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### ANALYSIS OF ISLAMIC FIQH AND MAQASID SHARIAH ON THE MECHANISM OF LIFE INSURANCE

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**Abstract:** Islamic life insurance is a rapidly growing economic product in the Islamic economic environment. Although there are regulations and fatwas that regulate the mechanism and law of Islamic life insurance, scholars still have differing opinions about its permissibility. This paper aims to analyze Islamic fiqh about the law and mechanism of Islamic life insurance. The research method used is qualitative research with an empirical juridical approach. The analysis results show two main views among scholars regarding the permissibility of Islamic life insurance. Opinions allowing sharia life insurance refer to the principles of sharia and see it as a means of protection that can benefit the community. On the other hand, some opinions reject Islamic life insurance because it is considered to violate the fundamental principles of Islam, such as belief in God's destiny and avoidance of the elements of usury, gharar, and maisir. In the Indonesian context, the National Sharia Council (DSN) of MUI has issued fatwas and regulations related to the mechanism and law of Islamic life insurance. This fatwa is a solution to the two views of fiqh scholars and follows the principles of maqasid sharia.

**Keywords:** *Islamic Fiqh; Maqasid Shariah; Life Insurance*

#### A. Introduction

Today, Muslims are faced with various developments in Islamic economic products in Islamic financial institutions, capital markets, sukuk, or Islamic insurance. Since these issues are not specifically covered in the books of the salaf (prior) scholars, a fatwa study is necessary (Oni Sahroni, 2021). In order to realize the vision and mission of Islamic law—namely, achieving maslahat and avoiding madharat—the general rules and principles governing the response to ijihad cases have been regulated. These include the application of ushul fiqh rules, fiqh rules, and maqasid, or Islamic law.

It is a decree from Allah to every human being that in their lives, humans will always face the possibility of calamities and disasters, such as losing the function of an object or even experiencing an accident, illness, or old age. Another possibility may be reducing economic value for oneself, one's family, or a company. However, as Muslims, we are

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commanded to believe that all the forms mentioned above are the qadha and qadhar of Allah. However, this does not oblige human efforts to anticipate or minimize the risks caused by these disasters or calamities. (Eddy, 2022)

Islamic insurance is one of the products formed to anticipate possible risks in economic life that will be faced in the future. There are various kinds of insurance, including accident, health, life, etc. Various regulations, including the DSN MUI fatwa No. 21 of 2001 (DSN, 2014), POJK NUMBER 69/POJK.05/2016 (No.11/POJK.03/2016, 2016), and regulations of the Ministry of Finance (Kemekeu, 2011), have provided explanations of the law of Sharia insurance and its implementation mechanism

The regulations provide a detailed explanation of the opinions held by the scholars and the procedures followed by Sharia law.

Of the sharia insurance products covered above, endowment life insurance needs more research from various perspectives because scholars disagree on the laws governing its use. Some do not think it should be allowed because of its customary use. Even though DSN MUI has issued a fatwa on the topic, there should be more opportunities to research and assess endowment life insurance from various angles.

The author's scientific article differs from some of the earlier studies. The author will concentrate on the study of life insurance, which will be examined through a legal review grounded in Islamic fiqh. To do this, the author will outline the opinions and justifications of each ulama and analyze whether life insurance can be classified as a primary need under the maqasid theory (dharuriyyat khams), which places masks in the category of preserving five things.

## **B. Literature Review**

Several literature reviews discuss sharia insurance in terms of mechanism, premium income, policy distribution, level of public interest, and reviews from various other sides. In this context, the author will describe research related to law and sharia. The previous research that the author found is as follows:

Descriptive-qualitative). Research written by Hadi Daeng Mapuna in 2019 (Mapuna, 2019) titled "Sharia Life Insurance: The Concept and Operational System" shows that Hadi's method is descriptive. The results of this study explain that the operational system of Islamic insurance uses two contracts, namely tabarru' and mudharabah contracts. These two contracts can eliminate gharar, maisir, and usury elements. In a 2023 article titled "Islamic Law Review of the Application of the Wakalah Bil Ujah Agreement on Prudential Islamic Life Insurance Products," Hardianto et al. detailed the study's findings, which indicate that each party has applied sharia principles to the extent that Prudential Indonesia has determined how to apply the Wakalah Bil Ujah agreement on Islamic life insurance products. These principles are evident in underwriting, marketing, investment, fund management, claim payments, administrative tasks, and risk portfolio management. (Hardianto, Ahmad Sudirman Abbas, 2023)

