

## FATWA

### Life Insurance.

**Q.** Is Life Insurance permissible in Islam?

**A.** Life insurance like other forms of insurance is not permissible in Islam.

Insurance is a mixture of Riba (interest), gambling and risk. It is also opposed to the Islamic law of Inheritance. Whatever the insurance companies give to the policy holders under the name of bonus, returns or dividends is nothing but riba which the Quran has forbidden. The stipulation that the insurance companies will pay the amount agreed upon between the parties, if a person dies or the property perishes, before all the installments are paid, is within the definition of gambling. By offering compensation, insurance companies win the premiums and deal in interest bearing transactions and have assumed the role of bankers. But unlike the banks they forfeit the premiums which are already paid if the policy holder is unable to pay further premiums.

It should not be forgotten that riba and gambling are strictly prohibited in Islam, (as is clearly evident from the Quran and the Sunnah).

*And Allah knows best.*

*Mufti Waseem Khan*