

(electronically filed)
CASE NO. 26-CI-003349

JEFFERSON CIRCUIT COURT
DIVISION SIX
JUDGE JESSICA GREEN

BRANDI DAWN CARROLL;
BRANDI CARROLL PUBLIC ADJUSTER, PLLC;
THOMAS FRANCIS BARRETT JR.; TOBA, LLC;
KEVIN DOUGLAS STAMPER; THOROUGHbred
ALLIANCE GROUP, LLC;
STEPHEN DOUGLAS MULLINS; SMG CLAIMS, LLC;
RICHARD MICHELSON; and RISCO, INC.

PLAINTIFFS

v. **AMENDED COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF**

RUSSELL COLEMAN, in his official capacity as
Attorney General of the Commonwealth of Kentucky

DEFENDANT

* * * * *

PARTIES

1. Plaintiff Brandi Dawn Carroll is a citizen and resident of Greensburg, Green County, Kentucky. Ms. Carroll has held a Kentucky public adjuster license since 2018. She is the sole member of Brandi Carroll Public Adjuster, PLLC, through which she conducts her public adjusting practice.

2. Plaintiff Brandi Carroll Public Adjuster, PLLC is a Kentucky professional limited liability company with its principal place of business at 3507 Little Barren Road, Greensburg, Kentucky 42743. The PLLC holds a Kentucky public adjuster license and conducts public adjusting services for policyholders throughout the Commonwealth.

3. Plaintiff Thomas Francis Barrett Jr. is a citizen and resident of Louisville, Jefferson County, Kentucky. Mr. Barrett has held a Kentucky public adjuster license since 2019. He is the sole member of Toba, LLC, through which he conducts his public adjusting practice in Kentucky.

4. Plaintiff Toba, LLC is a Kentucky limited liability company with its principal place of business at 2246 Boulevard Napoleon, Louisville, Kentucky 40205. Toba, LLC holds a Kentucky public adjuster license and conducts public adjusting services for policyholders throughout the Commonwealth.

5. Plaintiff Kevin Douglas Stamper is a citizen and resident of Crittenden, Grant County, Kentucky. Mr. Stamper has held a Kentucky public adjuster license since 2023. He is the sole member of Thoroughbred Alliance Group, LLC, through which he conducts his public adjusting practice.

6. Plaintiff Thoroughbred Alliance Group, LLC is a Kentucky limited liability company with its principal place of business at 265 Ridgeway Drive, Crittenden, Kentucky 41030. Thoroughbred Alliance Group, LLC holds a Kentucky public adjuster license and conducts public adjusting services for policyholders throughout the Commonwealth.

7. Plaintiff Stephen Douglas Mullins is a citizen and resident of Versailles, Woodford County, Kentucky. Mr. Mullins has held a Kentucky public adjuster license since 2015 and has worked in the insurance adjusting industry since 1993. He is the sole member of SMG Claims, LLC, through which he conducts his public adjusting practice.

8. Plaintiff SMG Claims, LLC is a Kentucky limited liability company with its principal place of business at 1550 Craigs Creek Road, Versailles, Kentucky 40383. SMG Claims, LLC holds a Kentucky public adjuster license and conducts public adjusting services for policyholders throughout the Commonwealth.

9. Plaintiff Richard Michelson holds the Certified Insurance Counselor and Certified Risk Manager designations and is a citizen and resident of Louisville, Jefferson County, Kentucky.

Mr. Michelson has held a Kentucky public adjuster license since 2006. He is the sole owner of RISCO, Inc., through which he conducts his public adjusting practice.

10. Plaintiff RISCO, Inc. is a Kentucky corporation with its principal place of business at P.O. Box 5563, Louisville, Kentucky 40255. RISCO, Inc. holds a Kentucky public adjuster license and conducts public adjusting services for policyholders throughout the Commonwealth.

11. Defendant Russell Coleman is the Attorney General of the Commonwealth of Kentucky and is sued in his official capacity. The Attorney General is charged with the enforcement of the laws of the Commonwealth of Kentucky.

JURISDICTION AND VENUE

12. This Court has jurisdiction over this matter pursuant to Sections 109, 110, and 112 of the Kentucky Constitution; KRS 23A.010; KRS 418.040; KRS 418.045; KRS 452.005; KRS 418.075; and CR 57, which authorize any person whose rights are affected by a statute to obtain a declaration of rights under the Declaratory Judgment Act. This action challenges the constitutionality of Kentucky statutes, includes claims for declaratory judgment and injunctive relief, and is brought against a state official in his official capacity, and therefore falls within KRS 452.005(1).