Basuki Achmad authored an article in 2021 titled "Classical Islamic Studies on Underwriting Risk Factors in Islamic Life Insurance in Developing the Marketing Mix." This study examines an alternative perspective derived from traditional insurance theory and data from the Islamic life insurance sector: the theory of underwriting, which evaluates variables such as residence, age, and other characteristics when choosing

potential insurance participants. (Achmad, 2021) Research in 2022 by Susi Kusmawaningsih titled "Development of Islamic Life Insurance in Indonesia." This research concludes that, due to the needs of the Indonesian Muslim community, Islamic insurance is experiencing rapid development. The Indonesian people believe that the current implementation of traditional insurance differs from the principles of sharia law because it contains elements of *maisir*, *gharar*, and *usury*. The sources of Islamic insurance law are the Qur'an, Sunnah, *Ijma'*, *Qiyas*, *Istihsan*, and '*Urf*. (Kusmawaningsih, 2022)

The research entitled "Application of the Principles of Sharia Insurance Operational System at PT Bumiputera Syariah Life Insurance Banjarmasin Branch. This research was conducted in 2022. In the research, it can be concluded that the principles used are the principles of the Qur'an and Hadith, namely mutual responsibility, preparing for the future, and helping each other. The operational system uses three contracts: *tabarru'*, *wakalah bil ujah*, and *mudharabah*. (Mina, 2023) Moreover, the last research by Muhammad Risky Unju (2023) entitled "Legal Protection of Customers in Sharia Insurance". The study results concluded that the PT Prudential Palu branch provides sharia life insurance products using a foundation based on Islamic law and MUI Fatwa on general guidelines for Sharia insurance. In this instance, PT Prudential uses a contract or agreement known as *Wakalah bil ujah*, in which the participants' funds are transferred to the insurance company with the understanding that the company will handle the funds with trust. The managed funds also use the *tabarru'* system and *tabarru'* contributions from policyholders and other participants by employing the Insurance Mediation and Arbitration Board and carefully considering the issue. The Indonesian Sharia Arbitration Agency (BASYARNAS) and the Indonesian Insurance Mediation and Arbitration Agency (BMAI) are used to resolve disputes carefully. (Sugistiyoko, 2020).

Some of the previous studies that the author has mentioned above are different from the author's scientific article. The author will focus on life insurance, which will be examined through a legal review grounded in Islamic fiqh. To do this, she will outline the opinions and justifications of each *ulama* and use the approach and *maqasid sharia* to analyze whether life insurance can be classified as a primary need, placing the mask under the category of preserving five things according to *maqasid theory (dharuriyyat khams)*.

### **C. Research Method and Methodology**

The authors used a qualitative research type and an empirical juridical approach in this study. The term "empirical juridical approach" refers to research that highlights the facts derived from findings based on scientific methodologies and informed by established legal theories. This study uses a descriptive-analytical approach. This research will describe and explain how life insurance is practised in insurance institutions and society after explaining how Islamic fiqh views the issue of life insurance and the method of concluding (*wajhu dalalah*) from the fiqh. In exploring data sources, researchers use literature reviews, namely collecting reliable sources, including articles, workshop papers, the internet, and books related to the topic of discussion.

