



## 3 Things I Love About the New CIBC Costco Mastercard (and 3 I Don't)

### Description

For a card with no annual fee, the **CIBC Costco Mastercard** has a lot to offer. Though it's not my favourite [rewards](#) or [cash-back credit card](#) (we'll get to my grievances in a moment), I can't deny the earn power this new card will have, especially if you're a frequent Costco shopper.

### What I like

#### 1. Higher base rate

The first thing I like is the higher base rate: the CIBC Costco Mastercard will earn 1% on everyday purchases. This is a step up from the Capital One Costco Mastercard, which earned at a meagre 0.5% for your \$3,000.

#### 2. Two new bonus rates

Perhaps the most exciting part of the CIBC Costco Mastercard is the ability to earn extra cash back on two new bonus categories: 2% back on Costco.ca purchases and 3% back on Costco Gas.

Like the Capital One version, you'll earn 2% back on gas purchased from other gas stations, along with 3% back on restaurant purchases.

#### 3. Mobile insurance coverage

CIBC stepped up big time: as a cardholder, you'll have up to \$1,000 in mobile device insurance, which is fairly high for a credit card with no annual fee.

Your card's mobile insurance covers your phone if it's lost, damaged, or stolen. Normally, mobile insurance would cost you around \$9 to \$20 per month. But if you use your CIBC Costco Mastercard, you'll get it for free.

## What I don't like

### 1. No bonus rate for in-store purchases

Perhaps the CIBC Costco Mastercard's biggest disappointment is the lack of a bonus rate for purchases made in Costco warehouses. While the card does earn 2% back on Costco.ca purchases, you still can't earn any more cash back for shopping in-store.

One way around this is to get a Costco Executive Gold Star Membership (\$120 per year). With the Executive Gold Star Membership, you'll earn 2% back on Costco purchases. You might also be able to double dip your CIBC Costco Mastercard and Executive Gold Star Membership, earning not just 2% but 3% back on purchases (2% on the Executive Membership and 1% on the card).

### 2. No travel insurance

The CIBC Costco Mastercard may come with mobile coverage insurance. But if we compare it with the old Capital One Costco Mastercard, we'll see a lot of travel insurance didn't carry over. Here's what the old Capital One card offered:

- Price protection (\$500 per year)
- Extended warranty (two additional years)
- Purchase protection (120 days)
- Travel accident insurance (up to \$250,000)
- Baggage delay insurance (\$300)
- Rental car damage and theft coverage
- 24/7 travel assistance
- Anti-fraud protection

And here's what the new CIBC Costco Mastercard offers:

- Extended warranty (one additional year)
- Purchase protection (90 days)
- Mobile insurance coverage (up to \$1,000)

Now, admittedly, CIBC and Costco could add new travel insurance policies between now and March 4, when the card releases. If they don't, however, CIBC will lack much of the travel insurance that gave the Capital One card its punch.

### 3. Earning caps

For me, this one was a huge disappointment. The CIBC Costco Mastercard comes with new bonus, but you have a limit on how much you can earn.

For gas, you can spend a maximum of \$5,000 at the bonus earn rate. That's \$5,000 total, both from Costco Gas and all other gas stations. If you shopped exclusively at Costco Gas, you could earn a maximum of \$150 (\$5,000 spent). But if you buy gas at non-Costco gas stations, however, and you'll

earn \$100. After you've spent \$5,000, you'll earn 1% back on gas.

For Costco.ca purchases, you'll earn 2% on your first \$8,000 (\$160 in cash back). After that, your bonus rate drops to 1%.

Fortunately, restaurant purchases don't have an earning cap. Like the Capital One card, your new card will earn 3% on restaurant purchases with no spending maximums.

## Is the CIBC Costco Mastercard for you?

If you're a frequent shopper at Costco, then, yes, this card is absolutely for you. I mean, let's be real: as long as you have a good credit score, there's no reason a frequent Costco shopper shouldn't have a Costco Mastercard. You'll get a chance to earn 2% back on online purchases, and your Costco Mastercard functions as your Costco ID.

That said, if you're unsure about becoming a Costco member, I doubt this card will change your mind. You can easily earn more cash back on [Canada's top cards](#); not to mention, you can snag a fairly hefty welcome bonus while you're at it.

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