13. Venue is proper in Jefferson Circuit Court pursuant to KRS 452.005(2)(a), which provides that where more than one plaintiff is a party to the action, the complaint may be filed in any county where any plaintiff resides. Plaintiffs Thomas Francis Barrett Jr., Toba, LLC, Richard Michelson, and RISCO, Inc. reside and maintain their principal places of business in Jefferson County, Kentucky. All plaintiffs have adjusted claims in Louisville, Jefferson County, Kentucky, and Plaintiff Brandi Carroll has a current claim pending in Louisville, Jefferson County, Kentucky. Pursuant to KRS 452.005(3), Plaintiffs hereby certify that a copy of this Amended Complaint has

been served upon the Attorney General of the Commonwealth of Kentucky before or at the time of filing, and the Attorney General is entitled to be heard.

14. An actual and justiciable controversy exists between the parties regarding the constitutionality of House Bill 568 and House Bill 355 as enacted by the 2026 Kentucky General Assembly.

FACTUAL ALLEGATIONS

A. The Public Adjusting Profession in Kentucky

15. A public adjuster is a licensed insurance professional who represents policyholders in first-party property insurance claims. Public adjusters do not represent insurance companies. Public adjusters inspect and document property damage, prepare loss estimates, organize claim documentation, and negotiate directly with insurers on behalf of the policyholder to obtain a fair settlement.

16. Public adjusters serve a critical function in the property insurance claims process. Insurance companies employ their own staff adjusters and retain independent adjusters to investigate and value claims on behalf of the insurer. Without a public adjuster, an individual policyholder must navigate the claims process alone, facing the insurer's professional adjusting apparatus without having the equivalent expertise or bargaining power helping them.

17. Prior to the enactment of HB 568, Kentucky law defined a public adjuster as a person who, for compensation, acts on behalf of an insured in negotiating for or effecting the settlement of a first-party insurance claim. The right to negotiate with insurers on behalf of policyholders was the core professional function that gave public adjusters their economic value and distinguished them from unlicensed consultants.

18. Public adjusters in Kentucky are more highly regulated under Kentucky law than adjusters representing insurance companies. Public adjusters were already subject to a

comprehensive regulatory framework that independent adjusters who represent insurance companies are not subject to. Regulations included licensure requirements administered by the Kentucky Department of Insurance; bonding requirements; mandatory contract form approval by the Commissioner of Insurance; fee regulation limiting compensation to fifteen percent of settlement proceeds for non-catastrophic claims and ten percent for catastrophic claims; continuing education requirements; and a full disciplinary framework administered by the Department of Insurance.

19. Public adjusters typically work on a percentage basis, making their services accessible to ordinary homeowners and small business owners who cannot afford hourly attorney rates.

20. Industry data consistently shows that policyholders represented by public adjusters recover materially more on their claims than unrepresented policyholders. Public adjusters exist precisely because of the information and bargaining power imbalance between individual policyholders and insurance companies.

B. House Bill 568

21. During the 2026 Regular Session, the Kentucky General Assembly passed House Bill 568, which passed both chambers unanimously and was signed into law on April 13, 2026.

22. HB 568 fundamentally redefines the public adjuster profession and eliminates its core function. The bill contains the following key provisions:

23. **No new licenses.** Section 2(1)(b) of HB 568 flatly prohibits the Commissioner of Insurance from accepting or approving any new public adjuster license application after the effective date for a period of two years. The Department shall not issue public adjuster licenses. Existing licenses may be renewed until they expire, are revoked, or are surrendered, but the profession is being phased out through attrition. Any person currently in an apprentice adjuster

program may complete their apprenticeship but cannot sit for the public adjuster examination and cannot be issued a license.

24. **Negotiation prohibition.** Section 5 of HB 568 adds a new provision to KRS 304.9-433 stating that for a period of two years: “A public adjuster shall not negotiate with an insurer on behalf of an insured in the adjustment or settlement of a claim.” The contract between a public adjuster and a policyholder must contain a written acknowledgment of this prohibition. This eliminates the core professional function that gave public adjusters their economic value and their reason for existing. Further, this provision thereby renders unenforceable current public adjuster contracts.

25. **Redefined scope of practice.** HB 568 strips the prior statutory definition of its active functional language, “negotiating for, or effecting the settlement of, a claim,” and replaces it with the passive and far more limited phrase “renders advice or assistance to the insured in a first-party claim.” Under this new definition, a licensed public adjuster is reduced to someone who may inspect damage, prepare documentation, and advise the policyholder but they cannot negotiate with the insurer. This reduction in scope is not enforced against other adjusters.

