

Loss Bulletin

Vero Equipment Breakdown Insurance



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Breakdown sparks replacement of Electrical Discharge Machine (EDM)

Loss details

Nature of business

Die manufacturer

Type of equipment

Electrical discharge machine

Age of equipment

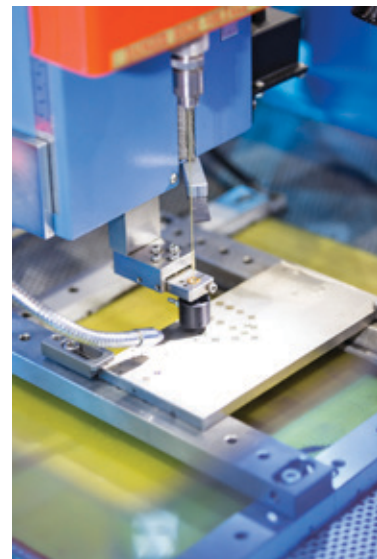
Unknown
(purchased secondhand)

While running work on the EDM, the operator noted a flicker of lights on another machine that he was operating. So when the monitor of this Spark EDM machine went blank, an external power issue was suspected as the cause but the utility confirmed that there was no event on their network that may have led to the failure.

The Swiss manufacturer has one authorized service agent in Australia, who must access proprietary parts, error codes, and diagnostic support via the Singapore hub of the Asia-Pacific authorized distributors.

The manufacturer and their service agent were not able to resolve the problem and repair the machine, so after continual delays and unsuccessful repair attempts, it was determined that there was no reasonable prospect of timely repair and a replacement machine was ordered.

While the business had a second EDM, it was substantially slower and produced a lower quality output, so the 7 months between the breakdown and the commissioning of the replacement EDM machine resulted in significant lost business.



Final loss

Settlement amount \$589,000

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