



INSURANCE

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The Pros and Cons of Credit Card Rental Car Insurance

Many popular credit cards include a hidden benefit: insurance that automatically covers loss or damage when you rent a car. This credit card rental car insurance, while free and convenient, has a few drawbacks. Here are the pros and cons.

The Pros

Credit card rental car insurance is free. When you use your credit card to rent a car, the rental car insurance coverage kicks in automatically. Not every credit card offers this perk, though. Check the CreditCards.com [rental car insurance comparison chart](#) to see if yours does, then call your credit card company just to be sure.

Some credit cards offer generous rental car coverage. The Diners Club card, for instance, includes primary coverage for rental cars valued at up to \$100,000, plus secondary personal effects insurance. Not all credit cards are so generous, however. Many limit coverage to \$25,000 to \$50,000.

The Cons

Credit card rental car insurance is often considered secondary coverage. "Secondary coverage" means that your credit card will only pick up the fees and charges that your primary car insurance policy doesn't. So you'll still have to file a claim with your insurer, which means you'll have to pay the deductible and your premiums may go up.

Credit card rental car insurance may be limited. Plans vary, but most rental car insurance credit cards have specific coverage exclusions and limits. Some only cover a rental car for a maximum of 15 days, for instance. Others, such as MasterCard and Visa, don't cover accidents that happen while driving on dirt or gravel roads.

"Loss of use" fees aren't always included. If you get in an accident, rental car companies may make you pay for "loss of use" - the money they're losing while their car is in the shop. Credit card rental car insurance plans may not cover loss of use.