26. **Fee cap reduction.** HB 568 slashes the maximum permissible fee from fifteen percent (non-catastrophic) and ten percent (catastrophic) to ten percent of settlement proceeds. This reduction, combined with the elimination of the negotiation function, makes the profession economically unviable even for existing licensees who attempt to continue practicing under the hollowed-out license.

27. Disparate impact on policyholders versus insurers. Insurance companies do not retain attorneys to negotiate the adjustment and settlement of property claims. They use staff adjusters and independent adjusters. These are unlicensed or separately licensed professionals who negotiate

directly with policyholders or their representatives as a matter of daily practice. HB 568 does not restrict the ability of independent adjusters who work for insurance companies to negotiate this way. The practical result is that insurers continue to deploy professional negotiators to minimize claim payments, while policyholders are stripped of their only comparably affordable professional negotiator. This creates a legislative economic advantage for insurers in every disputed property claim in Kentucky.

28. Attorney carve-out. HB 568 explicitly excludes attorneys licensed to practice law in Kentucky from the definition of public adjuster. Attorneys may continue to negotiate with insurers on behalf of policyholders, perform every function a public adjuster previously performed, and charge fees unconstrained by the public adjuster fee cap. The only remaining option for a policyholder who wants a professional negotiator is to hire an attorney. Attorney rates are higher than what a public adjuster charged. The bill thus creates a legislatively mandated monopoly on policyholder negotiation advocacy in favor of a single, more expensive professional class, while insurance companies continue to use adjusters and not attorneys.

C. House Bill 355

29. The General Assembly simultaneously passed House Bill 355, which amends KRS Chapter 324A governing licensed real property appraisers.

30. Section 6(15) of HB 355 provides: “An appraiser shall not negotiate, or advertise to negotiate, on behalf of any insured on any insurance claim relating to real property.” While an appraiser may advocate for the accuracy of his or her own appraisal report, the appraiser is prohibited from engaging in any broader negotiation on behalf of a policyholder.

31. HB 355 does not apply to staff adjusters or insurance adjusters who can continue to appraise with little regulation and are allowed to negotiate. A policyholder who might have

retained a licensed real property appraiser to quantify the loss and advocate for that valuation with the insurer is now foreclosed from doing so.

32. Upon information and belief, HB 568 and HB 355 were advanced by the same lobbying interests during the 2026 Regular Session. The coordination between the two bills reveals a deliberate legislative design: HB 568 eliminates public adjusters as negotiating advocates for policyholders; HB 355 ensures that public adjusters cannot act as licensed appraisers and fill that vacuum. The only professional left who may negotiate on behalf of a policyholder in a disputed property insurance claim is an attorney while the insurance companies are free to use adjusters and appraisers.

D. The Stated Legislative Justification Does Not Match the Actual Effect

33. During floor debate on HB 568, legislators and lobbyist testimonials identified the purported concern motivating the legislation as out-of-state public adjusters descending on Kentucky disaster zones and taking advantage of vulnerable policyholders.

34. If the legislature's genuine concern was predatory conduct by out-of-state adjusters in disaster situations, targeted legislative responses were readily available but one of those targeted measures were adopted.

35. Instead, HB 568 functionally eliminated the entire public adjusting profession, including every local Kentucky public adjuster who has been serving Kentucky communities for years or decades. The Plaintiffs in this action are Kentucky residents whose practices are overwhelmingly or entirely devoted to Kentucky policyholders. They are not the out-of-state actors the legislature claimed to be targeting.

36. At the same time, independent adjusters and staff adjusters who work for insurance companies, including out-of-state independent adjusters retained by insurers to handle Kentucky

claims, face no restriction whatsoever under HB 568 or HB 355. The legislation eliminates only the professional class that advocates for policyholders while leaving entirely untouched the professional class that advocates for insurers.

37. The mismatch between the stated legislative purpose protecting Kentucky consumers from out-of-state predatory adjusters and the actual effect is direct evidence that HB 568 and HB 355 do not rationally serve their stated purpose and only exist to give insurance companies an unfair advantage.

E. The Existing Regulatory Framework Was Already Sufficient

38. Prior to HB 568, Kentucky already maintained a comprehensive regulatory structure governing public adjusters. This framework included mandatory licensure, bonding, contract form approval by the Commissioner of Insurance, fee caps, biennial continuing education requirements of twenty-four hours including three hours of ethics, and a disciplinary system authorizing probation, suspension, or revocation of licenses.

39. When the General Assembly was passing the bill, there was zero testimony from any policyholders with complaints about public adjusters; testimony in favor of the bill came from insurance companies themselves.

