



Home Maintenance Plans

FACT SHEET

October 2022

Home maintenance and service plans cover the upkeep and repair of a home's utility lines, heating and cooling equipment, and appliances for a monthly fee.

Pivotal Home Solutions (formerly Nicor Home Solutions) and American Water Resources are two companies currently selling such plans to homeowners in Illinois. These companies often portray their services as convenient, cost-savers. However, the fine print often reveals how costly and inconvenient these plans can be. In fact, most services would be much cheaper out of pocket than paying a monthly fee.

If the thought of a large repair or replacement bill is troubling, consider a payment plan with a contractor of your choice, or a financing plan to pay for new appliances or equipment. That way, you'll always get what you paid for, rather than paying another company for services you may never need. Some things to consider with maintenance plans:

Maintenance plans are NOT mandatory.

The money saved by foregoing maintenance plans would likely cover the rare time you would need repairs. You may find better deals through local heating/cooling professionals. Ask yourself how often your appliances break down, and double check your appliance warranties.

Pre-existing conditions are NOT covered under maintenance plans.

Pivotal Home Solutions and American Water Resources charge customers for the comfort of knowing that if something does go wrong, they will have coverage. But if you already have a problem, signing up for a maintenance plan won't help.

If you do NOT need repairs, you do NOT get your money back.

Once you sign up for a home maintenance plan with Pivotal Home Solutions or American Water Resources, you pay into that plan, even if you don't have any maintenance or repair problems over the course of the agreement, which can be month-to-month or annual.

Buyer Beware

You should always scan your utility bills for third-party services. On Nicor Gas bills, for example, such services will be listed in the "Additional Products & Services" section. Some customers tell us they didn't know these maintenance plans were optional, and don't remember signing up for them. If you are paying for a maintenance plan and want to get off, call the company directly:

Pivotal Home Solutions: 1-877-642-6747

American Water Resources: 1-855-800-5195

Maintenance plans are NOT required for gas line safety.

You do not need a home maintenance plan from these providers to keep your family and home safe. Your gas utility is required to shut your gas off for free if you suspect a leak. If you smell gas, leave your home immediately and call the gas company or the fire department a safe distance outside your home.

New law prevents customer confusion

For years, CUB has tried to stop companies from confusing customers by using the name and logo of a regulated utility to market their products. A 2016 legal settlement with the state of Illinois and CUB required two other companies to change their names: Nicor Advanced Energy became Illinois Energy, and Nicor Solutions became Illinois Energy Solutions.

In 2022, HB 4281 was signed into law to prevent "non-utility entities from using the name or logo of the utility to sell, solicit, market, or bill for home insurance, maintenance, or warranty products." CUB hopes this legislation will help consumers avoid being tricked into unnecessary expenses on their utility bills. HB4281 will go into effect January 1, 2023.

Is a Maintenance Plan Worth it?

Pivotal Home Solutions promises repairs “without having to dip into your savings.” But the numbers reveal that most services would be much cheaper out of pocket than paying a plan’s monthly fee. Below are two examples of common maintenance issues -- they show that you’re better off passing on the plan and paying for repairs and maintenance as needed.

Service needed: Repairs to natural gas lines

Am I responsible for repairs? Yes. Homeowners are responsible for the cost of repairs to natural gas lines from your home up to the “right-of-way” line, after which your gas utility is responsible. If you smell gas in your home, you should leave immediately and call Nicor Gas at 1-888-642-6748 or your local fire department. Nicor Gas will shut off the gas to your home.

How much would a maintenance plan that covers this expense cost me? Pivotal Home Solutions plans that cover gas line repairs run anywhere from \$70 to \$1000 per year (with or without required inspection) and cover up to \$3,500 worth of repairs.

What will this cost me out-of-pocket? A gas line can be repaired by a plumber for \$150 to \$650. An inspection typically costs \$50 to \$75.

If I pay for a plan, will I get back what I pay? Unlikely! You most likely won’t need to repair a natural gas line every year, especially if you live in a newer home and have regular inspections. Even the plans that include an annual inspection only provide it “subject to availability” – so there are no guarantees you’ll get what you’re paying for.

Service needed: Repair to water line

Am I responsible for repairs? Yes. Homeowners are responsible for the water service line that connects your house to the public water distribution main.

How much would a maintenance plan that covers this expense cost me? American Water Resources plans that cover these repairs run anywhere from \$65 to \$198 per year and cover up to \$5,000 for water line repairs, and up to \$5,000 for any sidewalk or street repairs (if those are required).

What will this cost me out-of-pocket? A water line repair costs around \$1,000 and a diagnosis costs \$222 on average, according to HomeServe.

If I pay for a plan, will I get back what I pay? Unlikely! You most likely won’t need to repair a water line every year, especially if you live in a newer home.

Service needed: Repair or replace furnace or boiler

Am I responsible for repairs? Yes. However, HVAC systems often come with both manufacturer and installation warranties. A good contractor will provide a guarantee on installation work. Look for manufacturer warranties with longer terms.

How much would a maintenance plan that covers this expense cost me? Pivotal Home Solutions plans that cover these repairs run anywhere from \$80 to \$1000 per year (with or without required inspection) and cover up to \$3,500 worth of repairs.

What will this cost me out-of-pocket? The average cost to repair your furnace is \$250. Repairs to a boiler can cost \$200 to \$600.

If I pay for a plan, will I get back what I pay? Unlikely! You’re less likely to need furnace or boiler repairs if you practice regular maintenance, which none of the Pivotal Home Solutions plans cover. They also don’t cover humidifiers. If you need emergency repairs, it’s better to go with a local contractor – Pivotal Home Solutions does not offer weekend and overnight repair appointments.