

The Ruthless Exploitation of Health Insurance and Takaful

News:

The recent announcement by the Life Insurance Association of Malaysia (LIAM), the Malaysian Takaful Association (MTA), and the General Insurance Association of Malaysia (PIAM) to raise health insurance and takaful premiums by an exorbitant 40% to 70% is a stark display of capitalist greed. While these corporations attribute the hike to rising medical costs and increased demand for healthcare, the real motive is glaring: maximizing profits at the expense of the public.

Comment:

This move, amidst a backdrop of soaring living costs, exposes the predatory nature of the capitalist system, which thrives on exploiting human needs. The so-called justification for this increase—rising drug costs, advanced medical technology, and higher wages in the healthcare sector—only highlights how deeply entrenched capitalism's profiteering has become in essential services. Insurers, emboldened by the vague regulatory policies of Bank Negara Malaysia, unilaterally raise premiums, disregarding the voices and struggles of the people. Their collaboration with private hospitals to inflate costs through mechanisms like Guarantee Letters (GLs) further illustrates the systemic corruption inherent in capitalism. Despite reaping staggering profits—an RM8.4 billion surge in 2024 alone—these corporations demand even more from the public, shamelessly exploiting a broken system.

Islam on the other hand offers a starkly contrasting vision for healthcare—one rooted in compassion, equity, and responsibility. Healthcare is not seen as a privilege for those who can afford it but as a fundamental right for every individual, regardless of wealth, religion, or social standing. In an Islamic governance system (Daulah Khilafah), the state assumes full responsibility for ensuring healthcare access for all citizens. Resources from public wealth (Baitul Mal) are managed equitably to fund universal healthcare services, with the wealthy taxed only when necessary to support the needs of the community.

This is not theoretical but a proven model of governance. History bears witness to the unparalleled success of Islamic healthcare systems under the Khilafah (Caliphate). Umar ibn al-Khattab (ra), for example, personally ensured that citizens received the medical care they needed, while the Qalawun Hospital in 13th-century Cairo exemplified Islamic excellence in healthcare. Offering free treatment to all, it accommodated thousands of patients daily, regardless of race or religion. Patients were cared for until full recovery, supported with food, clothing, and financial assistance during their treatment. This stands in stark contrast to the exploitative and corrupt practices of today's capitalist healthcare systems.

The capitalist system, with its relentless focus on profit, is incapable of providing a comprehensive, equitable healthcare. It commodifies human suffering, leaving the poor to fend for themselves while enriching corporations and their elite allies. This systemic corruption, driven by greed and devoid of humanity, is the root cause of the healthcare crisis we face today.

Islam, as a complete system of life, provides the only viable solution. By placing the welfare of the people at the forefront and managing resources with integrity and justice, the Islamic system eradicates the exploitation that capitalism perpetuates. The Khilafah ensures that healthcare is no longer a burden but a guaranteed right, lifting society out of the misery imposed by capitalist oppression. It is time to confront the failures of capitalism and demand a return to the Islamic system—a system proven to deliver justice, dignity, and care for all. Only under the Khilafah can we build a society where healthcare serves humanity, not profits.

**Written for the Central Media Office of Hizb ut Tahrir by
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