40. If the General Assembly had a genuine consumer protection concern regarding public adjuster conduct, the existing regulatory framework provided every tool necessary to address it, enhanced bonding, stricter disciplinary enforcement, additional education requirements, stronger solicitation rules, or heightened disaster-period oversight. The decision to eliminate the profession rather than strengthen existing oversight was not a rational regulatory choice. It was the elimination of a competitor to the insurance industry's own adjusting apparatus.

F. Injuries to Individual Plaintiffs

41. Thomas Francis Barrett Jr. has held a Kentucky public adjuster license since 2019. Before becoming a public adjuster, Mr. Barrett worked for twenty-eight years as an independent adjuster managing claims on behalf of insurance companies across the country. His extensive experience on the insurer side of the claims process gives him firsthand knowledge that public adjusters and independent adjusters perform functionally identical work, the only difference being which party they represent. Mr. Barrett also holds public adjuster licenses in North Carolina, South Carolina, Indiana, and Ohio.

42. Mr. Barrett handles approximately fifteen claims per year through Toba, LLC and earns approximately \$50,000 annually from his Kentucky public adjusting practice, which constitutes approximately forty percent of his overall practice. He serves policyholders primarily in the Louisville and Lexington areas on both residential and commercial claims. He also performs appraisal work and provides documentation and investigation services to other public adjusters.

43. Mr. Barrett currently has active clients in Kentucky that this legislation directly affects. He has already been forced to turn away a prospective client since the passage of HB 568 because of the negotiation prohibition. His practice and livelihood have been directly and immediately injured by this legislation.¹

44. Kevin Douglas Stamper has held a Kentucky public adjuster license since 2023. Before becoming a public adjuster, Mr. Stamper worked as an independent adjuster for insurance companies. He also served as a team lead managing five states in the insurance industry. Prior to being an independent adjuster, he was a project manager for a restoration company handling accounts primarily for USAA. In total, Mr. Stamper has twenty-six years of experience working

¹ See Affidavit of Thomas Francis Barrett Jr., attached hereto as **Exhibit B**.

in the insurance industry. He also holds public adjuster licenses in Ohio, Indiana, Tennessee, Texas, Colorado, North Carolina, South Carolina, and West Virginia.

45. Mr. Stamper handles approximately one hundred claims per year through Thoroughbred Alliance Group, LLC and earns approximately \$150,000 annually from his Kentucky public adjusting practice. Ninety-eight percent of his practice is Kentucky work. He serves policyholders throughout the entire Commonwealth on both residential and commercial claims.

46. Mr. Stamper has active client contracts and pending claims that this legislation directly affects. He is already turning down prospective clients because of the negotiation prohibition. He has invested in surety bonds, sales tracking software, estimating software costing \$2,800, and other equipment in reliance on his Kentucky license. Those investments are now rendered worthless by this legislation.²

47. Brandi Dawn Carroll has held a Kentucky public adjuster license since 2018. Before becoming a public adjuster, Ms. Carroll worked as an administrative assistant for Kentucky Farm Bureau in 2009 and 2010 and subsequently worked for ServPro, a restoration company, where she drafted estimates and filed them with insurance adjusters. Her experience at ServPro, where she would see legitimate policyholder claims denied, motivated her decision to become a public adjuster and advocate for policyholders. She also holds public adjuster licenses in Indiana and Texas.

48. Ms. Carroll handles approximately fifty claims per year through Brandi Carroll Public Adjuster, PLLC and earns approximately \$200,000 annually from her Kentucky public adjusting practice. Almost one hundred percent of her practice is Kentucky work. She serves policyholders

² See Affidavit of Kevin Douglas Stamper, attached hereto as **Exhibit C**.

in South Central Kentucky, Louisville, Owensboro, and Bowling Green, handling primarily residential claims with some commercial work.

49. Ms. Carroll has active client contracts that this legislation directly affects. Kentucky Farm Bureau has already refused to communicate with Ms. Carroll on a pending claim because of this legislation, even before it has been signed into law. She has invested in Xactimate estimating software at a cost of \$2,800 per year, license fees, surety bonds, and a commercial television advertisement costing \$400 per month that is currently running. Those investments are now being destroyed by this legislation.

50. Ms. Carroll is a single mother raising four children, her twelve-year-old daughter and three grandchildren ages thirteen, nine, and seven whom she is raising after her eldest daughter passed away in 2020 at the age of twenty-six. Ms. Carroll works almost exclusively in Kentucky because she cannot pursue out-of-state storm work while raising young children. This legislation does not merely inconvenience Ms. Carroll, it completely destroys the livelihood on which she and four children depend, in the state where she has no practical choice but to work.³

51. Stephen Douglas Mullins has worked in the insurance adjusting industry since 1993. Mr. Mullins was a public adjuster in California from 1993 through 2004, obtained his Kentucky independent adjuster license in 2004, worked for insurance carriers from 2004 through 2015, and converted his license to a Kentucky public adjuster license in 2015. He has been a public adjuster in Kentucky for eleven years. Mr. Mullins also holds a public adjuster license in Georgia.

