

# Loss Bulletin



## Vero Equipment Breakdown Insurance

### Programming error causes bad vibrations

#### Loss details

##### Nature of business

General engineering workshop

##### Type of equipment

Computer numerically controlled (CNC) lathe

##### Age of equipment

22 years

A parameter was overlooked during the programming of a CNC lathe. As a result, the lathe's spindle spun at a higher speed than intended. The machine vibrated causing the drill rod to bend in the middle and leading to more severe vibrations. These moved the machine 20cm!

The spindle assembly had to be replaced. There was also damage to other components but due to its age, the manufacturer no longer supported this model and spares were unobtainable.

A replacement machine was sourced.

Significant business was lost during the time it took to locate, deliver and commission the replacement lathe.

Fortunately, the insured had included business Interruption coverage on their Equipment Breakdown policy.

#### Final loss

**Settlement amount \$782,700**



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