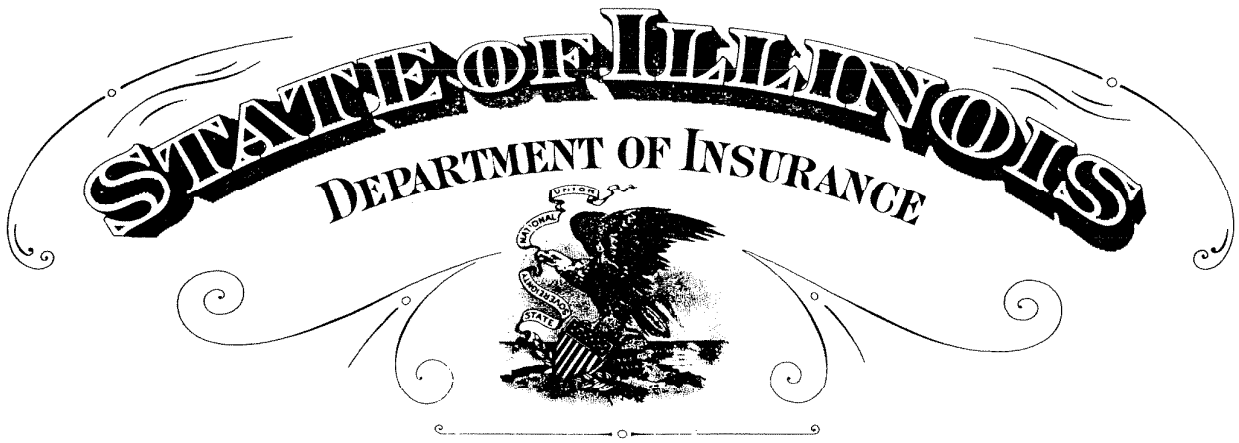

IN THE MATTER OF THE
REVOCATION OF LICENSING
AUTHORITY OF:

Joseph Welps
832 Judy Drive
Wilmington, Illinois 60481

ORDER OF REVOCATION

I, J. Anthony Clark, Director of Insurance of the State of Illinois, hereby revoke the license of Joseph Welps (Licensee) to take effect 30 days from the date of mailing of this Order pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Based upon an investigation and review of the Licensee by the Producer Section of the Illinois Department of Insurance, the Department alleges that:

a) The examination determined that the Licensee had received premiums from four (4) insureds during the period of October 01, 2001, to July 23, 2002, in the amount of $2,508.90 for policies placed through Farmers Insurance Company. The premiums were due the next business day and posted to the insureds' policies. No monies were remitted to the company.

By the above stated actions, the Licensee has improperly withheld premiums required to be held in a fiduciary capacity in violation of Section 500-115 of the Illinois Insurance Code (215 ILCS 5/500-115) which is a ground for revocation pursuant to Section 500-70(a)(4) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(4)).

Additionally, the Licensee has demonstrated untrustworthiness, incompetence and financial irresponsibility in the conduct of business which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

b) On March 19, 2003, the Licensee informed the Department that he has no PFTA records as required by the Illinois Insurance Laws and that Farmers had these records. Farmers Insurance advised that he had the PFTA records.

The Licensee did not maintain proper books and records for a calendar or fiscal year in violation of 50 Ill. Adm. Code 3113.50(c) which states in part, "All books and records for a calendar or fiscal year shall be maintained for at least 7 years thereafter". Therefore, the Licensee has violated a rule of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)).

By the above actions, the Licensee also demonstrated incompetence which is a ground for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Any correspondence concerning this Order of Revocation shall be addressed to the Department of Insurance, Producer Section, 320 West Washington Street, Springfield, Illinois 62767-0001.

50 Ill. Adm. Code 2402 governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408) and 50 Ill. Adm. Code 2402.270(d) provide that the costs of a hearing may be assessed against the parties.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Official Seal of the Department of Insurance in the City of Springfield, State of Illinois, this 5th day of June, A.D., 2003.

J. Anthony Clark

J. Anthony Clark, Director

JAC:YR:ct543