52. Mr. Mullins handles approximately fifteen claims per year, all in Kentucky, through SMG Claims, LLC and earns approximately \$80,000 annually from his public adjusting practice. One hundred percent of his practice is Kentucky work. He serves policyholders throughout the

³ See Affidavit of Brandi Dawn Carroll, attached hereto as **Exhibit A**.

Commonwealth, with the greatest concentration of claims in Louisville, Lexington, and Bowling Green, on both residential and commercial matters.

53. Mr. Mullins has active client contracts and pending claims that this legislation directly affects. He has already been forced to turn away prospective clients. He has invested in Xactimate estimating software at a cost of \$2,800, along with other software, license fees, and business expenses in reliance on his Kentucky license. Mr. Mullins is sixty-one years old. This legislation may force him into retirement against his will.⁴

54. Richard Michelson has held a Kentucky public adjuster license since 2006, nearly twenty years. Before becoming a public adjuster, Mr. Michelson worked as an independent adjuster for insurance companies from 2004 through 2006 and operated a restoration company that worked with insurance companies prior to that. Mr. Michelson holds the Certified Insurance Counselor and Certified Risk Manager professional designations, a general lines consultant's license, and an insurance agent's license. He also holds public adjuster licenses in Florida, Indiana, Illinois, Texas, Colorado, Oklahoma, Kansas, and Nebraska.

55. Mr. Michelson earns approximately \$200,000 annually from his public adjusting practice in Kentucky. He serves policyholders throughout the Commonwealth on both residential and commercial claims, with an emphasis on commercial losses.

56. Mr. Michelson has active client contracts and pending claims that this legislation directly affects. He has already lost clients and referrals because of this legislation. He has spent thousands of dollars on marketing in Kentucky, an investment now destroyed by the effective elimination of the profession. Mr. Michelson is among the most experienced and credentialed

⁴ See Affidavit of Stephen Douglas Mullins, attached hereto as **Exhibit D**.

public adjusters in the Commonwealth, and this legislation eliminates his ability to practice the profession he has built over two decades in this state.⁵

G. The Collective Harm

57. Collectively, the Plaintiffs represent over seventy years of combined experience in the insurance adjusting industry. Every individual Plaintiff is a Kentucky resident. Every individual Plaintiff has worked on the insurer side of the claims process at some point in their career and can personally attest that public adjusters and insurer-side adjusters perform functionally identical work. Every individual Plaintiff has invested substantially in their Kentucky public adjusting practice in reliance on their license. Every individual Plaintiff has already suffered concrete economic injury as a direct result of HB 568 and HB 355, including lost clients, turned-away referrals, and the destruction of ongoing business investments.⁶

58. The Plaintiffs did not create the problem the legislature claimed to be addressing. They are local Kentucky professionals who have served Kentucky policyholders in their own communities. They are the people this legislation harms, not the out-of-state actors the legislature purported to target.

59. The harm to Plaintiffs is not speculative or prospective. It is occurring now. Insurers have already begun refusing to communicate with public adjusters on pending claims. Policyholders are already being turned away. Investments in software, equipment, marketing, and professional development are already losing their value. The economic destruction of the public adjusting profession in Kentucky is underway.

⁵ See Affidavit of Richard Michelson, attached hereto as **Exhibit E**.

⁶ See Affidavits of Carroll (**Exhibit A**), Barrett (**Exhibit B**), Stamper (**Exhibit C**), Mullins (**Exhibit D**), and Michelson (**Exhibit E**).

H. The Harm to Kentucky Policyholders

60. The elimination of public adjuster negotiation advocacy does not merely harm public adjusters; it harms every Kentucky property owner who may face a disputed insurance claim.⁷ Public adjusters were the only affordable professional advocates available to policyholders for the vast majority of property insurance disputes. Attorney representation, while available, is dramatically more expensive and is economically impractical for the smaller and mid-sized property claims that constitute the bulk of first-party disputes.

61. After HB 568 and HB 355 take effect, a Kentucky homeowner with a disputed \$40,000 roof claim will have three options: negotiate alone against the insurer's professional adjusting staff; hire an attorney at hourly rates or a thirty-three percent contingency fee that may consume most of the disputed amount; or accept whatever the insurer offers. For most ordinary Kentuckians, the practical result will be the third option. The legislation systematically suppresses the recoveries that Kentucky property owners will obtain on legitimate insurance claims.

