



Lesser-Known Credit Card Perks Hide in Plain Sight

By ANN CARRNS SEPT. 26, 2014

You probably know whether your credit card gives you cash back or rewards points when you use it to make a purchase. After all, that's most likely why you chose it.

But many major credit cards also offer a menu of lesser-known, potentially helpful perks — some offered by the issuing bank and others provided by the card payment networks. These ancillary benefits, typically provided at no extra cost, can include rental car insurance, extended warranties, damage protection for your cellphone, lost-luggage coverage and even free admission to museums.

The credit card market in the United States is well established and highly competitive, said David Robertson, publisher of The Nilson Report, a card payment industry newsletter, so extra benefits are a way to keep customers happy and to encourage them to spend on their cards: "They're fighting with bells and whistles," he said of credit card companies.

Such benefits can make using credit cards a smart move — assuming you pay off your balance each month and don't incur interest charges. "If you're disciplined, using credit cards is the best thing you can do," said Bill Hardekopf, chief executive of LowCards.com. "You get all of these protections."

But some cardholders may be missing out because they're unaware of the extras. "Consumers don't always realize their cards offer these protections," said Cameron Huddleston, a personal finance editor at Kiplinger who has researched card benefits.

Take rental car insurance, for instance. Most major credit cards offer secondary auto insurance, which will cover costs that your own auto insurance policy won't cover if your rental car is damaged in an accident. By relying on your card's coverage, you can save \$15 to \$25 a day by not choosing the rental company's coverage, Ms. Huddleston noted. Typically, you must decline the

rental agency's coverage and charge the full amount of the car rental on your credit card to be eligible. (You should also make yourself aware of your own auto policy's coverage rules first).

Odysseas Papadimitriou, chief executive of CardHub, warns that there are often exclusions: "Every card has its own fine print." A recent CardHub analysis of card insurance policies found that trucks usually aren't covered, and American Express won't cover some S.U.V.s. Visa, meanwhile, won't cover accidents occurring on dirt or gravel roads, the report noted, but MasterCard will, if such roads are "regularly maintained." And if you're traveling overseas, some cards won't cover rentals in certain countries — Ireland, Israel and Italy are often among the nations excluded.

Many perks help protect goods that you buy with your card. Kiplinger notes that the four major card networks provide up to a year of extended warranty protection for purchases made with some cards. To be eligible, the item must have an existing manufacturer's warranty. Coverage is typically limited to \$10,000 an item.

With the holiday shopping season on the horizon, benefits like price and theft protection can come in handy. Citibank offers a service on its cards called Price Rewind, which will search online for a lower price after you make a purchase, if you register the item. If it finds an item at a lower price within 60 days, it will refund you the difference, up to \$300 an item. Initially, the price drop had to be at least \$25, but there's no longer any minimum required difference, said a Citibank spokeswoman, Emily Collins.

In addition, several card issuers will replace items that are damaged or stolen, within 90 days of the purchase, or even longer in some cases. And some cards, like Chase Sapphire, offer "return" protection; they will reimburse you for the cost of the item if the store where you bought it won't take it back within 90 days.

Some cards will pay for your damaged or stolen cellphone. Wells Fargo, for instance will pay up to \$600, provided you pay your monthly cellphone bill using the credit card. (You're generally out of luck if you simply lose the phone).

Bank of America and Merrill Lynch credit cards offer free admission to many museums across the country. (Show your card and photo ID at the entrance.)

Here are some questions about credit card benefits:

■ *Are there any caveats with using the perks?*

You should be familiar with the details of the protection being provided, to make sure you're getting the coverage you think you are getting, said Mr. Hardekopf. Often, however, disclosures in cardmember agreements are written in dense legal jargon. "If you don't understand something, call the card issuer," he said. "Pick up the phone and say, 'Please explain to me what the car rental protection is. What do you cover, and what do you not cover?'"

■ *Can the card company discontinue a benefit?*

Yes. Credit card issuers are constantly tweaking their menu of options. As of Nov. 23, for instance, Citibank will drop its lost-luggage coverage on certain cards, because customers weren't using the benefit. The perk remains, however, on Citi's travel credit cards. The bank is enhancing other benefits, however. For instance, starting Nov. 23, car rental insurance offered on its credit cards will cover any car, in any country, Ms. Collins said.

■ *Is it worth choosing a card for the ancillary benefits?*

Probably not. Mr. Papadimitriou of CardHub suggests that it's best to pick a card based on whether its overall reward structure and fees fit your needs, rather than its extra perks. Rather, he suggested, "you can use them as a tiebreaker," after you've narrowed your search.

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