180521 - Can Muslims Benefit from Company-Provided Health or Life Insurance?

the question

My question has to do with health insurance, because the company pays for this insurance in full, 100%, for all the employees who work for it, including me, as I am an employee in this company. Is it permissible for me to benefit from this insurance, as it does not seem to involve any riba, and I am not contributing even a penny to it? Please note that life insurance is something compulsory, which must be accepted by all employees. What is the ruling on this insurance?

Summary of answer

If the company provides its employees with health insurance, or the employees get health insurance for themselves in the case of need, it is permissible for them to benefit from that insurance. As for commercial life insurance, no one has the right to subscribe to it, and if the company provides them with life insurance, the employee must object to that and refuse it, and he should make sure that nothing is deducted from his salary for that insurance.

Detailed answer

Praise be to Allah.

Is Commercial insurance allowed in Islam?

Commercial insurance is prohibited in all forms, whether it is health insurance, insurance of property and possessions, or life insurance, but life insurance includes both interest and gambling, because it is charging money with a promise to pay out money on the basis of ambiguity, as it is not known whether the individual will receive the same amount of money as he paid, or more or less than that.

As for health insurance, it involves gambling but not interest. Hence it is permissible in the case of need.

Can Muslims benefit from company-provided health or life insurance?

If the company provides its employees with health insurance, or the employees get health insurance for themselves in the case of need, it is permissible for them to benefit from that insurance.

As for commercial life insurance, no one has the right to subscribe to it, and if the company provides them with life insurance, the employee must object to that and refuse it, and he should make sure that nothing is deducted from his salary for that insurance.

If it so happens that he dies and the insurance company gives money to his heirs, it is permissible for them to accept it, because it is money whose owners is no longer interested in keeping, and they gave it willingly, so there is no reason not to accept it, although it is money that is prohibited for the one who acquired it (namely the insurance company) but not for the one to whom it was transferred in a permissible manner.

For more details, please see the following answers: 40336, 69, 285340.

And Allah knows best.