CLAIMS FOR RELIEF

COUNT I

Violation of the Prohibition on Special Legislation in Violation of Ky. Const. § 59 and Ky. Const. § 60

62. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

63. Section 59 of the Kentucky Constitution prohibits the General Assembly from enacting local or special legislation in a broad range of specified areas, and Section 60 further provides that the General Assembly shall not pass a special act where a general law can be made applicable.

⁷ Plaintiffs do not assert standing to advocate for their clients' claims due to the harm presented by HB 568, and none of Plaintiffs' claims rely on such. Plaintiffs' clients remain free to file their own actions. *See Cameron v. EMW Women's Surgical Ctr., P.S.C.*, 664 S.W.3d 633 (Ky. 2023).

64. In *Coleman v. Jefferson County Board of Education*, No. 2023-SC-0498-DG (Ky. Dec. 19, 2024), the Kentucky Supreme Court reaffirmed and expanded the test for Section 59 and Section 60 challenges. The Court held that the fundamental inquiry is “whether there is any reasonably articulable natural and distinctive basis for the class distinctions drawn by the legislature.” The Court further held that the party challenging the legislation bears the initial burden of demonstrating that there is no reasonably articulable basis to conclude the classification is a natural and distinctive means of achieving the desired legislative ends, after which the government may rebut by demonstrating the existence of any reasonably articulable natural and distinctive basis for the law. Notably, the appellant in *Coleman* was Defendant Russell Coleman, in his capacity as Attorney General, who unsuccessfully defended the constitutionality of the challenged statute under Sections 59 and 60.

65. HB 568 is special legislation because it singles out one specific professional class, public adjusters, for elimination for two years while leaving untouched the functionally identical professional class of independent adjusters who perform the same work on behalf of insurance companies. The classification drawn by HB 568 is not based on any natural and distinctive difference between the two classes of adjusters. Both public adjusters and insurance company adjusters negotiate insurance claims; the only difference is which party retains them.

66. No other profession in Kentucky is treated this way. Independent adjusters, attorneys, real property appraisers, and other licensed professionals who negotiate on behalf of clients continue to operate without restriction. Only the professional class that advocates for policyholders against insurance companies has been targeted for elimination.

67. Section 59 of the Kentucky Constitution provides that “in any case where a general law can be made applicable, no special law shall be enacted.” A general law regulating adjuster

conduct, whether applicable to all adjusters regardless of who employs them, was plainly available to the General Assembly. The decision to eliminate only public adjusters while leaving insurer-side adjusters unregulated is the hallmark of special legislation.

68. HB 568's classification is based on the identity of the party the adjuster represents, not on the adjuster's conduct. This is precisely the type of classification that lacks a "reasonably articulable natural and distinctive basis" under the test articulated in *Coleman* and in *Zuckerman v. Bevin*, 565 S.W.3d 580 (Ky. 2018). The classification does not bear a reasonable and natural relationship to the stated legislative purpose of protecting consumers from predatory adjusters.

69. An open class of adjusters exists in Kentucky. Any person may obtain a license as an independent adjuster and negotiate claims on behalf of insurance companies. The legislature has not restricted that class. HB 568 restricts only the class of adjusters who negotiate on behalf of policyholders, creating an arbitrary and discriminatory distinction.

70. The stated justification for HB 568, protecting consumers from out-of-state predatory adjusters, does not support the classification because HB 568 effectively eliminates all public adjusters, including in-state adjusters who have served Kentucky communities for decades. The legislation is both overinclusive as to its stated purpose and underinclusive in that it does not regulate the identical conduct when performed by insurance company adjusters.

71. The legislature could have addressed its stated concern through generally applicable legislation regulating all adjusters, imposing additional requirements on out-of-state adjusters, or strengthening the existing regulatory framework. Instead, the General Assembly chose to effectively eliminate an entire professional class while leaving the equivalent professional function unregulated when performed on behalf of insurance companies.

72. The classification is arbitrary because it distinguishes based on who employs the adjuster rather than on the conduct the legislature sought to prevent. HB 568 applies to all public adjusters, including in-state public adjusters and public adjusters working in non-disaster situations, even though the stated justification relates only to out-of-state adjusters working after disasters.

73. The requirement under HB 568 that insureds must retain attorneys to negotiate, while allowing insurance companies to rely on their own adjusters to negotiate, lacks rational basis and constitutes an impermissible grant of exclusive privilege.

74. By reason of the foregoing, HB 568 violates Ky. Const. § 59 and Ky. Const. § 60 because it constitutes impermissible special legislation.

