2017 Dealership Insurance & Benefits
New Car Survey Results
Based on 480 responses
The Pennsylvania Automotive Association (PAA) has prepared the following 2017 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.
Does the dealership offer health insurance to its employees?

99.03% of dealerships offer health insurance to employees.

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

98.5% of dealerships contribute to employee costs.

When dealers contribute to employee-only coverage, the average dealer across the state is contributing 68% of the premium or an average flat rate of $308 per month. Additional reports depict information specific to Philadelphia, Pittsburgh or Pennsylvania minus Philadelphia and Pittsburgh.

DEPENDENTS

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

When the survey of 480 dealerships was originally conducted, 62% reported that they contributed toward dependent health coverage. However, follow-up questions on the percent contributed or flat amount contributed resulted in ambiguous answers (Dealers reported contributing 61% of the cost of dependent health coverage or an average flat amount of $383 per month). Industry experts agreed. As a follow-up, an email survey was sent clarifying that responders should not include amounts contributed to employee premiums. Over 300 responses were received with dealers continuing to report that 62% contribute to dependent coverage, with the average dealership contributing 59% of the cost or a flat amount of $272 per month.
How are health insurance rate increases handled?

- Dealership absorbs total annual increase 15%
- Employee absorbs total annual increase 13%
- Increase is split between dealership and employee 72%

When increase is split between dealer and employee, most common split is 50/50 (60% of responses stated 50/50 split).

Does the dealership offer Health Savings Accounts (H.S.A.)?
- 33% offer H.S.A.s
- No

Does the dealership offer Health Reimbursement Arrangements (HRA)?
- 23% offer HRAs
- No

Does the dealership offer self-funded Health Insurance?
- 27% offer self-funded health insurance
- No

Do you provide a Section 125 Plan to your employees?
- 90% offer a Section 125 Plan
- Yes

And 15% of these employers are contributing toward the Health Savings Account (H.S.A)?
Which most accurately describes your dealership’s dental plan:

- Dealership pays 100% of the cost of employee-only coverage. 10%
- Dealership pays a portion of the cost of employee-only coverage. 8%
- Dealership pays 100% of the cost of family coverage. 4%
- Dealership pays a portion of the cost of family coverage. 8%
- Dealership offers coverage, but requires the employee to pay 100% of the cost. 62%
- Dealership does not offer dental coverage. 8%

Which most accurately describes your dealership’s vision plan:

- Dealership pays 100% of the cost of employee-only coverage. 6%
- Dealership pays a portion of the cost of employee-only coverage. 7%
- Dealership pays 100% of the cost of family coverage. 1%
- Dealership pays a portion of the cost of family coverage. 12%
- Dealership offers coverage, but requires the employee to pay 100% of the cost. 53%
- Dealership does not offer vision coverage. 21%
Which most accurately describes your dealership's life insurance plan:

- 65%: Dealership pays 100% of the cost of coverage for employees.
- 21%: Dealership offers coverage, but requires the employee to pay 100% of the cost.
- 4%: Dealership pays a portion of the cost.
- 10%: Dealership does not offer life insurance coverage.

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

- 57%: Same flat amount for all employees.
- 18%: Tiered based on the employee’s position.
- 10%: One times the annual salary.
- 10%: A percentage of the annual salary.
- 10%: Life Insurance is not offered.

Which plan(s) do you offer?

- 86%: 401(k)
- 1%: A defined benefit pension
- 7%: The dealership does not offer

- 79% match employee contributions to the 401(k) plan.
- 87% match based on salary, 13% based on profitability.
- Average match is 3.5%.
91% of dealerships provide short-term disability insurance to employees.

How are premiums paid?
- 100% by employer: 38%
- 100% by employee: 54%
- Shared by employer and employee: 8%

*When the premiums are shared by the employer and employee, the employer pays on average 56% and the employee 44%.

79% of dealerships provide long-term disability insurance to employees.
- 100% by employer: 14.5%
- 100% by employee: 84.5%
- Shared by employer and employee: 1%

Dealerships are also offering....
- Cancer Insurance: 85%
- Accident Insurance: 91%
- Hospital Income Insurance: 48%
- Critical Illness Insurance: 72%
- Flexible Spending Accounts (FSAs): 39%
- Gap Insurance: 7%
Employees at dealerships are eligible for vacation...

Employees with 1-4 years of service are entitled to...
- 13-15 days
- Less than 5
- 10-12 days
- 5-9 days

Employees with 5-10 years of service are entitled to...
- 16-20 days
- 13-15 days
- 10-12 days
- 5-9 days

Are employees entitled to carry over unused vacation days?
- No - 89%

Do employees have the option of receiving payment for unused vacation days?
- Yes - 59%
- No - 41%

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 - 95%

PAA would like to thank the 480 new car and 58 truck dealerships who participated in the 2017 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.

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