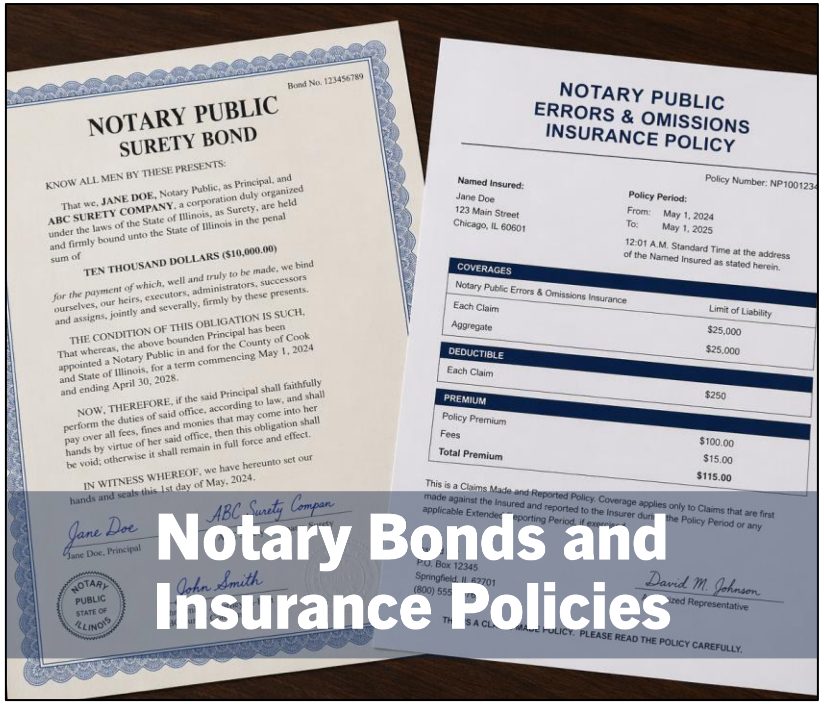
Signed, Sealed, … Sued?

Real Claims That Landed Notaries in Hot Water — And How to Stay Out

Bill Anderson | Vice President, Government Affairs

National Notary Association

Today’s Topics



National Notary Association

Notary Surety Bond

A three-party financial guarantee that protects the public from losses caused by a Notary Public’s misconduct or negligent errors or omissions.

Notary E&O Policy

A professional liability policy that defends and indemnifies a Notary Public against claims arising from negligent errors or omissions in performing notarial acts.

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Bond or Policy: Basics

Notary Surety Bond	Notary E&O Policy
Required by individual state law	Optional (except for Florida RON)
Bond amount set by law	Policy amount selected by Notary
Three-party agreement	Two-party agreement
Protects signing and relying parties	Protects Notary
Covers fraud	Does not cover fraud

Bond or Policy: The Claims Process

Notary Surety Bond	Notary E&O Policy
Claim made by third party	Claim made by Notary
Surety requests information from claimant and Notary	Defense counsel assigned to represent Notary
Surety pays valid claim up to bond limit	Insurer deducts damages and costs from policy limit
Claimant may sue Notary for excess damages	Insurer settles all claims brought against Notary
Operates like credit; Notary must repay surety for losses	Transfers payment of losses from Notary to insurer

National Notary Association

MERCHANTS BONDING COMPANY™

MERCHANTS BONDING COMPANY (MUTUAL) P.O. BOX 14498, DES MOINES, IOWA 50306-3498
PHONE: (800) 876-6827 FAX: (800) 833-1211

NOTARY PUBLIC ERRORS AND OMISSIONS POLICY

Effective Date:	12:01 AM August 1, 2026	Policy No.	12345678910
Expiration Date:	12:01 AM July 31, 2030	Premium:	$108.00

COVERAGE: MERCHANTS BONDING COMPANY (MUTUAL) ("the Company") will pay on behalf of Jane Doe of Salem, Oregon ("the Insured"), all sums, subject to the Limit of Liability stated below, which the Insured shall become obligated to pay by reason of liability for breach of duty while acting as a duly commissioned and sworn Notary Public, claim for which is made against the Insured by reason of any negligent act, error or omission, committed or alleged to have been committed by the Insured, arising out of the performance of notarial service for others in the Insured's capacity as a duly commissioned and sworn Notary Public. The Company will also pay on behalf of the Insured, subject to the Limit of Liability stated below, costs and expenses incurred in investigating, defending or settling the Insured's liability arising from any negligent act, error or omission, committed or alleged to have been committed by the Insured, arising out of the performance of notarial service for others in the Insured's capacity as a duly commissioned and sworn Notary Public.