COUNT II
Violation of Kentucky Constitutional Due Process Rights
in Violation of Ky. Const. § 2 and Ky. Const. § 1

75. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

76. Plaintiffs have a protected liberty interest in practicing their chosen profession as public adjusters and a protected property interest in their ability to earn a livelihood through their work as public adjusters.

77. HB 568 deprives Plaintiffs of their liberty interest in practicing their profession. HB 568 completely prohibits public adjusters from negotiating with insurance companies on behalf of insureds for two years, which is a core function of the public adjuster profession. As a result, Plaintiffs have been rendered unable to work in their chosen profession.

78. The deprivation is arbitrary and capricious because HB 568 prohibits public adjusters from negotiating while allowing insurance company adjusters to perform the same function.

79. The legislature's stated justification for HB 568 was to prevent out-of-state public adjusters from taking advantage of disaster victims. This justification does not rationally relate to a complete moratorium on all public adjusters' ability to negotiate, particularly for in-state public adjusters and in non-disaster situations.

80. Ky. Const. § 2 provides that "absolute and arbitrary power over the lives, liberty and property of freemen exists nowhere in a republic." The requirement under HB 568 that insureds must retain attorneys to negotiate, while allowing insurance companies to rely on their adjusters to negotiate, lacks rational basis.

81. By reason of the foregoing, HB 568 violates Ky. Const. § 2 and Ky. Const. § 1 because it deprives Plaintiffs of liberty and property without due process of law.

COUNT III
Violation of Kentucky Constitutional Equal Protection Rights
in Violation of Ky. Const. § 3 and Ky. Const. § 2

82. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

83. HB 568 creates a classification that treats public adjusters differently from insurance company adjusters. Public adjusters and insurance company adjusters are similarly situated in that both groups negotiate insurance claims on behalf of parties to insurance contracts. Public adjusters negotiate with insurance companies on behalf of insureds; insurance company adjusters negotiate with insureds on behalf of insurance companies.

84. HB 568 prohibits public adjusters from negotiating with insurance companies on behalf of insureds while permitting insurance company adjusters to negotiate with insureds on behalf of insurance companies. This classification grants insurance company adjusters an exclusive

privilege, namely, the ability to negotiate, while denying that privilege to public adjusters working for the people.

85. The stated justification for this classification is not rationally related to the classification. The prohibition applies to all public adjusters, not just out-of-state adjusters or those working in disaster situations. Insurance company adjusters engage in similar conduct, yet they are permitted to continue negotiating. The classification is based on who employs the adjuster rather than on the conduct the legislature sought to prevent.

86. Ky. Const. § 3 provides that “all men, when they form a social compact, are equal; and no grant of exclusive, separate public emoluments or privileges shall be made to any man or set of men, except in consideration of public services.”

87. By reason of the foregoing, HB 568 violates Ky. Const. § 3 and Ky. Const. § 2 because it denies Plaintiffs equal protection of the laws.

COUNT IV
Violation of Kentucky Constitutional Contracts Clause
in Violation of Ky. Const. § 19

88. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

89. Plaintiffs had valid contracts and contractual obligations with clients prior to the enactment of HB 568. These contracts obligated Plaintiffs to negotiate with insurance companies on behalf of their clients to resolve insurance claims.

90. HB 568 impairs the obligation of these contracts. HB 568 prohibits Plaintiffs from negotiating with insurance companies on behalf of insureds, which is a core obligation under their contracts with clients. This prohibition substantially impairs the ability of Plaintiffs to perform

their contractual obligations and renders Plaintiffs unable to fulfill the primary purpose of their contracts.

91. The impairment is not justified by a significant and legitimate public purpose. The legislature's stated justification does not provide a significant and legitimate public purpose for impairing all contracts between public adjusters and their clients, including contracts with in-state public adjusters and contracts in non-disaster situations. Insurance company adjusters engage in the same conduct yet are permitted to continue negotiating, demonstrating that the stated justification is not the actual purpose of the statute.

92. The impairment is not narrowly tailored to achieve the stated purpose. HB 568 applies to all public adjusters in all contexts, not merely to out-of-state adjusters working in disaster situations. Less restrictive alternatives exist, such as regulating only out-of-state adjusters, regulating only adjusters working in disaster situations, or imposing conduct-based restrictions on all adjusters regardless of who employs them.

93. By reason of the foregoing, HB 568 violates Ky. Const. § 19 because it constitutes an impermissible impairment of the obligation of contracts.

