

Tamara Smith Holtslag and Lincoln Rose Prevail in Challenge to the Scope of Damages Available in Bad Faith Litigation in Massachusetts

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Peabody & Arnold partners Tamara Smith Holtslag and Lincoln A. Rose recently obtained a significant decision from the United States District Court for the District of Massachusetts regarding the interpretation of the “safe harbor” provision of Chapter 93A. The safe harbor provisions limit damages for Chapter 93A claims when a plaintiff rejects a reasonable offer of settlement in relation to the “injury actually suffered” by the plaintiff. In a post-trial action for bad faith settlement practices pursuant to Chapter 93A and Chapter 176D, the plaintiff argued that she was entitled to an array of damages including pre- and post-judgment interest and damages for emotional distress and stress related to pursuing her underlying tort claims. The court ruled in favor of the firm’s insurance company client, finding that the insurer’s offer was reasonable as a matter of law. Accordingly, the insurer was entitled to the benefit of the safe harbor provision to limit any damages recoverable in the bad faith action to the amount of its rejected offer. In allowing the insurer’s motion to limit damages, the court found that the “injury actually suffered” meant the loss of use of the settlement funds. The decision can be found at [Victoria Gretzky v. AmGUARD Ins. Co.](#), No. CV 25-10267-NMG, 2025 WL 3140762 (D. Mass. Nov. 10, 2025).