

# Loss Bulletin

Vero Equipment Breakdown Insurance

## Rag stuffs up laminating machine

### Loss details

#### Nature of business

Cabinetmaker

#### Type of equipment

Laminating machine

#### Age of equipment

14 years old

Prior to relocating their veneer hot press within their shop, the Insured engaged a fluid power engineering firm to service the hydraulic system.

Once back in operation after the service, a variety of problems began to occur, from valves not functioning properly to the press not raising. The engineers discovered various components of the press such as filters, valves and oil lines were blocked with a fibrous material.

The press had been purchased 2nd hand about 7 years earlier from an overseas company. Further investigations established that when the press had been dismantled for shipping to the insured, one of the rags which had been inserted to soak up excess oil after draining the tank had become wedged behind a baffle. Because it was unseen, it was not removed and had remained in the tank in the intervening 7 years.

The rag became dislodged during the hydraulic service and once the machine had been returned to service, the operation of the press resulted in the rag disintegrating and fibres circulating within the oil.

The repairs took 3 weeks but the Insured was able to avoid canceling any orders and completed all required work through the use of overtime, which was indemnified under their business interruption coverage.

### Final loss

\$71,580

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