



# Nicor Home Solutions Maintenance Plans

FACT SHEET

June 2020

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.

Nicor Home Solutions is the most prominent company currently selling such plans to homeowners in Illinois. Advertising maintenance plans that cover a year or are month-to-month, Nicor Home Solutions promises repairs "without having to dip into your savings." However, the fine print often reveals that its plans are costly. 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 or a financing plan to pay for new appliances or equipment. That way, you'll always get what you paid for, rather than lining Nicor Home Solutions' pockets for services you may never need.

## Nicor Home Solutions is NOT Nicor Gas.

Nicor Home Solutions started as a sister company of the regulated utility Nicor Gas but was sold to water utility American Water Works in 2018 for \$363.7 million.

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

Nicor Home Solutions was not included in the settlement because it is not directly regulated by the Illinois Commerce Commission. As a home warranty company, it is regulated by consumer protection laws.

## Pre-existing conditions are NOT covered under Nicor Home Solutions plans.

Nicor Home Solutions charges 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 Nicor Home Solutions won't help.

## Buyer Beware

You may be paying for Nicor Home Solutions and not even know it. In 2017, NBC 5 Chicago reported on consumers who paid thousands toward Nicor Home Solutions plans they didn't know they had.

Check your Nicor Gas bill in the "Total – Additional Products & Services" section to see if there is a line item for "Nicor Home Solutions." If so, you are paying for a maintenance plan.

If you are on a Nicor Home Solutions plan and want to get off, call the company directly at **1-877-642-6747**.

## Nicor Home Solutions is NOT mandatory.

Nicor Home Solutions recommends consumers pay for multiple plans for full coverage, but 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.

## Nicor Home Solutions is NOT required for gas line safety.

You do not need a Nicor Home Solutions plan to keep your family and home safe. Your gas utility is required to shut your gas off for free if you suspect a leak – call Nicor at **1-888-642-6748** or your local fire department.

## If repairs aren't required, you will NOT get your money back.

Once you sign up for a plan with Nicor Home Solutions, you lose any money you pay into it, even if you don't have any maintenance or repair problems over the course of the agreement, which can be a year or month-to-month.

# Is a Nicor Home Solutions Plan Worth it?

Nicor 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.

*Which Nicor Home Solutions plans cover this?*

- *Preferred Home Protection* (covers repairs up to \$3,500 annually and inspection): \$959.40/yr
- *Complete Home Protection* (covers repairs up to \$2,500 annually and inspection): \$839.40/yr
- *Preferred Gas Line Protection* (covers repairs up to \$3,500 annually and inspection): \$83.40/yr
- *Complete Line Protection* (covers repairs up to \$2,500 annually, no inspection): \$359.40/yr
- *Gas Line Protection* (covers repairs up to \$2,500 annually and inspection): \$71.40/yr

*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 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.

*Which Nicor Home Solutions plans cover this?*

- *Preferred Home Protection* (covers repairs up to \$3,500 annually and inspection): \$959.40/yr
- *Complete Home Protection* (covers repairs up to \$2,500 annually and inspection): \$839.40/yr
- *Complete Line Protection* (covers repairs up to \$2,500 annually, no inspection): \$359.40/yr
- *Electric Line Protection* (covers repairs up to \$2,000 annually): \$83.40/yr

*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 Nicor Home Solutions plans cover. They also don’t cover humidifiers. If you need emergency repairs, it’s better to go with a local contractor – Nicor Home Solutions does not offer weekend and overnight repair appointments.