

Article 137. 1) If the amount of compensation fixed exceed the limits of liability, the following rules shall govern, subject to the provisions of paragraph 2 of Article 124:

a) When the compensation relates solely to cases of death or bodily injury, or solely to damage to property, it shall be reduced in proportion to the respective amounts:

b) When the compensation relates to death or injury as well as to damage to property, one half the amount to be distributed shall be destined to cover compensation for death and injury, and if this amount is inadequate, it shall be distributed proportionately among the several creditors. The remainder of the total amount to be distributed shall be prorated between the compensation due for damages to property and the unpaid parts of the other compensations.

2) For the purposes of this Chapter, the compensation referred to in Article 131, paragraph 2, shall be considered damage to property.

CHAPTER II. AVERAGES

Article 138. 1) General average, in commercial air navigation, shall be governed by the principles of maritime commercial law and the provisions of commercial laws referring to this institution, and an aircraft in this case shall be considered the same as a vessel.

2) General or special average shall be governed by the provisions of the common law.

TITLE X. AIR INSURANCE

Article 139. Any interest in an aircraft may be insured up to its total value against all risks of air navigation, with the exception of those arising from the intentional acts of the insured.

Article 140. An aircraft operator shall have the duty to insure against all accidents which may occur in the performance of service by their regular personnel or by occasional personnel not covered in the respective provisions. Insurance on the crew shall be in proportion to their respective salaries or wages.

Article 141. 1) An aircraft operator shall have the duty to insure against damages up to the limitations specified in Title VIII.

2) Cash deposits or bank bonds may be substituted for the insurance.

3) Accident insurance for persons domiciled in the national territory, or covering damages caused by air navigation, whether to passengers and property, or to third persons and their property on Paraguayan territory, must be contracted with insurers who fulfill the requirements of the respective Law. Nevertheless, in the case of an air carrier domiciled in another State, insurance may be contracted with insurers legally authorized for this purpose in the State of registration of the aircraft or in which the insurer has his domicile or principal business office.

Article 142. 1) In the case of an operator of a single aircraft, it shall suffice that he post bond in the manner provided in paragraph 2 of Article 141, provided the amount is equal to the applicable limits set by the provisions of this Code.