

Notary Bond Guide

DUTIES, CLAIM SCENARIOS AND PROTECTION TIPS

Most states require that a notary, or an individual who has applied for appointment as a notary, purchase a surety bond to protect the public from negligent mistakes or dishonest acts by the notary. Typically, the bond guarantees the notary will truly and faithfully perform and discharge all the duties of the office of notary public according to the law. The bond form also guarantees payment to all parties for monetary damages suffered as a result of any failure by the notary to discharge their duties.

Your duties as a notary

As a notary, your role is very important. You will notarize many different documents, which may include mortgage documents, wills, contracts and sworn statements or affidavits. The stamp or seal you place on documents is often a critical step required to complete a sale, assignment or other transaction.

A notary's duties will vary based on the jurisdiction in which he or she is licensed. Generally, your role is to take reasonable steps to verify the identity of the individual that is signing the document presented to you. You will have to read the section of the document where you place your stamp or seal to better understand what is being asked of you. For example, whether you are acting as a witness, administering an oath, or acknowledging a signature will determine whether the individual is required to sign the document in your presence or just confirm that an existing signature is in fact their own.



Tips to protect yourself

- Do not take someone's "word" that the individual signed a document because you trust or know them. Only notarize documents when all parties are in your presence and you can verify it with proper, current identification.

- Do not explain or give legal advice on a document someone is executing. Your role as a notary is to simply account for and identify the individual(s) that are appearing before you to execute the document.

- Even if your state law does not require it, consider purchasing a notary journal to properly log each document you notarize. Additionally, you may want to consider investing in an ink pad to record the thumbprints of individuals for whom you notarize documents to further protect yourself.

- If you are notarizing a document in a location that makes it difficult to photocopy someone's identification, consider using a camera or cell phone camera to take a picture of the ID that is presented to you.

- Be sure to secure your notary stamp or seal when not in use. You could be liable in the event it falls into the wrong hands and is then misused.

- Do not draft the documents that you are notarizing.

- Do not notarize a transaction in which you have a financial interest.

CLAIM SCENARIOS

- A notary often kept her notary seal and journal in her car for convenience. However, one day the notary returned to her vehicle to find someone had broken in and stolen, among other things, her notary seal and journal. The person that stole her stamp from her car used it to transfer real estate into his name. He then refinanced the properties to cash out on any equity. The crook forged the signatures of his victims, including the notary's name and applied her seal. She was exposed to liability because the injured parties alleged that she did not safeguard her seal in a secure place, as required by law.
- A notary was hired by a mortgage broker to notarize documents for an individual refinancing a mortgage. The notary arrived at the residence of the homeowner and notarized the necessary documents. A year passed, and the notary was served with a lawsuit from the homeowner alleging the notary was part of a predatory lending scheme. Despite the notary's limited role, the lawsuit outlined the fraud perpetrated by the broker that hired the notary. Although the notary did not participate in the scheme, the notary had to hire an attorney to defend himself.
- A local notary was urgently called to a hospital to notarize a power of attorney (POA) for an elderly woman. The notary spoke with the woman executing the POA and the relative that was receiving the powers that were being granted by the woman. As reported by the notary, both individuals "seemed nice" and nothing appeared out of the ordinary, so she notarized the POA. The notary was later sued by family members of the woman that executed the POA as it was alleged that the man that received the powers ended up abusing his powers and stealing from the elderly woman. The plaintiffs claimed the individual signing the POA was not competent and the notary was negligent for notarizing the document.
- An individual notarized documents for his employer even though the documents were not actually signed in front of the notary. He was concerned that if he did not notarize the documents, he could lose his job. He was later sued, along with the employer, over fraudulent transactions involving those documents. It became apparent during the litigation that the notary's fears were justified as his employer admitted forging signatures of his victims and requesting the employee, the notary, to notarize them.

Errors and omissions (E&O) coverage

While a notary bond protects the public from the notary, (E&O) insurance coverage protects the notary from liability. E&O insurance can be purchased in conjunction with a notary bond to provide protection in the event the notary commits a negligent act or makes an error or omission while performing acts as a notary. If this error or omission causes a loss to the public and the notary is legally obligated to pay for that loss, E&O coverage protects the notary.

Who will handle my claim?

Your claim will be handled by a Travelers Bond & Specialty Insurance professional. The Bond & Specialty Insurance department includes diverse claim and legal professionals providing dedicated, personal service. We work directly with you, your attorney, agents and brokers; and we're committed to delivering world-class service to all our customers.

Superior customer service

Travelers understands that life is full of uncertainty. Rest assured that our claim professionals are ready to help. When you call, you can always expect to be assisted promptly and treated with the utmost respect, integrity, professionalism and skill.

How do I report a claim?

Immediately notify your agent or broker when you discover any situation that may result in a claim on your bond.

To notify Travelers directly, please contact:

Telephone: 800.842.8496

Fax: 888.201.5608

Email: BSIclaims@travelers.com

Travelers Bond & Specialty Insurance Claim

One Tower Square

Hartford, CT 06183

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