

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

March 23, 2026

The Honorable Ben Black
Chief Executive Officer
U.S. Development & Finance Corporation
1100 New York Avenue NW
Washington, D.C. 20527

Dear CEO Black:

I write regarding the Administration's recent announcement that the U.S. International Development Finance Corporation (DFC) plans to provide \$20 billion in political risk reinsurance for maritime trade in the Gulf and specifically the Strait of Hormuz. Restoring maritime trade issues stemming from the war in Iran is critical to lowering U.S. energy costs, but important questions remain about how this proposal may put U.S. taxpayer dollars at risk and whether it will be the United States, or adversaries like China, that ultimately stand to benefit from this arrangement.

As you know, the largest maritime insurers are demanding skyrocketing premiums to insure shipping through the Strait of Hormuz, given the high likelihood of Iranian attacks that will lead to necessary payments for recovered, lost or damaged assets. The premiums are high for understandable reasons as we continue to see Iran and its proxies strike commercial ships in the Strait of Hormuz.¹ The DFC is proposing to, instead, have the U.S. Government establish a reinsurance facility to insure losses up to \$20 billion and work with Swiss-American insurance provider Chubb to take on that risk and potentially pay claims to any DFC-backed insured vessel or cargo struck by Iran. And given that the DFC has significantly less than \$20 billion available in its Corporate Capital Account to pay claims, it is unclear whether we have appropriately accounted for the risk that those payments will be called upon. Before the DFC uses U.S. taxpayer dollars as a backstop for this extremely volatile market, the U.S. Senate and our public must better understand the scope of the risk and the potential exposure for taxpayers.

Congress created the DFC on a bipartisan basis to play an integral role in filling market gaps to advance development and national security priorities. The agency is statutorily required to consider transactions carefully and responsibly. Under normal circumstances, transactions take months, if not years, to craft and consider. Using the DFC to prop up a risky market during a war-time crisis calls into question how the DFC will adhere to its required due diligence procedures on such an accelerated timeline. Although planned support by CENTCOM is intended to reduce the level of risk, it remains unclear whether CENTCOM can successfully mitigate the danger to vessels and thereby incentivize commercial travel. Are we certain companies will consider this support significant enough to restart travel? Further, involving the U.S. military may further endanger the escorted commercial vessel. This plan also adds a

¹ [16 and Counting: Oil and Cargo Ships Are Growing Targets in War With Iran | New York Times](#)

significant and undefined cost to the venture, one that has no bearing on the review and due diligence concerns. It would therefore be helpful to understand what due diligence the DFC is planning to conduct over the program and what will it be relying on the insurer, Chubb, to conduct on its behalf. And how does the DFC plan on ensuring that Chubb is intricately familiar with DFC's statutory requirements for providing support?

The scope and intended recipients of the Administration's proposed DFC-backed reinsurance program are likewise unclear. Does the DFC intend to insure energy exports destined for China, for instance, which is the largest destination for oil exports transiting through the Strait of Hormuz? Indeed, if the DFC's proposal aims to support all energy exports to truly lower U.S. and global prices, Beijing stands to be the greatest direct beneficiary from this proposal.² This may be the Administration's intent given President Trump's comments that keeping the strait open would mean "we're really helping China here" and it is his "honor" to do so.³ But if that is the case, the American people deserve to know. Therefore, I ask for more detail on the specific criteria you and Chubb will use to determine which vessels and cargo will be eligible for this DFC reinsurance program. How will premiums be determined relative to the significant risk and how is the DFC planning to ensure that insured traffic is not benefitting Russia, Iran, or China?

The dramatic increase in energy prices caused by this Administration's war against Iran should have been anticipated and addressed ahead of time. There is utility to the DFC providing this sort of assistance in times of crisis, but it needs to be well thought out and intricately planned. I am concerned that this DFC maritime reinsurance proposal was quickly conceived. And while I appreciate your team having briefed my staff, I still have significant questions before the DFC acts. I expect ongoing consultation with the Senate Foreign Relations Committee on this reinsurance plan as it is critical that the DFC continues to be a responsible steward of U.S. taxpayer dollars, something I know we agree upon. I look forward to hearing from you.

Sincerely,



Jeanne Shaheen
United States Senator

² [Amid regional conflict, the Strait of Hormuz remains critical oil chokepoint - U.S. Energy Information Administration \(EIA\)](#)

³ [Trump: It's an 'honor' to secure Strait of Hormuz for China | Fox News](#)