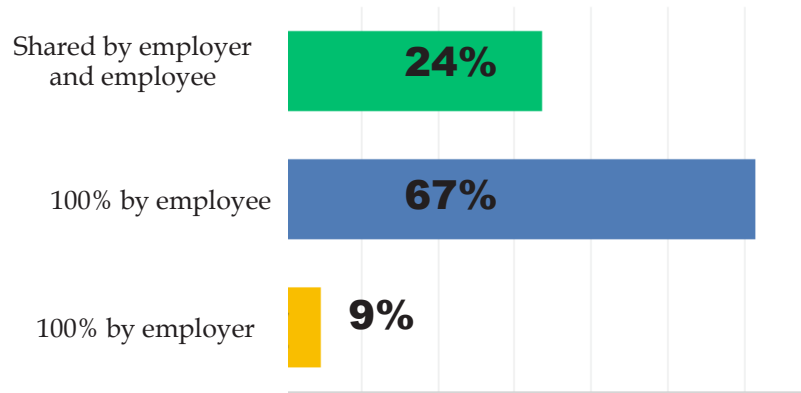
65% match based on salary, average match is 4%.

10% based on profitability.

25% match a % of the employees contribution.

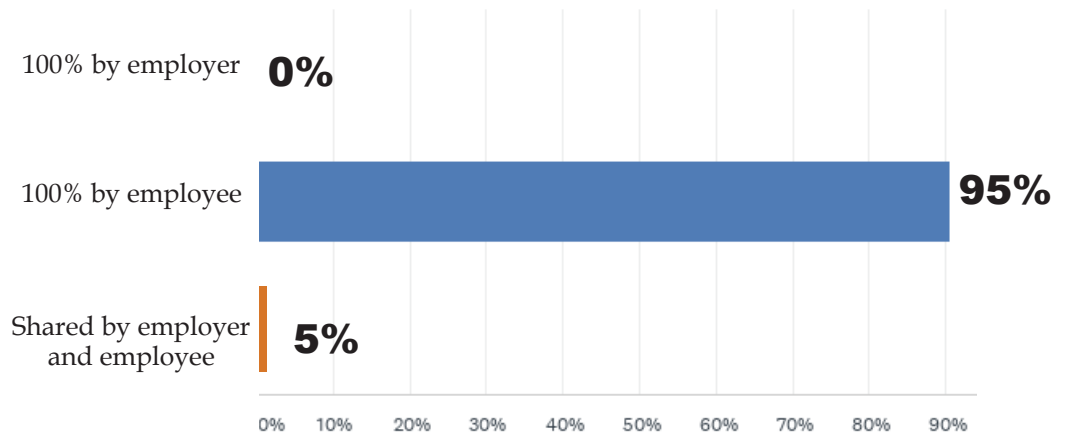
95% of dealerships provide short-term disability insurance to employees.

How are premiums paid?

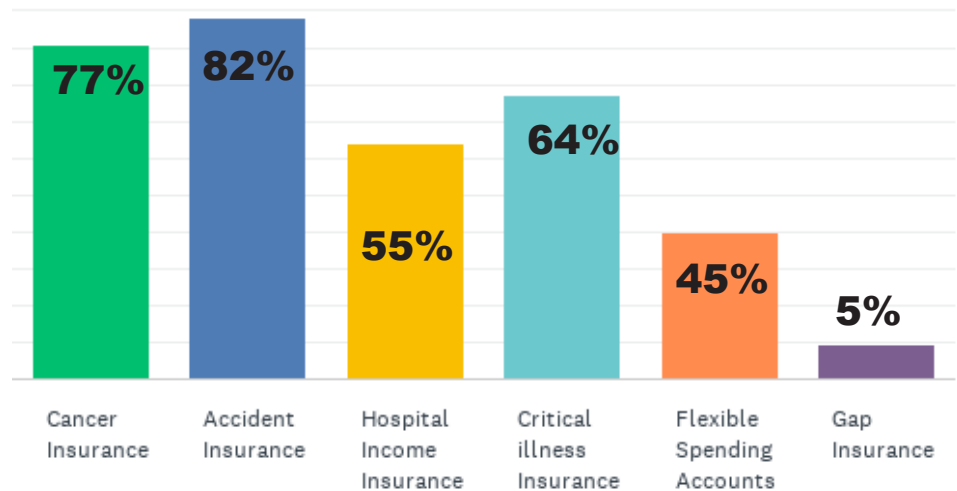


90% of dealerships provide long-term disability insurance to employees (up 17% from Statewide results).