## D. Results and Discussion

When talking about insurance in general, it must be connected to the history of the emergence of insurance itself. This word comes from the Dutch language, namely *assurance*. This language is often used with the word *verzekering*, which is interpreted in Indonesian as coverage. Then, from this word comes the term *assurateur* for the insurer, *geassuranceerde* (insured); in other terms, it can be called the guarantor or the assured. Meanwhile, from the term *verzekering*, the words *verzekeraar* (insurer) and *verzekerde* (the insured) were born. (Ridwan 2015) The first insurance company in Indonesia was founded on January 18, 1843, in Kali Besar Timur, Jakarta, by a Dutch citizen named *Bataviaasche Zee en Brand-Assurantie Maatschappij*. This establishment is common when considering the history of insurance development in Indonesia, as explained above. (Aprianti et al., 2023)

This company opened the doors for the companies that followed. After that, other insurance companies were born that were based on insurance companies in the Netherlands, such as *NV Handel, Industrie en Landbouw Maatschappij Tiedeman & van Kerchem*, *Escompto Bank*, and *Nederlansch Indische Levensverzekering en Lijfrente Maatschappij (NILLMIJ)*. However, all insurance companies in Indonesia at that time only targeted Dutch people as their insurance consumers. After 1945, several Dutch insurance companies were organized nationally. Some of them are *NV Assurantie Maatschappij de Nederlandern*, *Bloom Vander EE*, which turned into *PT Asuransi Bendasraya*, and *De Nederlanden Van (1845) insurance company*, which turned into *PT Asuransi Jiwasraya*. Only in the 1980s did modern insurance companies such as *Allianz*, national insurance companies, and joint ventures come to Indonesia. (Aprianti et al., 2023)

The Law of the Republic of Indonesia, which regulates the insurance business, states that insurance is an agreement between two parties or even more in which the insurer binds himself to the insured party by receiving an insurance premium to provide compensation to the insured due to damage, loss, or loss of expected profits. So, the scope of insurance is a financial service business that collects public funds and insurance premiums, protecting community members who use insurance services against the possibility of losses due to an event. (OJK 2018)

In Islam, no explicit word means directly insurance, but the definition of insurance is clearly illustrated in *takaful* or *tadhamun*. Islam is a comprehensive religion regulating all sides of human life, including *muamalah* and economic matters. Among the economic products that are important to study and pay attention to today are Islamic insurance products. In principle, the *DSN MUI* has regulated the general guidelines related to the mechanism for implementing *Sharia* insurance, as explained in *Fatwa* number 21 of 2001 (*DSN*, 2014).

Islam is a comprehensive religion regulating all sides of human life, including *muamalah* and economic matters. Among the economic products that are important to study and pay attention to today are *Sharia* insurance products. In principle, *DSN MUI* has regulated its *fatwa* general guidelines related to the implementation mechanism of *Sharia* insurance, which is explained in *fatwa* number 21 of 2001. In Arabic literature, insurance means *at-ta'min*; the insurer is called *mu'ammin*, while the insured is *mu'ammaan lahu* or *musta'min*. *at-ta'min* (التأمين) itself comes from the word *أمن* which means to provide

protection, security, freedom from fear (Jamaluddin Ibnu Mandzur, 1996). as Allah Ta'ala says,

الَّذِي أَطْعَمَهُمْ مِنْ جُوعٍ وَآمَنَهُمْ مِنْ خَوْفٍ

Meaning: "Who has given them food to relieve their hunger and provided security from fear" (QS. Quraysh [106]: 4).

In addition, insurance is also interpreted as *takaful* and *tadhamun*. Technically, sharia insurance is defined as a comprehensive system in which participants donate some or all of their contributions to pay claims for losses due to calamities to life, body, or property experienced by some other participants. The donation is a conditional donation that must be accounted for by the Islamic insurance entity. The role of the Islamic insurance entity is limited to managing insurance operations and investing participants' funds (Dewan Standar Akuntansi Syariah, 2015).

In order to understand the concept of insurance more broadly, the author presents several opinions. Firstly, insurance can also be defined as an agreement in which the insurer binds himself to the insured by paying a premium to compensate for the loss or loss of expected profits due to an unknown event (Purba, 1992). Second: an agreement between the insurer (insurance company) and the insured (insurance participant). By receiving a premium from the insured, the insurer promises to pay a sum of money if the insured suffers loss, damage, or loss of the insured goods or interests due to an uncertain and accidental event (Oktayani, 2018). Moreover, the third definition is that insurance is a way to protect people from various dangers that will occur in their lives, in their economic activities, or during their life activities according to Islamic law (Harahap & Devi, 2021).

