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COMPARATIVE BETWEEN TAKAFUL AND INSURANCE IN FIQH

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ABSTRACT

Takaful (Islamic insurance) is an alternative concept to conventional insurance, which is prohibited by Sharia because it contains elements of usury (riba), features of significant uncertainty (gharar) and gambling (maysir). This study examines the issue and comparison between takaful and conventional insurance which is emphasized in its use in Islamic practice as well as the views of contemporary scholars regarding the issue and law of the use of takaful and conventional insurance in this modern era. This comparison also explains the good and bad elements in the use of takaful and conventional insurance methods. The study suggests that the takaful model, structured around the concept of mutual aid, such as the one based on the principle of tabarru', can eliminate all usury arising from the conventional nature of insurance exchanges. The study concludes with a set of actionable policy recommendations. It also gives deeper knowledge about the big difference and its impact on the Islamic financial world, which has more and more challenges that must be overcome, in order to protect the interests of Muslims, so that they can live their daily lives by following everything that Allah S.W.T has commanded and avoiding all His prohibitions.

APPRECIATION

In the name of God, Most Gracious, Most Merciful. Blessings and greetings to Rasulullah S.A.W. as well as his relatives and companions who are always by his side in raising the banner of Islam and upholding the syiar of Islam in the eyes of the world. Alhamdulillah, thanks be to Allah S.W.T. on the grace bestowed in the life of the researcher and especially in the completion of this scholarly study from the beginning of its manufacture to the last point.

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INTRODUCTION

Nowadays, every human being cannot avoid facing any risk of danger, such as injury, damage, or accident. In facing the risk, a person has to deal with the next loss to reduce the impact of any bad situation that befalls him. At its initial stage, the basic idea of an insurance agreement is that it is a mutual cooperation between two parties to protect one of them from unexpected and avoidable future financial losses. Under the conventional setup, the main point of view of insurance is to minimize the risk and reduce the loss. The basic idea of an insurance agreement is that it is a mutual cooperation between two parties to protect one of them from an unexpected future financial loss. Under conventional setups, the main viewpoint of insurance is to minimize the risk.

Insurance is one of the most important instruments in risk management and financial planning to face any form of possibility that will occur in the future. In the beginning, the philosophy of insurance is actually built on a noble purpose, which is to manage and guarantee the risk of contributors from any bad probability, such as calamity or harm that ~~may~~ befall contributors, such as fire, accident, or damage. However, a good goal alone is not enough to legitimize an act, except with a method that is in line with Islamic guidance. In Islam, a good goal must be achieved in a good way as well. In the method of fiqh, it is mentioned that the goal does not justify the means of the method (al-ghayah la tubarriru al-wasilah). For that reason, the majority of scholars prohibit conventional insurance instruments even if they have a noble purpose because they contain various elements prohibited by Sharia, such as riba, maisir (gambling), and gharar (uncertainty), that will oppress or burden one party over another.

Therefore, Islamic takaful was introduced to solve the problems of the people through the correct method in line with Sharia guidance. The concept of takaful is also built on the principles of ta'awun (help each other), tadamun (mutual guarantee), and takaful (mutual support), which are translated into the concept of tabarru'. Through this principle of tabarru', the customer, more accurately referred to as a takaful participant, is not only looking for protection for himself, but it is more than that. On the other hand, the takaful participants in principle agree to provide contributions that will be used to help each other in the event that