



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 that was being machined to bend in the middle, which led to more severe vibrations. These vibrations moved the machine 20cm.

The spindle assembly had to be replaced because it was also bent in the incident. 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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