11361 - Is it permissible to take out insurance to cover funeral expenses?

the question

We are small muslim community in London and in our last meeting our member pointed out that the funeral expenses are going up sharply and there is good chance that deceased family or the single person can not afford the expenses then in this case we should get insurance for funeral arrangements. Please advis urgently in this matter.

Detailed answer

Praise be to Allah.

Insurance – which means paying a specific sum of money in return for something unknown is not permitted because it is like buying something sight unseen and is a form of deceit. But if the Muslims were to help one another, and those of means were to donate to others who do not have the means of paying for such things, this would be counted as co-operating in righteousness and piety which is enjoined in Islam. Allaah says (interpretation of the meaning):

“Help you one another in Al Birr and At Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression”[al-Maa’idah 5:2]

It should be noted that if a person is compelled to take out insurance and does so unwillingly, not by choice, then in this case there is no sin on him. .