How are premiums paid?



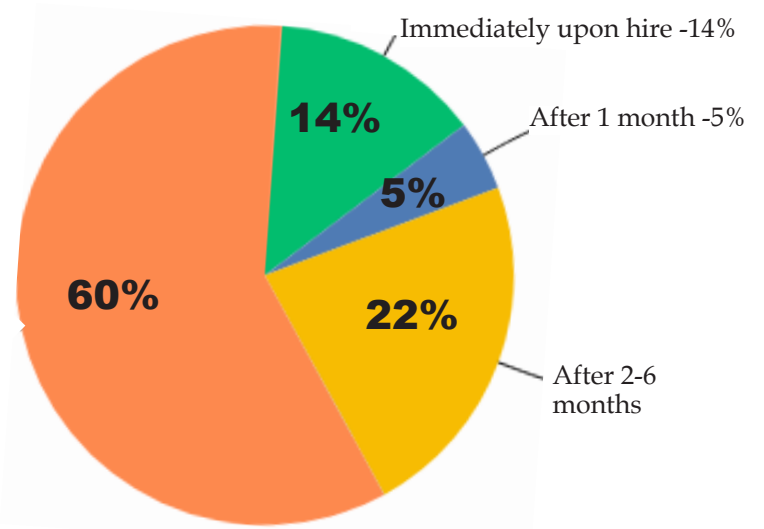
Dealerships are also offering....



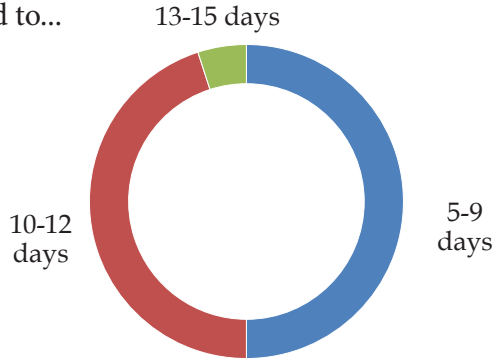
Since 2020, more voluntary coverages are being offered to employees. Cancer insurance is up 6%, Accident Insurance up 8%, Hospital Income Insurance up 12% and Critical Illness Insurance is up 6%. More dealerships are also offering Flexible Spending Accounts, an increase of 3% since 2020.

Employees at dealerships are eligible for vacation...

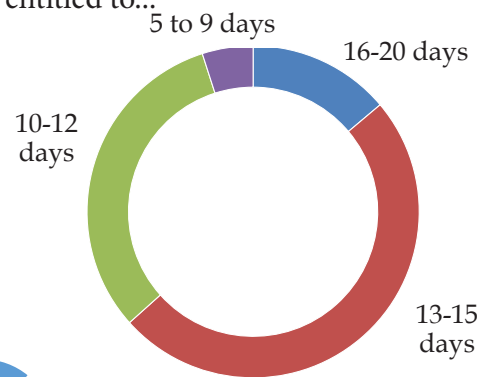
After 1 year —



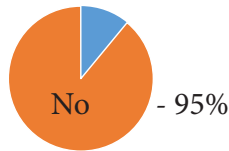
Employees with 1-4 years of service are entitled to...



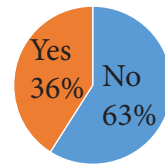
Employees with 5-10 years of service are entitled to...