COUNT V
Violation of Kentucky Constitutional Takings Clause
in Violation of Ky. Const. § 13

94. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

95. Plaintiffs have a property interest in their professional licenses issued by the Commonwealth of Kentucky and in their ability to earn a livelihood through their profession as public adjusters.

96. HB 568 substantially interferes with and effectively deprives Plaintiffs of all economically beneficial uses of their licenses and professional practice. HB 568 prohibits Plaintiffs from negotiating with insurance companies on behalf of insureds for two years, which is the core function of their profession and the primary means by which they earn income. As a result, Plaintiffs have suffered loss of income and are unable to work in their chosen profession.

97. The interference is not justified by a legitimate public purpose and is not narrowly tailored to achieve the stated purpose. HB 568 applies to all public adjusters in all contexts, not merely to out-of-state adjusters working in disaster situations. The statute does not regulate insurance company adjusters who engage in the same conduct. Less restrictive alternatives exist.

98. HB 568 effects a regulatory taking by rendering the professional licenses and business interests of Plaintiffs economically idle without providing just compensation. Plaintiffs have not received any compensation for the taking of their property interests.

99. By reason of the foregoing, HB 568 violates Ky. Const. § 13 because it effects a regulatory taking of Plaintiffs' property without just compensation.

COUNT VI
Violation of Kentucky Constitutional Prohibition of Absolute and Arbitrary Power
in Violation of Ky. Const. § 2

100. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

101. HB 568 exercises governmental power over the liberty and property of Plaintiffs by prohibiting them from negotiating with insurance companies on behalf of insureds. This prohibition restricts Plaintiffs' liberty to practice their chosen profession and deprives them of their property interest in their professional licenses and ability to earn a livelihood.

102. The power exercised by HB 568 is absolute and arbitrary, lacking a rational basis or legitimate purpose. The statute prohibits all public adjusters from negotiating in all contexts, without regard to the conduct the legislature sought to prevent. The statute is arbitrary because it distinguishes between public adjusters and insurance company adjusters based on who employs them, rather than on the conduct the legislature sought to prevent.

103. The power is not narrowly tailored to achieve a legitimate purpose. HB 568 applies to all public adjusters in all contexts, not merely to out-of-state adjusters working in disaster situations. The statute does not regulate insurance company adjusters who engage in the same conduct. Less restrictive alternatives exist.

104. By reason of the foregoing, HB 568 violates Ky. Const. § 2 because it exercises absolute and arbitrary power over the lives, liberty, and property of Plaintiffs.

COUNT VII
Declaratory Judgment Pursuant to KRS § 418.040

105. Plaintiffs incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

106. An actual controversy exists between Plaintiffs and Defendant regarding the constitutionality of HB 568 and HB 355. Plaintiffs contend that HB 568 and HB 355 violate the Kentucky Constitution on multiple grounds. Defendant, representing the Commonwealth of Kentucky, defends the constitutionality of these enactments.

107. Plaintiffs' rights and legal relations are directly affected by this controversy. HB 568 and HB 355 prohibit Plaintiffs from practicing their profession and have rendered them unable to work. A declaration that HB 568 and HB 355 are unconstitutional would resolve the controversy by clarifying whether the statutes can be enforced against Plaintiffs.

108. Pursuant to KRS § 418.040, Plaintiffs are entitled to a declaratory judgment that HB 568 and HB 355 are unconstitutional under the Kentucky Constitution.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court:

1. Enter a declaratory judgment pursuant to KRS § 418.040 declaring that HB 568 and HB 355 are unconstitutional under the Kentucky Constitution;
2. Enter a preliminary and permanent injunction enjoining Defendant Russell Coleman, in his official capacity as Attorney General of Kentucky, and all other state officials, from enforcing HB 568 and HB 355 against Plaintiffs and all other public adjusters in Kentucky;
3. Award Plaintiffs compensatory damages for lost wages and business income suffered as a result of the enforcement of HB 568 and HB 355 from the date of enactment until the date of judgment or injunction, in an amount to be determined at trial;
4. Award Plaintiffs their costs and reasonable attorneys' fees incurred in bringing this action;
5. Grant such other and further relief as the Court deems just and proper;
6. Trial by jury on all issues so triable.

Respectfully submitted,

/s/ Aaron Kemper

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Counsel for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been sent via electronic mail and service this 23rd day of April 2026 to:

SERVETHECOMMONWELATH@KY.GOV
Russell Coleman, Attorney General
Office of the Attorney General
The Capitol Building
700 Capital Avenue, Suite 118
Frankfort, KY 40601-3449

/s/ Aaron Kemper

Aaron Kemper
Attorney for Plaintiffs

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Aaron Kemper
Attorney for Plaintiffs