



A VL real life claim example

Liability Consequential Loss

Public Liability – Suspended Contract

The Insured, an engineering servicing company, had a 3-year maintenance contract with a major manufacturer to service its specialist plastic moulding machines. The Insured's serviceman dropped a tool into the hopper of a plastic moulder damaging the injector screw and rendering the machine unusable.

The Insured's Public Liability insurance responded to the manufacturer's claim but the maintenance contract was suspended until the machine was back in operation. This took several months. The unhappy maintenance contractor lost 60% of his revenue for the period the machine was inoperable. The Liability Consequential Loss policy responded to compensate the Insured for their direct financial loss suffered as a result of the PL claim.

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