10805 - Is Life Insurance Halal in Islam?

the question

Is it permissible to take out life insurance so as to ensure that my family will be provided for after I die? Please provide the evidence for your response.

Summary of answer

Life insurance or insurance of one’s possessions is haram in Islam because it involves deceit. For more, see the detailed answer.

Detailed answer

Praise be to Allah.

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

Insurance of one’s life or possessions is haram 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).

Allah 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. Allah says (interpretation of the meaning):

“…whereas Allah has permitted trading and forbidden riba” [al-Baqarah 2:275]

And it was narrated in a sahih report that the Prophet (peace and blessings of Allah be upon him) forbade deceit.

For more about life insurance issues, please see these answers: 285340 , 69 , 285242 , 294684 ,

and 184222

And Allah knows best.