Unlike conventional insurance, sharia insurance has a good legal basis based on several arguments, including from the Qur'an Al-Karim which reads,

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَانْتظِرْ نَفْسَ مَا قَدَّمْتُمْ لِغَدٍ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

Meaning: "O you who have believed, fear Allah and let each one consider what he has done for tomorrow, and fear Allah. Indeed, Allah is meticulous in what you do." (QS: Al-Hasyr [59]: 18)

## Types of Insurance

As mentioned in Law Number 2 of 1992 concerning the insurance business and its implementing regulations, the types of insurance can be described as follows:

### 1. Life Insurance

When viewed from the perspective of people and the community environment, life insurance can be described as a means of transferring social risks. Individual finances are caused by the death of a person to a group of people and involve a process in which the group collects funds to meet uncertain financial losses caused by the death. From an individual perspective, life insurance is a contract (insurance policy) in which one party (the policyholder) gives money to another party (the insurer) in exchange for the insurer's agreement to pay a certain amount of money if the insured person dies (Dewan Standar Akuntansi Syariah, 2015). So, life insurance provides economic protection against losses due to accidents, illness, or death (Agustianto, 2021).

## 2. Damage Insurance

This type of insurance aims to compensate the insured so that the insured can prove that he suffered a loss. The insured's interest is that the loss he insured himself does not happen to him. This prevents an insured who only wants to avoid losses and expects to benefit from insurance by using speculation. In short, this insurance has several objectives. First, the purpose of risk transfer is that the insured holds insurance intending to transfer the risk that threatens his property or life by paying a premium to the insurance company since the risk shifts to the insurer. Second, the purpose of paying compensation: if the loss occurs, the insured will be paid compensation in proportion to the amount of insurance (Abdul Kadir Muhammad, 1993).

Based on the theoretical basis described in the previous chapter, insurance is a contemporary issue that needs to be explicitly mentioned in its law in the Nash. So today, scholars perform ijihad when considering the law of insurance. There are several classifications of scholarly opinions responding to this, namely:

### 1. Does not allow

Several Muslim scholars and scholars argue that all forms of insurance and its mechanisms are not allowed. Shaykh Yusuf Al-Qardhawi, Sayyid Sabiq, Abdullah Al-Qalqili, and Muhammad Bakhit support this opinion. This view is based on several reasons, including containing maisir or gambling, which is prohibited in Islam, gharar, usury, elements of exploitation that are oppressive, business objects are dependent on the life and death of a person, which means preceding the destiny or decree of Allah Ta'ala. Shaykh Yusuf Al-Qardhawi states in his book that the principle of insurance today is profit-seeking and far from solidarity and associational attitudes (Dr. Yusuf Al-Qardhawi, 1997).

### 2. Permitting

In contrast to the previous opinions, Musthafa Ahmad Al-Zarqa and Wahhab Khallaf allow the practice of life insurance. He emphatically states that insurance has many economic advantages. It is a new type of transaction that has never been undertaken by the previous Imams or the companions of the Prophet. The rule that the public interest must be pursued by sharia law supports this reasoning. Since insurance is concerned with the public interest, the practice is legal. It is added that the insurance contract is the same as the al-ji'lah contract because the practice between the insurance company and the customer binds each other based on mutual consent (Muhammad As-Sa'ad Al-Jurf, 2007). As the fiqh rule reads:

الأصل في المعاملات الإباحة إلا ما دلّ الدليل على تحريمها

*"The basic principle of business is permissible unless there is evidence to suggest that it is forbidden."*

The meaning of this rule is that every muamalah transaction, such as buying, renting, pawning, cooperating, and others, are basically allowed unless there are arguments that are explicitly prohibited in Islamic law, such as elements of usury, gambling, fraud, and unclear contracts (Abdussalam bin Ibrahim bin Muhammad Al-Hushain, 2002).

