

Waqf Polis; Integration of Money Waqf and Sharia Life Insurance in Supporting the Economic Empowerment of the Ummah

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Abstract:

This article examines the concept of "policy waqf" as an innovation in the integration of cash waqf and sharia life insurance, with the aim of supporting the economic empowerment of the community. Policy waqf allows sharia life insurance policyholders to allocate part or all of their life insurance benefits as waqf. Using a qualitative approach, this study explores the potential of policy waqf in Indonesia in supporting economic empowerment. Data were collected through literature studies, as well as document analysis related to regulations and fatwas governing cash waqf and sharia life insurance. The results of the study indicate that policy waqf can be an effective instrument in collecting waqf funds sustainably, which can ultimately be used for productive economic projects for the community.

Keywords: *Economy, Sharia Life Insurance, Waqf Policy.*

A. INTRODUCTION

BWI (Indonesian Waqf Agency) revealed that the potential for money waqf in Indonesia reaches 180 trillion every year. Meanwhile, the Ministry of Religion recorded that the realization from 2011-2018 was only Rp. 31.9 billion per year. This means that money waqf still has a lot of potential that has not been absorbed. (Fiscal Policy Agency, 2019) One of the obstacles is the understanding of people who are still used to interpreting waqf in the form of land and tangible objects such as buildings, Islamic boarding schools, mosques or tombs. In fact, there are new regulations in the Law related to cash waqf. This classic understanding can be an obstacle or obstacle in the process of developing waqf in the future. Therefore, it is necessary to encourage literacy to every level of society so that the potential of waqf can be absorbed properly. (Chairunissa et al., 2021)

The potential of this money waqf is very large, not only limited to the above things, currently waqf instruments continue to innovate and show their development (Indonesian Waqf Agency, 2024). One way is with flexible money waqf in its empowerment, its existence allows every individual to make waqf easily without having to become a landlord first. (Yustati, 2021)

As a step to absorb the potential of productive waqf, various innovations are carried out, one of which is by integrating with sharia life insurance, this mechanism is then known as policy waqf. The way it works is that when the policy benefits of the insurance participant are obtained, part of the nominal claim will become the object of waqf which is preceded by the waqf pledge at the beginning of the agreement. (Hendra Kholid & Maulida Rahmawati, 2020)

Along with the development of the Islamic finance industry, the concept of money waqf began to be developed as an instrument to make it easier for people to make waqf. One innovative form that can support the development of money waqf is through integration with sharia life insurance in the form of policy waqf. Through this mechanism, insurance participants can waqf part or all of the benefits of sharia life insurance for the benefit of the people, which can later be used in economic empowerment programs.

Policy waqf offers a solution to mobilize funds on a large scale and sustainably. However, its implementation in Indonesia still faces several challenges, such as low public awareness about the benefits of waqf policy, lack of understanding of the mechanism of money waqf, and limited regulatory support that can encourage the acceleration of the implementation of this product. Therefore, a comprehensive study is needed to understand the potential, obstacles, and opportunities for the implementation of waqf policy as an instrument for economic empowerment of the people in Indonesia.

B. LITERATURE REVIEW

Money Waqf

According to Law No. 41 of 2004 concerning Waqf, money waqf is a legal act of the Waqf to separate and/or hand over part of his property in the form of money to be used forever or for a

certain period of time in accordance with his interests for the purposes of worship and/or general welfare according to sharia.(Yustati, 2021)

Sharia Life Insurance

Life insurance with sharia principles is risk coverage in the form of cooperation or agreements to help each other in minimizing various kinds of risks, such as the risk of death, health, and accidents carried out in accordance with the teachings of Islam without elements of fraud, gambling and usury(Larasati, 2018)

Police Waqf

Waqf life insurance policy is a form of waqf in the form of an insurance policy where the existing investment value will be waqf by the policyholder or the insured party when the policy has reached maturity or when the policyholder dies with the consent of the heirs.(Nengsih & Dewi, 2021)

C. RESEARCH METHODOLOGY

This research is included in literature studies or literature research. The method used is qualitative descriptive to analyze the concept of policy waqf as an integration between money waqf and sharia life insurance in supporting the economic empowerment of the people. This method was chosen to understand in depth the mechanism and urgency of policy waqf in supporting economic empowerment.

