



Fatwa no. 20587:

Q: This question was submitted by Shari`ah Regulations Committee in Al-Thumayri public hospital. As-salamu `alaykum warahmatullah wabarakatuh (May Allah's Peace, Mercy, and Blessings be upon you!) A month ago, this committee was formed and headed by the General Manager and the eldest son of the owner of the Hospital to run all the internal and external dealings of the hospital according to the Islamic Shari`ah. The health insurance topped the list of priorities of the hospital. Following, are the details of the system of this insurance. Firstly, the contract: Under this type of insurance, a monthly deductible fee (an amount specified by the terms of the insurance policy) is paid by the person whether he visits the hospital or not. The deductibles vary with the number of people enrolled in the hospital.

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For example, when the company has (100) employees and the monthly deductible may be (100) Riyals per person, the total amount the company should pay monthly is (10,000) Riyals. There are two factors that determine the deductible the employee should pay. 1- The number of employees; the more employees a company enrolls the more money should be paid by the company, and then more profit goes to the hospital and less risks are expected. 2- There are exceptions agreed upon by the hospital and the company, though not covered by the hospital, it may affect the deductible. Exceptions may be many, thus the amount decreases, and may be small, thus the deductible increases. Examples of these exceptions may include but are not limited to the following: a- Staying in intensive care for more than three days b- Mental health c- Chronic diseases d- Cardiac diseases e- Organ transplant surgery f- Fixing dentures The more exceptions the company agrees on, the smaller the sum of money that is paid to the hospital. For instance, there is a company that has 100 employees

and the contract of insurance has no exceptions, it will pay (400) Riyals per person. Another company has (100) employees and agrees with the hospital to write some exceptions in the contract, it will pay (85) Riyals per person. Moreover, under the conditions of the contract any party who is unsatisfied with the contract may terminate it after sending a warning notice, a month before termination. There is another condition sometimes included in the contract that the maximum annual coverage of the person offered by the hospital is 10,000 Riyals. In other words, when the cost of treatment during one year exceeds this amount, the company should pay the extra amount even if it agreed to pay a deductible. For example, the company agreed to pay 100 Riyals monthly per person; namely (1200) Riyals annually. Taking the risks into account, the maximum amount of (10,000) Riyals is set for the person as a deposit to the hospital which is entitled to ask the company to pay any extra. Secondly, forsaking this system may lead to the following bad consequences:

1- The companies do not pay the costs for their employees treatment on a monthly basis and then may be exposed to unexpected events.

2- They should undertake the expenses and troubles of controlling manipulation and sneaky tricks on the part of the workers.

3- They should undertake the costs of auditing the hospital bills that a company may apprehend evil practices regarding medicine bills, unjustified prices of drugs, unnecessary remedies, and the like to increase profits.

4- Removing the burden of assigning one or more auditors at the expense of the company to review the hospital bills. Thus, the hospital tries to minimize the cost of treatment in a way that does not harm the patient in order to gain more. Therefore, the company intends to enter into the agreement mentioned above. This method is beneficial for the company which would not be able to achieve this, due to its lack of experience in this field had it dealt with the bill (the company knows that this method is used by the hospitals). Although most of the hospitals and clinics use this method, we reject it to adhere to the lawful methods. As a result, many companies avoid dealing with our hospital. Kindly, be informed that this system of health insurance is the same that is studied by the cabinet and the consultative council, and is used by the companies of

the cooperative medical insurance found throughout the Kingdom of Saudi Arabia. Please tell me the ruling on this issue.

A: Having reviewed the stated agreement, we found that it entails gambling and Gharar (undue uncertainty), and is regarded as one of the kinds of commercial health insurance. Accordingly, it is Haram (prohibited) and you are not allowed to use it. May Allah grant us success! May peace and blessings of Allah be upon our Prophet Muhammad, his family and Companions!

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