

Islam Question & Answer

General Supervisor:
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10805 - Life insurance

the question

Is it permissible to take out life insurance so as to ensure that my family are provided for after I die? Please supply the evidence (daleel) for your response.

Detailed answer

Praise be to Allah.

Shaykh Ibn Baaz (may Allaah have mercy on him) was asked about life insurance, and he said:

Insurance of one's life or possessions is haraam and is not permitted, because it involves gharar (buying/selling something where it is not known whether what is being bought/sold will actually be achieved/delivered, or in what specific quantity, thus putting one's money at undue risk to being lost) and riba (usury, interest). Allaah has forbidden all transactions that are based on riba, and all transactions which involve deceit, as a mercy to this ummah, and to protect them from that which may harm them. Allaah says (interpretation of the meaning):

“whereas Allaah has permitted trading and forbidden Ribaa”[al-Baqarah 2:275]

And it was narrated in a saheeh report that the Prophet (peace and blessings of Allaah be upon him) forbade deceit. And Allaah is the source of strength.