POLICY PERIOD: This policy applies only to negligent acts, errors or omissions which occur during the policy period and then only if claim, suit or other action arising therefrom is commenced within the applicable statute of limitations pertaining to the Insured. The Policy Period commences on the Effective Date hereof and terminates upon the Expiration Date hereof.

LIMIT OF LIABI... The liability of th... pany shall not ... in the aggrega... ll claims, costs ...es under th... amount of ... twenty-five ... ars ... ,000) D...

Policy Provisions

- Covers negligent acts, errors or omissions
- Covers only "notarial service" as a Notary
- Covers acts occurring during policy period ("occurrence" not "claims-made" policy)
- Coverage within statute of limitations

Policy Provisions

LIMIT OF LIABILITY: The liability of the Company shall not exceed in the aggregate for all claims, costs and expenses under this policy the amount of twenty-five thousand dollars ($25,000) Dollars.
(NOT VALID IF FILLED IN FOR MORE THAN $100,000)

THIS LIMIT OF LIABILITY INCLUDES COSTS AND EXPENSES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING LIABILITY. ONCE THE LIMIT OF LIABILITY STATED ABOVE HAS BEEN PAID, WHETHER BY SETTLEMENT OF A CLAIM OR CLAIMS, OR BY PAYMENT OF COSTS AND EXPENSES, THE COMPANY IS RELIEVED OF ANY FURTHER DUTY TO DEFEND OR INDEMNIFY THE INSURED UNDER THIS POLICY.

SETTLEMENT: The Company, in the Insured's name and behalf, shall have the exclusive right to make any settlement of any claim, suit, or other action, as the Company deems expedient.

CONDITIONS PRECEDENT: As a condition precedent to the right of indemnification or defense hereunder, the Insured shall mail or deliver to the Company within ten (10) days after notice or knowledge of a claim or possible claim against the Insured copies of any written notice thereof and a complete description of the facts and circumstances alleged to give rise to such claim. The Company will furnish a claim form within fifteen (15) days after notice of claim or will accept the filing of proof-of-loss covering the occurrence, character, and extent of loss. Bankruptcy or insolvency of the Insured shall not release the Company or its liability hereunder.

EXCLUSIONS: Coverage under this policy as described in the COVERAGE section of the policy above does not apply to any acts of or allegations of (i) dishonest, fraudulent, criminal, libelous, slanderous or malicious act or omission of the Insured; (ii) willful or intentional disregard of the law; (iii) bodily injury to, or sickness, disease or death of any person, including but not limited to, emotional or mental distress and related conditions; (iv) injury to or destruction of any tangible property, including the loss of use thereof; (v) fines or penalties imposed by law on the Insured; or (vi) punitive, treble, exemplary or similarly categorized damages, including fines and penalties.

- Limit of liability
- Defense costs within the policy limits
- Coverage ceiling
- Insurer right to settle
- Insured's responsibility to notify insurer
- Exclusions

Notary Claims We Will Discuss Today

1. The Stolen Notary Stamping Device
2. The Innocent Notary Left Behind
3. The Vexatious Pro Se Plaintiff
4. The Acknowledgment That Came Back
5. The Department of State

The Stolen Notary Stamping Device — What Happened?

Insured was a defendant in a lawsuit involving a fraudulent property deed

Insured never met grantor and did not have a journal record of the notarization

Notary seal on the fraudulent deed did not match insured's seal

Insured immediately filed police report upon learning of the fraud

Insured's deposition testimony was consistent and credible

Lawsuit was settled for $1,000 with an added $13,000 in attorneys' fees for a $14,000 loss

The Stolen Notary Stamping Device — Takeaways

1. Innocent Notaries are victims in seal fraud claims
2. Deed fraud and seal fraud go together
3. Seal fraud claims are expensive
4. An E&O policy is a lifeline in seal fraud claims
5. The lack of a journal entry can be the Notary's best defense

The Vexatious Pro Se Plaintiff — What Happened?

Insured sued by a vexatious pro se litigant after notarizing loan documents

Plaintiff defaulted on her mortgage and filed serial bankruptcies to block foreclosure

Insured testified for bank in bankruptcy court — plaintiff retaliated with a lawsuit alleging negligence and fraud

Vexatious plaintiff's aggressive litigation drove defense costs through the roof

Defense (insured's) counsel's motion to dismiss granted on negligence claims

Court gave plaintiff leave to replead on fraud claim — which falls outside E&O policy

Insured's entire $25,000 E&O policy was exhausted before the case was resolved

Insured forced to represent herself against plaintiff's ongoing fraud claim

The Vexatious Pro Se Litigant — Takeaways

1. Testifying truthfully in court can make you a target
2. Vexatious pro se litigants multiply your costs
3. A dismissed claim isn’t always a closed case
4. Fraud claims fall outside E&O policy coverage
5. Exhaustion of an E&O policy doesn’t necessarily end the lawsuit

The Innocent Notary Left Behind — What Happened?

