LIFE INSURANCE? AN ISLAMIC VIEW
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Generally, different people have different understandings and views on the principles and application of life insurance in a Muslim society. Many Muslims, and even some Islamic scholars, oppose the validity of life insurance, based on Islamic principles, while some are of the opinion that life insurance is not prohibited in Islam. In fact, they feel that Islam encourages people to apply it more widely in their daily life.

THE OPPOSING VIEW

Many Muslims, including some Islamic scholars, opine that life insurance is totally prohibited in Islam. Those who oppose the application of life insurance rely for their opinion on the following grounds:

(1) Mufti Mohammad Bakheet, Mohd. Abu Zuhra, Mohd. Musa, Ahmad Ibrahim, Shaikh Shaukat Ali, Khan Mohd. Yusuf Musa, Ahmad Taha Sanusi, Abd. Rahman Isa and Ali Khafeef are of the view that general insurance is permissible but, specifically, that life insurance is not. These Islamic scholars rely for their opinion on the fact that life insurance involves the unlawful elements of maisir (gambling), and gharar (uncertainty), and also that it simultaneously clashes with one's taqdir (fate or pre-destination).1

(2) Many Muslim scholars opine that the whole idea of insurance business is based on riba (interest)2 which is strictly prohibited by the verse of the Holy Quran (2:275) and many Sunnah of the Holy Prophet (s.a.w.). This is because in life insurance the beneficiaries of the assured will gain more than the assured has paid to the insurer in the event of his death, and therefore such additional gain is considered as a riba (interest).3

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2 Dr. Mohammad Musleh-uddin, Insurance and Islamic Law, 3rd Edn, Islamic Publications Ltd., Lahore, 1979, at 143.

3 Prof. S.K. Rashid, op. cit., p.9.
(3) The nature of life insurance is similar to that of *maisir* (gambling), a game of chance which is also prohibited in verse 5:90 of the Holy Quran. Once the assured enters into a contract of life insurance and pays the agreed premiums, his beneficiaries are simultaneously hoping for the chance to gain a big amount of money after the demise of the assured. Hence, hoping for such a chance is prohibited based on the injunction of *maisir*.

(4) The concept of life insurance supersedes the power of Allah s.w.t. in determining one’s destiny of death and future earnings. Once the assured enters into a life insurance policy, the assured will pay the premiums with the intention that his beneficiaries will earn a large amount of money upon his death. In such a case, the assured is pre-determining his death as well as the earnings of his beneficiaries, and such a concept seems to be trying to supersede the power and determination of Almighty Allah. This is because Allah (s.w.t.) is the only One who knows and has determined one’s destiny of life and death and also what one will earn tomorrow. Hence, no one can pre-determine anyone’s life, death or future earnings as Allah (s.w.t.) says in the Holy Quran:

Nor does anyone know what it is that he will earn on the morrow, Nor does anyone know in what land he is to die. Verily with Allah (s.w.t.) is full knowledge and he is acquainted (with all things).

(5) Life insurance is against the injunction of *mirath* (inheritance) and *wasiah* (bequest). This is because in life insurance, the policy holder or the assured deposits premiums which will be obtained by the beneficiaries upon his death. In such a situation, the assured is the one who determines the respective beneficiaries who may gain money upon his death. Such a policy is contrary to the rules relating to inheritance and bequest, as according to these Islamic rules property has to be distributed accordingly among the legal heirs and to whom the bequest has been made. Hence, the policy holder or the assured cannot determine the beneficiaries himself.

(6) Life insurance involves the element of *gharar* (uncertainty), and any transaction which involves uncertainty and ignorance is considered hazardous (*gharar*) and invalid as it leads to disputes among parties.

These are the arguments and grounds of Muslims and Islamic scholars who oppose the application of life insurance in Muslim society and there are in fact many more. These Islamic scholars (*Ulama‘*) argue that the policy of life insurance is diametrically opposed to the ethical standards and values set by the Islamic legal system, and that it is hazardous, unfair, and uncertain, and thus could not be allowed in Islam at all.

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4 Dr. Mohammad Musleh-uddin, op. cit., at 143.
5 Prof. S.K. Rashid, op. cit., p.10.
6 Ibid., see also Dr. Mohammad Musleh-uddin, op. cit., p.143.
7 Al-Quran, Ch. 31:34.
8 Prof. S.K. Rashid, op. cit., p.10.
10 Prof. S.K. Rashid, op. cit., p.10.
11 Mohammad Musleh-uddin, op. cit., p.144.