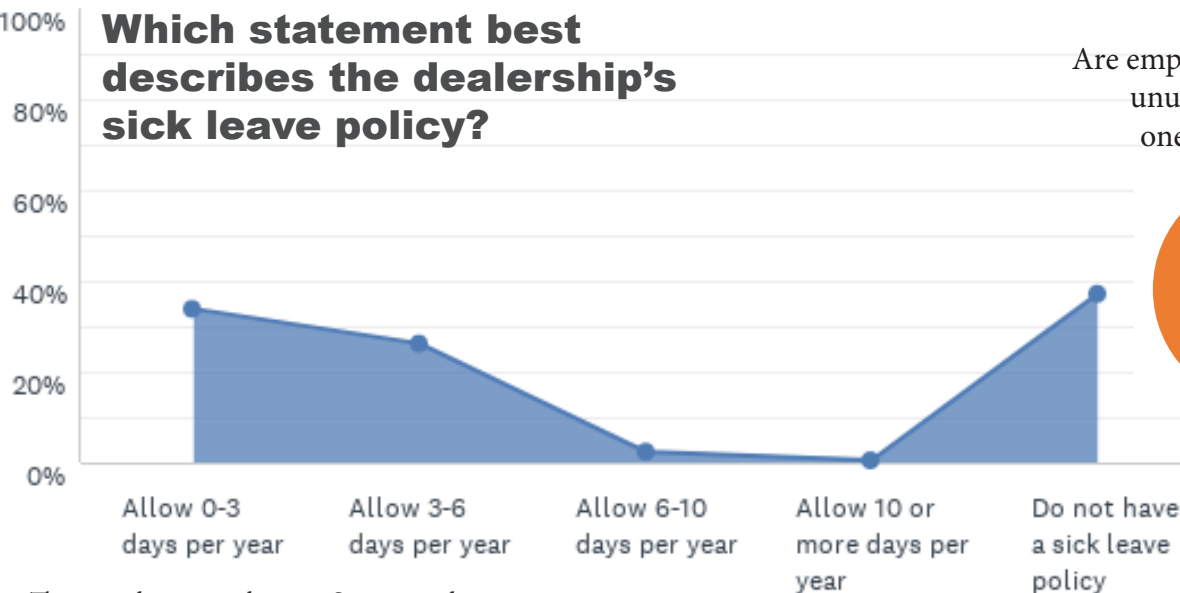
Are employees entitled to carry over unused vacation days?



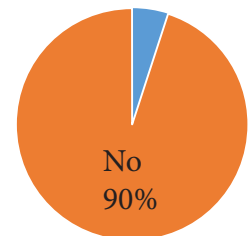
Do employees have the option of receiving payment for unused vacation days?



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.

45% of Dealerships are allowing employees to enroll through an employee benefits electronic enrollment platform.

Those dealerships rate the electronic platform they are using:

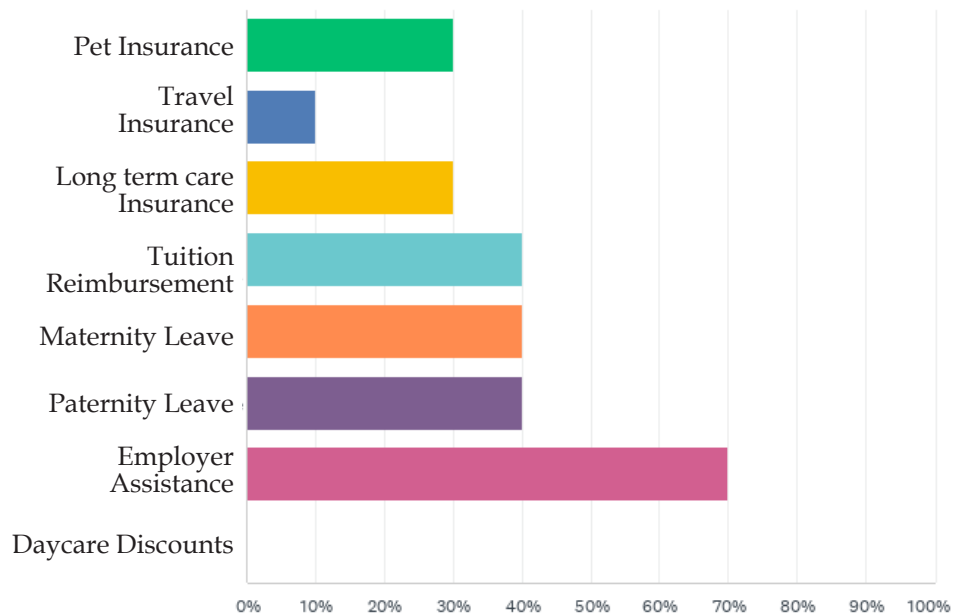
4.6

average rating



41% of Dealerships are transmitting enrollment data to insurance carriers by paper application, **14%** by benefit administration or payroll system report, and **32%** by Electronic data interchange (EDI) file feed.

Dealerships provide additional ancillary benefits such as:



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PAA would like to thank the 478 new car, 52 truck 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.