However, some conditions must be fulfilled in carrying out this practice, including:

1. The idea is that the contract must be clear because the contract will affect whether the muamalah is permissible or not.
2. Free from the gharar component. In the case of insurance transactions, gharar occurs because neither party knows when disaster or loss will strike. Therefore, gharar can be overcome using a takaful contract or mutual assistance and guarantee. Then, in the Takaful concept, every instalment received from the beginning will be divided into fifty, which will be put into the policyholder's record, and another will be put into the outside record (Ridlwani, 2015). In most cases, members must have tabarru' deposits, which are various noble charitable deposits.
3. Eliminating the aspect of maisir. Maisir is a transaction between two people about owning a good or service that benefits one party but harms the other. For example, getting something without trying, getting money without trying.
4. Eliminating aspects of riba. Insurance companies lend the money they collect from premiums with interest, which is usury in the conventional insurance industry. The premiums are collected when insurance companies do business and invest. They lend the money they have collected from premiums with interest, which is usury invested by the principles of the Takaful concept, especially in murabah and musyarakah.

Based on the opinions above, the group of scholars who allow the practice of life insurance with some conditions have explained the real examples of its implementation. However, between the two opinions that have been described above, there is an opinion of scholars who explicitly state that life insurance is not allowed. One of these scholars is Muhammad Al-Zuhaili, a contemporary Shafi'i scholar and the brother of Wahab Al-Zuhaili. He wrote this view in one of his works, Al-Mu'tamad Fi Fiqh Ash-Shafi'i."

والتأمين التجاري الذي تقوم به شركات التأمين ويشمل التأمين على الأشياء المادية، وعلى الأشخاص كالتأمين على الحياة، والتأمين من الإصابات أو الحوادث على الأعضاء، والتأمين من المسؤولية عن الغير في حوادث السيارات والتأمين من المرض، وهذه الأنواع إذا قامت به شركات تأمين تجارية تقليدية هي حرام شرعا في رأي جماهير العلماء، لأنها عقود تقوم على الغرر الفاحش والربا وغيرهما من المحظورات الشرعية

Conventional or commercial insurance carried out by insurance companies includes insurance against inanimate objects and people, such as life insurance, insurance against an injury or accident to a limb, insurance against third party liability in car accidents and insurance against diseases. Commercial insurance is haraam according to the majority of scholars because the contract contains elements of gharar, usury, and other legal prohibitions (Muhammad Al-Zuhaili, 1998) (Muhammad Al-Zuhaili, 2001)

Muhammad Al-Zuhaili categorizes life insurance as a type of commercial insurance. One of the reasons explained is that when someone takes out life insurance, it means that he does not believe in the decree or destiny of Allah Ta'ala, whereas all affairs, including life and death, are the affairs of Allah alone. A verse states,

وَلِكُلِّ أُمَّةٍ أَجَلٌ فَإِذَا جَاءَ أَجْلُهُمْ لَا يَسْتَأْجِرُونَ سَاعَةً وَلَا يَسْتَقْدِمُونَ

Meaning: "And verily every nation has its end. And when it comes, they cannot delay it or bring it forward for a moment." (QS. Al-A'raf [7]; 34)

The basis of tawhid that a Muslim must hold firmly is full submission to all the will and decrees that Allah has outlined. So, the view that life insurance is not permissible because it depends on an uncertain destiny of something human and not on the will of Allah. Another basis that supports this opinion is (Achmad, 2021)

1. Reliance on God  
The belief that Allah has decreed all things, including life and death. Therefore, some scholars are of the view that having life insurance is a sign of disbelief in Allah's decree.
2. Risk of injustice  
There is a concern that life insurance systems may not achieve justice and equality. People with higher risks or certain medical conditions may be denied insurance due to higher premiums.
3. The principle of courage and determination  
This view emphasizes the importance of having courage and determination in the face of fate, even uncertain ones, as part of the test of life given by Allah.

