

## What's purchase protection?

Some credit cards offer purchase insurance as a perk. For example,

- Purchase protection (sometimes called 'damage protection') - in case the product you buy is stolen, lost, or damaged during a limited time after the purchase (like 90 days).
  - How long and for how much you're protected varies depending on the card you have.
  - Unlike the manufacturer's warranty, it covers accidental damage that is your fault (like when you drop your new cell phone) and theft.
  - There may be exclusions, such as food, a lifetime maximum (like \$50,000 per credit card), a maximum per claim (like \$1,000) and a minimum purchase that will be covered.
  - This insurance is offered by an insurance company, not the credit card provider - so when you have a claim, you'll have to file the paperwork, including receipts, with the insurance company. And if your property is insured (for example, through home insurance), you'll likely have to first deal with that insurance company and only then, if not fully paid, file under the credit card purchase insurance.
- Extended warranty protection - it adds another year to the warranty that may be purchased from the manufacturer when you buy, for example, a computer.
- Price protection - the credit card company will refund the difference if you make a purchase, up to a certain price, and later (within a certain period of time) find the same item for a lower price.