125801 - His company took insurance with an insurance company against loss of luggage; can he benefit from this contract?

the question

My company has a tie up with insurance company which provides insurance on lost baggage when an employee travels for business. As an employee we don't pay anything to insurance company for this service. However, we are suppose to raise a claim to get the benefit, without it the company will not reimburse. Money comes from insurance company but via my employer to me. I have to raise a claim with insurance company. Recently I lost my bag at an airport which resulted in $5000 loss when I was on company travel. As I wasn't aware of the actual sharia ruling in this case, I claimed for the lost baggage with intention that if its not halaal for me I will give the money in charity. I also thought that even if its not halaal for me money can atleast benefit someone poor. Company compensated me with $2000. Can you please tell me what I am supposed to do with this money?.

Detailed answer

Praise be to Allah.

Firstly:

Commercial insurance of all types is haraam, because the insurance contracts involve riba, gambling and ambiguity. This has been explained in several previous answers. Please see the answer to question no. 39474 and 8889.

What you should do is ask the airline company or the travel company about the luggage. This applies if the airline company or the travel company is responsible for lost luggage.

But if the luggage was lost because of carelessness on your part, then you have no right to go back to them and ask for the value of the luggage.

Secondly:

If an insurance contract is done, the policy holder has no right to take from the insurance company any more than the equivalent of the premiums he paid. This has been explained in the answer to question no. 103233 and 103919.

Based on this, if the compensation that was paid to you is equal to the premiums you paid, or less, then this money is permissible for you; if it is more than that, then you should give the excess amount to charitable causes.

And Allaah knows best.