22933 - Ruling on shares in a car insurance company

the question

What is the ruling on shares in a car insurance company? Are the profits that I make halaal or haraam?.

Detailed answer

Praise be to Allah.

All forms of commercial insurance that are dealt with nowadays are haraam because they involve riba (usury) and ambiguity.

See questions no. 8889 and 10805.

Shaykh Ibn Jibreen was asked about the ruling on car insurance; he replied:

In my opinion insurance is a kind of ambiguity, because the company may take money from some of its clients each year and those clients do not make any claims for repairs etc. And they may take a little from some other clients and lose a great deal. There are some people who deal with cars who have little faith and do not fear Allaah, and when their cars are insured they do not care what happens, so they expose themselves to danger and drive recklessly, so they may cause accidents and kill believing souls and destroy wealth that is protected in sharee'ah, and they do not care about that because they know that the insurance company will bear the resulting costs. I say that this insurance is not permissible because of these reasons and others, whether that is car insurance, life insurance, property insurance etc.

Fataawa Islamiyyah, 3/5

If this is the ruling on insurance, then buying shares in these companies is haraam.

Hence the scholars of the Standing Committee said:

It is not permissible to buy shares in commercial insurance companies, because insurance policies include ambiguity and riba, which are forbidden in Islamic sharee'ah.

Fataawa Islamiyyah. 2/43

Based on this, the profits earned through shares in insurance companies are also haraam. The Muslim who has indulged in any of these things and taken any of these profits should get rid of them and spend them in charitable ways.

The Muslim has to seek to earn a halaal income, because every body that is nourished on haraam things, the Fire is more suited for it.

We ask Allaah to set the Muslims' affairs straight.

And Allaah knows best.