Based on the two views of the scholars above, the fatwa authorities, both national and international, and muftis who independently answer questions asked, the permissibility of Islamic insurance transactions, including life insurance, was concluded. DSN MUI issued a fatwa on the mechanism of Islamic insurance in fatwa number 21 of 2001 (DSN, 2014). The general provisions in the fatwa are:

1. Sharia Insurance (Ta'min, Takaful or Tadhmun) is an effort to protect and help each other among a number of people/parties through investments in the form of assets and or tabarru' which provides a pattern of return to face certain risks through contracts (agreements) by sharia.
2. Sharia-compliant contracts referred to in point 1 are those that do not contain gharar (fraud), maysir (gambling), usury, zhulm (mistreatment), risywah (bribery), prohibited goods and immoral.
3. Tijarah contracts are all forms of contracts that are carried out for commercial purposes.
4. Tabarru's contracts are all forms of contracts made for the purpose of benevolence and mutual assistance, not solely for commercial purposes.
5. Premium is the obligation of insurance participants to provide a number of funds to the insurance company based on the agreement in the contract.
6. Claim is the right of insurance participants that the insurance company must give under the agreement in the contract.
7. The type of tijarah contract can be changed into a tabarru' contract if the party whose rights are withheld willingly waives his rights to fulfil the obligations of the party who has not fulfilled his obligations.
8. The tabarru' type of contract cannot be changed into a tijarah type of contract.

#### Types of Insurance and its Akad

1. Regarding types of insurance, it consists of liability and life insurance.
2. The contracts for both types of insurance are mudharabah and hibah.



Premium payments are based on the type of *tijarah* contract and *tabarru'* contract.

1. To determine the amount of premiums, Islamic insurance companies can use references, such as mortality tables for life insurance and morbidity tables for health insurance, provided that they do not include elements of usury in the calculation.
2. Premiums derived from the type of *mudharabah* contract can be invested, and the investment results are shared with participants.
3. Premiums from *tabarru'* contracts may be invested.

#### Claims

1. Claims are paid based on the contract agreed upon at the agreement's beginning.
2. Claims may differ in amount according to the premium paid.
3. Claims on *tijarah* contracts are entirely the participants' right, and the company must fulfil them.
4. Claims on *tabarru'* contracts are the right of participants and the company's obligation to the extent agreed.

Based on the fatwa outlined above, this fatwa comes as a solution and arbiter of the two opinions that we have before us. Initially, there was a strong concern among some people who hold sharia principles about the possible use of insurance that contradicts their religious beliefs. However, along with advancements in the field of Islamic finance, there have been significant efforts to harmonize insurance practices with the principles of shariah and the *maqasid* (objectives) of shariah (Oktayani, 2018). Shariah-compliant insurance products are emerging due to changes in Islamic finance. To achieve this goal features such as co-financing, also known as *takaful*, were added, which allows participants to collectively pool funds to form a pool of funds used to pay claims. In the context of *maqasid sharia*, the objectives desired by Islamic principles include protecting life, property, honour, religion, and reason. Insurance designed under sharia principles is intended to achieve these goals.

*Maqasid sharia* is the main support for developing Islamic insurance products to regulate and limit individual interests. Imam Syatibi explained that sharia's purpose was to realize a *maslahat* to the world and all humans and avoid *madharat* based on the Qur'an, sunnah, and *ijtihad* as human references. (Nurdalia Bate et. al, 2023) Each scholar who focuses on studying the field of *maqasid sharia* has a different concept of *maqasid* theory and its division. Imam Haramain Al-Juwaini, Ibn 'Ashur and Imam Al-Ghazali (Hisyam bin Sa'id Azhar, 2010) divided *maqasid* with *dharuriyatul khasm* (Hifz Din, Hifz 'Aql, Hifz Nafs, Hifz Nasl, Hifz Mal) (Nafiah et. al, 2023) and in terms of its level he divided it into *dharuriyat*, *hajiyyat*, and *tahsiniyat*. Meanwhile, some contemporary scholars, including Shaykh Jamaluddin 'Athiyyah, expanded the scope of *dharuriyat* to 24, including *takaful* and *tadhamun*. ('Athiyyah, 2005)

By understanding the *maqasid* of sharia, sharia-compliant insurance is intended first to Protect life and welfare, i.e. sharia-compliant insurance products aim to protect the life and welfare of participants and their families in unexpected cases, such as death or disability. Secondly, to ensure justice and equality, the Sharia-compliant insurance system must ensure that all participants are valued and fairly shared between risks and profits (Priyatno et al., 2020). Third, it promotes mutual welfare because the principle of co-

financing, also known as takaful, encourages everyone to participate actively and have a shared responsibility to protect and support each other in difficult situations. Fourth, as discussed earlier, Islamic insurance products must avoid prohibited things, such as riba (interest) and gharar (excessive uncertainty). All of these things are the implementation of Allah's words,

