

Loss Bulletin



Vero Equipment Breakdown Insurance

Wine Manufacturer Bottled Up

Loss details

Nature of business

Wine Manufacturer

Type of equipment

Italian manufactured wine bottling machine

Age of equipment

5 years old, bought 2nd hand 18 months earlier

This winery produces and bottles their own wine.

On inspecting the finished product, the operator found disintegrated particles of 'o' rings in some bottles. These 'o' rings were a part of the bottling machine's distribution head, and this indicated some sort of problem with the machine.

The damage was traced back to sudden and premature failure of the chrome surfacing on the bottling machine's head, causing the 'o' ring particles to disintegrate.

The chrome heads were only half their expected design life under normal use, and wear and tear was quickly ruled out as a cause of their failure.

It would take up to 10 weeks for the replacement parts to be shipped in from Italy, which gave the client concerns over prolonged business interruption.

Instead, a Melbourne based factory was hired to re-chrome the damaged machine's head, reducing the whole repair process to just 36 days.



Final loss

Settlement amount:	\$98,142
Physical Damage:	\$21,126
Business Interruption:	\$77,016

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