

# Loss Bulletin



## Vero Equipment Breakdown Insurance

### Business sours with failed milk vat

#### Loss details

##### Nature of business

Yoghurt Manufacturer

##### Type of equipment

Milk Vat

##### Age of equipment

18 months old

This milk vat, manufactured in China, was used to store milk before it is processed into yoghurt.

During the yoghurt making process the insured found metal shavings that were traced back to the milk vat's water jacket cooling system, which was found to have suffered a significant failure.

While the exact cause was unable to be determined, it was believed to most likely be a manufacturing or structural defect that ultimately led to the premature breakdown of the equipment.

The vat - just 6 months out of warranty - was deemed unrepairable due to the extent of damage so replacement was the only option.

The unique design of the equipment caused the client lengthy delays in finding a suitable replacement.

Fortunately, a spare vat enabled the company to continue operating without interruption until eventually a suitable second-hand machine was sourced some months later.

#### Final loss

**Settlement amount:** \$37,190

**Physical Damage:** \$31,270

**Spoilage:** \$5,920



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