

# Loss Bulletin

## Vero Engineering Insurance

### Power outage causes significant damage to a Central Air Con system

#### Loss details

##### Nature of business

Licensed club

##### Type of equipment

2 reciprocating chillers and a 50" plasma screen TV

##### Age of equipment

The chillers are estimated to more than 20 years old. The plasma TV was 5 years old.

During the day time shift at a licensed club, a sudden failure of mains power supply to a club resulted in damage to two compressors in a two chiller centralised air con system.

The cause of the power supply interruption was established to be the operation of the electricity provider's Network Protection System.

Upon investigation, it was identified that fusion of electrical motors had occurred in two compressors, one on each chiller. Most likely when they drew excessive current before the failure of the power supply occurred, leading to the breakdown. There was also damage to the refrigeration circuits and electrical damage to their overload, contactors and other protective devices.

After power to the premises was resumed, the Insured noticed damage to the 50" plasma TV that was connected to 5 gaming machines. Upon inspection, it was confirmed that the plasma TV screen had suffered excessive voltage during the event and had been damaged beyond repair.

No recovery was pursued from the electricity provider as it was deemed, based on previous experience, that the Insured should have had protective devices installed to mitigate against such an event.

#### Final loss

**Settlement amount \$78,000**



#### How can I find out more?

To find out more about Vero Engineering Insurance contact your broker or visit the Vero website [www.vero.com.au](http://www.vero.com.au).