Elderly woman had her signature notarized on estate documents disinheriting her son while in a rehab facility

Insured recalled woman was sharp, engaged, and reviewed documents during multiple visits to her rehab facility

Woman refused to sign and tore up documents, requiring insured to return over several days

Though insured did nothing wrong, the circumstances created a misimpression she enabled the notarizations

Son obtained default judgments against the family members, leaving insured as the sole source of recovery

With the woman deceased and family members absent, no witnesses remained to support insured's narrative

Insured would likely have won at trial, but litigation costs would have exhausted her policy and left her exposed

Case settled at mediation, exhausting the full $100,000 policy but resolving all claims against insured

The Innocent Notary Left Behind — Takeaways

1. You could become the sole financial target in litigation
2. Hospitalized elderly face greater capacity and coercion concerns
3. Record the signer’s awareness and willingness in your journal
4. Record any refusals or hesitation by the signer in your journal
5. Seek independent witnesses to corroborate your story

The Acknowledgment That Came Back — What Happened?

Couple owned a property; husband died and wife continued as sole owner

Bad actor stole couple's property and hired insured to notarize two deeds transferring title to a third party

Insured properly notarized the first deed for bad actor's company without issue

Insured completed and signed, but did not seal, second acknowledgment certificate on the second deed for the couple

Couple never appeared; insured refused to stamp second acknowledgment certificate and left

Insured did not void or retain signed, unsealed acknowledgment certificate

Bad actor copied seal from the first certificate onto the second to complete the fraud

Insured's policy paid $74,000 in losses for two claims: one by the surviving spouse and the other by the title company

The Acknowledgment That Came Back — Takeaways

1. Be extra careful with real property deeds
2. Complete a notarial certificate only when all requirements are met
3. Complete only notarial certificates you intend to use
4. Void unused or erroneous notarial certificates or take them with you
5. One notarization can generate multiple claims or lawsuits

The Department of State — What Happened?

Insured notarized a document as a favor for a family friend during COVID-19

A parent had died and two siblings needed to appoint an executor

Sister who needed to sign lived out of state and signed via Skype

Insured was not registered as an Electronic Notary

Insured affixed her seal to a scanned copy of the document sister emailed back to her

Court rejected the document for being too blurry and was never refiled

Sister changed her mind, siblings disputed, and one filed a complaint with Department of State

Counsel negotiated a $250 penalty, 6-month probation plus $300 assessment. $9,000 in attorneys' fees spent

The Department of State — Takeaways

1. Merchants can represent Notaries in administrative law actions
2. Personal favors can become professional nightmares
3. Only perform remote notarizations with proper authorization
4. When you’re asked to bend the rules, the answer is no
5. Family disputes have a way of exposing notarial shortcuts

THE NATIONAL
Notary Bulletin

The Notary blamed for a late signer's will

By Bill Anderson, August 7, 2026

Editor's note: This is the first in a series of articles covering actual Notary errors and omissions (E&O) claims that did not go as anyone expected.

A Notary watched a 94-year-old signer read every page, tear up the documents twice, and finally sign. Then the signer died, the family scattered, and the Notary was the only one left to sue.

That's what happened to a Notary Public sued for notarizing an elderly woman's signature on estate documents in a rehabilitation facility. The signer appeared alert, engaged, and in charge of her own affairs. She signed estate documents, a power of attorney and a will that disinherited her son. When she died, the son sued. By the time the dust settled, the Notary's $100,000 E&O policy was almost gone, and the story had become a cautionary tale of what happens when a Notary does everything right but is targeted by a lawsuit due to unforeseen circumstances.

What the Notary saw

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Most Recent Bulletins

- Refinance Fraud: Notaries are the last line of defense
- The Notary blamed for a late signer's will
- NNA and Notary officials discuss deed fraud, new laws and other issues at July meeting

Categories

- Alternate Income Opportunities (16)
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Coming Soon

Look for series of articles on the claims covered in today's session in the Notary Bulletin located in the Knowledge Center at nationalnotary.org


The Last Word
National
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Association

Thank You!

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National Notary Association