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ

"Help yourselves in (doing) righteousness and piety, and do not help each other in sin and enmity. Fear Allah; surely Allah is very severe in His punishment." (QS. Al-Maidah: 2)

Likewise, one type of Islamic insurance product, namely life insurance, this financial instrument has maqasid or sharia objectives. However, the views and hujjah (reasons) of each opinion have been previously presented, both permitting and not. If analyzed with the maqasid theory of Ibn 'Ashur and Imam Al-Ghazali, life insurance, when viewed in terms of the intensity of its needs, is included in the tahsiniyat maqasid level, namely maqasid, which functions as a complement to the order of human life. It will not cause difficulty or masyaqqah if left, of course, nor to the level of maqasid dharuriyat, which can directly threaten religion, soul, mind, offspring, and human property. Meanwhile, according to the theory of Shaykh Jamaluddin 'Athiyyah, life insurance can be categorized as a dharuriyat (primary need) in the social and community categories. He mentions explicitly in his book entitled "Nahwa Taf'il Maqasid Sharia" takaful (help in non-material matters) and tadhamun (help in material matters) are categories of primary needs among fellow humans. ('Athiyyah, 2005)

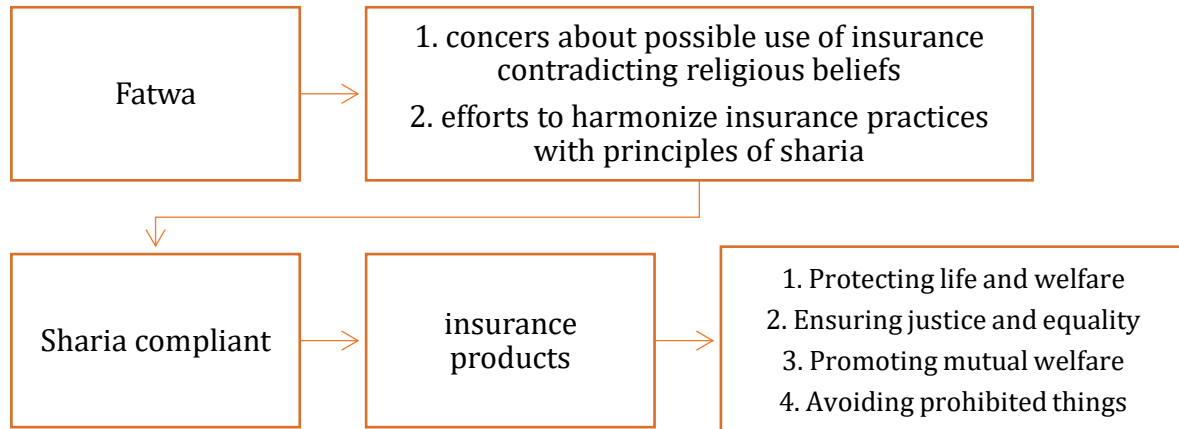


Figure 1: Evolution of Shariah-Compliant Insurance

**E. Conclusion**

Based on the studies and research discussed above, the author can conclude that the paper recognizes the development of Islamic economic products, including Islamic insurance, as a response to the contemporary needs of Muslims. Paying attention to fatwas and sharia principles when interpreting and applying life insurance is important. These principles include ushul fiqh rules, fiqh rules, and maqasid sharia to achieve maslahat and avoid madharat.

Classification of Ulama Opinions: The paper lists two main classifications of scholarly opinions regarding life insurance: those that do not allow it and those that allow it under

certain conditions. It shows the complexity of the scholars' views on this issue. Fatwa Authority and Shariah Principles: The paper highlights the authority of fatwas and sharia principles in determining the permissibility of life insurance practices. Fatwa DSN MUI becomes the main guideline in implementing sharia insurance with clear provisions. Based on the analysis of the ulama's views on life insurance, this type of insurance, when viewed in terms of the intensity of its needs, it is included in the tahsiniyat maqasid level, namely maqasid which functions as a complement to the order of human life.

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