

Need & importance of Islamic Insurance

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KARACHI—Humanity is not immortal and is prone to accidents and disasters. It is subjected to the Divine law that the characteristics of a mortal being are also mortal; therefore, humanity is naturally threatened by a variety of dangers. These dangers may exist in the, present or future, and humans are bound to face all kinds of dangers. The nature of these dangers and threats may also vary from time to time. At times, a man in a jungle is faced with much less danger, than a man sitting within a strong castle. Powerful Monarchs protected by seven layers of security may be exposed to unbearable dangers, and feel extremely vulnerable. Thus, it is an established fact that these harms and threats have been an integral part of human existence since the day humanity was created. So, human beings have always been taking measures to reduce their vulnerability and protect themselves from danger.

Initially, Man devised ways and measures to protect himself individually, but as the society evolved, these protective measures became more collective and formed national systems. The core reason behind these measures was that humans realized that they are vulnerable and have limited knowledge and limited capabilities. God alone is the All-knowing and Omni-potent creator of this whole universe with complete powers and authority. The Almighty has created man as a beautiful

but vulnerable being to establish his supremacy throughout this vast universe.

Man has been blessed with great intelligence, which empowers him to ponder over God's countless creations and seek the ultimate truth. If God had given all the knowledge and capabilities to every man, there would have been no element of uncertainty in the universe. Without the pursuit for truth and happiness, this vast expanse would have been very dull and boring for the human race. That is the apparent reason, why God has created man with many imperfections and vulnerabilities. But Man has been granted with curiosity and intelligence, whereby he can understand his problems and devise ways to overcome these challenges, besides pondering deeply to understand the nature and wishes of the ultimate Creator. Another fact of the matter is that Man cannot overcome his problems alone.

The word "Insaan" clearly reflects emotional attachment and compassion as an essential need of the human psyche. People need each other's companionship and cooperation to be vital social beings. So, just as a man needs other humans around him to maintain his social characteristics, similarly, man also needs the cooperation of the people around him, to ensure his personal protection and physical well-being. Therefore, humans must support and cooperate with each other. All the religions in the world teach their followers to act in a civilized and coopera-

tive manner, with slight difference in their rituals and worship. Islam also lays stress on congenial social behavior, and we must create a system based on cooperation, to mitigate threats, according to the teachings of the Shariah. If we ponder over the teachings of the Shariah, we can see that Islam teaches numerous methods and measures to overcome the dangers surrounding the humanity. There are examples available in Islamic History as follows:

I. DhamanKhatr Al-Tareeq, is when any person personally guarantees another that a particular road is safe to travel and that the liability of any financial losses that might incur along the way is on him; effectively, this is a case of risk transference but without any involvement of fees which makes it acceptable.

II. Dhaman Al-d'ark, is when any person assures another with personal guarantees to influence the sale by telling the buyer that the guarantor would be responsible for the loss, if the purchased item proved to be faulty. So, in the event of a financial loss, that person (the buyer) has the option to either demand full repayment from the seller or from the guarantor.

III. 'Aqil, is when in some situations, the payment of Diyat to the victim's family is made obligatory on the members of the community and not on the murderer. Effectively, risk is distributed amongst and shared between them as a result.

IV. AqdMuwala'at, is when any person em-

brace Islam at the hand of another and then pact an agreement with him or with any third that he will be the inheritor of his wealth after his death, and that all liabilities for his wrongs will be upon him.

The Shariah law actually admires such collaborative behavior and suggests various methods in this regard. This valuable concept is called Risk-Management. Through the above examples, we can establish the fact that taking measures to mitigate risks and threats is an act which is recommended and admired in Islamic law, and is a basic need of humans. Due to perpetual activities and professional engagements, people and organizations remain exposed to many risks of accidents and harmful incidents. This creates a stressful and insecure environment, which affects human performance negatively.

In order to find solutions to such situations, Man has created various collaborative and effective systems, known as "Insurance". Certain aspects of the insurance system (such as Riba/Intrest, Gharrar/Uncertainty and Qimar/Gambling) did not comply to the Islamic laws, whereby the Muslim experts and scholars, after due deliberation of the pre-existing system, have decided in favor of it as an alternative system and created the concept of TAKAFUL protection, which is rapidly growing as a Shariah-compliant business model and being adopted all over the world, over the years.