

Loss Bulletin

Vero Equipment Breakdown Insurance



Computer Numerical Control (CNC) lathe turret knocks out chuck jaw

Loss details

Nature of business

Farm equipment manufacturer

Type of equipment

CNC lathe

Age of equipment

14 years

Weekly general maintenance and thorough bi-annual servicing could not prevent extensive damage when the tool turret of a CNC lathe collided with the job material in its chuck jaw. The impact between the live tool in the turret and the chuck jaw caused the body of the tool turret to lift, causing extensive damage to the tool turret, cross slide, chuck and spindle of the machine.

One of three CNC lathes operated by the Insured, this particular machine was about eight years old when it was purchased. According to the manufacturer, it had a pre-breakdown market value of about \$25,000, but there were no similar secondhand machines available and an equivalent new machine cost around \$220,000.

The repairs to the machine included replacing the damaged turret body, cross slide and saddle, disconnecting and reconnecting the mains power supply, and lifting the lathe out and then back into position.

The Insured had declined Business Interruption coverage, so the lost profits/increased costs incurred during the 6 week repair couldn't be indemnified.

Final loss

Settlement Amount: \$129,000

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