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*Listening, learning,
and living together:
it's the science of life.*

Credit Card Insurance ¹

Josephine Turner²

Do you own a credit card? Most Americans do. You might even feel a need to protect yourself and your credit cards against credit card crimes. Many people turn to credit card protection insurance for peace of mind. Before you sign up for credit card protection, know what you're buying.

For a fee ranging from \$15 to \$50 per year, credit card protection firms generally offer to keep a record of the cardholder's account numbers. They'll also report lost or stolen cards, arrange for replacements, and make credit card companies aware of the customer's address changes. Some services also provide stranded travelers with emergency cash advances and airplane tickets.

These services may sound inviting until you realize that all of their proposed services can easily be done yourself or are already provided by your credit card company. Also, your credit card losses are limited by law to \$50 per card if you immediately report the card lost or stolen. Many card issuers won't even press the victim for the fee if the victim is willing to file charges against the thief if caught.

By paying for credit card protection, you're unlikely to receive services that you don't already have by owning a credit card, or services that you cannot easily provide yourself,

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with no middleman cost. It's as simple as a telephone call and a follow-up letter to report a lost or stolen card.

So think carefully before you decide you really need additional credit insurance.

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