

## Islamic Insurance (Takaful)\*

Human life is full of dangers, particularly after the industrial revolution. Fast opportunities of economic advancement have come up and mankind enjoys comforts of life, at the same time human life is faced with new perils. Everyone wants to safeguard one's self from unforeseen dangers to the possible extent.

If at any stage he suffers from an accident it should not be financially unbearable for him. Islamic Shariah does not overlook this natural desire of human being. Islam allows all possible permissible steps to safeguard from unseen perils. In the Quran and Hadith clear directions are available for collective and mutual cooperation, contribution and help. The Shariah provides with such provision that the loss of an individual may be shared by a group so that the loss becomes bearable to the affected one.

Islamic Insurance is in fact based on these concepts. Every share holder under this scheme gets a guarantee of a better future. Steps are taken to safeguard from possible dangers. This Seminar, therefore feels that Insurance should be based on the principles of Shariah reforming it from unfair means, so that those who have to turn to the insurance companies based on interest and speculation could benefit on these lines from Islamic societies.

1- The best concept of Insurance that conform the requirements of Islamic Shariah is that it should be based on mutual cooperation and share holders must not earn profit by means of financial investment.

2- There are three basic points for Islamic Insurance Gift with Compensation compulsory contribution (premium) and gift promise and trust. They one of them could be adopted under various circumstances.

3- To examine and analyze the prevailing forms of insurance the Academy will soon constitute a committee. It will compare of at least five theologians and three experts on insurance, finances, and law. After due deliberations the committee will recommend a feasible form in perspective of Indian laws.

4- Whatever form for insurance is adopted, apart from a monitoring committee, there must be a board of Ulama Shariah Monitoring Board, having full authority to look in to all the affairs. The decision of this Board will be binding for the Committee.

5- This seminar appeals to the Muslims to constitute, establish Auqaf (endorsements to help the victims) they should form cooperative societies. There should be cooperative societies or institutions, committees and persons related to various trades, so that the victims of accidents relief and the donors offer the help to get reward in this here after.

6- Islamic Fiqh Academy demand that government of India Should help in promoting

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insurance free from interest and speculation and to remove legal impediments in it.