



### The first question of Fatwa no. 5076

In many countries, commercial insurance is necessary and perhaps an obligation and if neglected, a person is punished. Like other traders, he insured his goods. His store containing these goods caught fire and the goods were completely damaged. The insurer estimated the loss after the accident and paid the value of the goods in compensation for the damage. Now, what is the ruling on this compensation?

**A:** All kinds of commercial insurance are Haram (prohibited), as they contain uncertainty, usury, and ignorance. As for the compensation received under the agreement of the commercial insurance,

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there is nothing wrong if a person takes it out of ignorance of the Shari`ah ruling in this regard but he should not enter into these unlawful agreements again. Allah (may He be Glorified and Exalted) says, ﴿ So whosoever receives an admonition from his Lord and stops eating Ribâ (usury) shall not be punished for the past; his case is for Allâh (to judge); but whoever returns [to Ribâ (usury)], such are the dwellers of the Fire - they will abide therein forever. ﴾ On the other hand, if a person is aware of the ruling and persists in taking the money, it is obligatory to perform sincere Tawbah (repentance to Allah) and give the money in charity. May Allah grant us success! May peace and blessings of Allah be upon our Prophet Muhammad, his family and Companions!

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