

ficient to underwrite the responsibility with respect to all his aircraft if the deposit or the guaranty amounts to two-thirds for each aircraft, if there are two aircraft, or to one-half if there are three or more. In any event, the coverage by guaranty shall be sufficient if it amounts to two million pesos in national currency (\$2,000,000) when there are two aircraft and three million pesos in national currency (\$3,000,000), if there are three or more.

Article 174. The risk arising from scheduled air transportation may not be excluded in life or accident insurance contracts executed in this country.

TITLE XII—INSPECTION

Article 175. The competent authority shall have the duty of inspecting the services of aerial navigation. For that purpose, it shall be incumbent upon it:

1. To enforce the performance of the orders and instructions provided for by the certification and the air operations' license, and the observance of the provisions of this Code and regulations which may be promulgated;
2. To enforce the proper performance of services;
3. To supervise the technical, economic, and financial inspection of the enterprise;
4. To suspend service if the necessary safety conditions are not present and to reestablish service when the defects have been corrected;
5. To forbid or to bar the use of flying materiel which does not provide the necessary safety;
6. To inspect materials used in the manufacture and for repairs and the manner in which they are performed;
7. To require that flight personnel meet the conditions imposed by the pertinent provisions;
8. To perform all other technical functions and supervision which the Executive may confer on it.

TITLE XIII—FORFEITURE

Article 176. The Executive, upon the report of the competent authority, may declare the revocation or withdrawal of the authorization given for the operation of aerial services:

1. When the factors of public necessity and convenience contemplated at the time it was conferred no longer exist;
2. When the enterprise which is authorized fails to meet major obligations imposed upon it or when it was repeatedly in default in the performance of lesser obligations;
3. When services are not initiated within the period stipulated in the authorization;
4. When services are disrupted partially or completely without good cause or without authorization by the competent authority;
5. When the enterprise which is authorized to operate is insolvent or is declared in a state of bankruptcy or the firm is dissolved by court decree;
6. When authorization was issued in violation of the terms of Article 104;