D. RESULTS AND DISCUSSION

Legal Basis of Police Waqf

Waqf is defined as holding property which can be used without losing the property, namely by not selling, granting, or even bequeathing the property to another party. The development of the waqf era does not only focus on land waqf, or buildings, but also experiences the development of instruments, namely being able to use money or cash waqf.

Abilities in the Qur'an (Waqf/Productive Waqf)

Surah Ali 'Imran verse 92

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

92. You will never obtain virtue until you give away some of the wealth you love. Whatever you do, Allah is Omniscient about it his property to his relatives, thus he got the reward of alms by strengthening the relationship of friendship with his expatriate, then came Ummar bin Al-Khaththab who wanted to hand over his garden, but the Prophet asked that the garden be maintained and the results obtained were a form of waqf from Ummar.(Now Online, n.d.)

Surah Al Baqarah verse 267

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ ۖ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِأَخْذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ ۖ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ

267. O you who have believed, give a portion of your good deeds and a portion of what We have brought out of the earth for you. Do not choose a bad one for your infacin,

even though you do not want to take it, except by squinting (reluctantly) at it. Know that Allah is Rich and Praiseworthy.

Based on the research of Muhammad Nur Abduh, that Mutawalli Syar'wi stated that this verse was intended for the people of Medina, at that time they came to the mosque with wine and hung it so that others could taste it, but some of them came with wine and dates in poor condition and also uncooked. From the above verse, it is understood that Allah commands his servants to give good work or property, this is expressed by the sentence "thayyibat".

This verse explains that a true believer will provide for something good, this is likened to a seed that will later produce seven hundred seeds. However, alms should not be forced to give away what good they have. However, Allah forbids giving away bad goods. This does not mean that the goods to be donated must be the best, but in the form of reasonable goods that the person who gives will like it if he is the one who gives it. At the end of the verse Allah warns that Allah does not like those who provide unnatural things, because Allah does not need such alms, and will not accept it as a realm of goodness. (Abduh, 2022)

Constitution No.41 of 2004 (Money Waqf)

Money waqf has also been regulated in the 1945 Constitution No. 41 of 2004 in articles 28-31 and the Constitution No. 42 of 2006 concerning the implementation of the Constitution No. 1 of 2004 concerning waqf, in articles 22-27 which allows the waqf of property and objects in the form of money. Money waqf can be interpreted as waqf carried out by individuals, groups, or institutions in the form of money or securities.¹⁰ (RI, 2004)

This article is a form of clear regulation regarding waqf to minimize the occurrence of disputes. If there is a dispute, then The settlement that can be done is by being processed legally in court or out of court. This can happen because the implementation of waqf has not run efficiently, which occurs due to various kinds of social changes, and even influences from the social order. Therefore, the manager or recipient of waqf must not transfer the function of the waqf property. (Arifin, 2015)

Fatwa DSN MUI No.106/DSN-MUI/2016

DSN MUI has issued a fatwa regarding Waqf Insurance Benefits and Sharia Life Insurance Benefits which is contained in fatwa No.106/DSN-MUI/2016 where the appointed party can receive benefits by stating an agreement, namely *Wa'd Mulzim* To waqf insurance benefits, insurance benefits may only be waqf as much as 45% of the total amount, and all candidates who will receive benefits, both appointed and successors, must declare their approval and agreement. Then the pledge will be made when the insurance benefits have become the right of the party who is the successor or the appointed party. (Sriani, 2021)

In sharia insurance, there is a policy will waqf which is waqf planning by legally waqf ownership of some of the waqf's ownership assets to the waqf, this is intended when the person concerned dies and can still enjoy the benefits of the assets that have been waqf

with a record as long as the waqf is alive. Insurance waqf is waqf of part of the proceeds when the policy is disbursed, this also applies to people who have insurance policies at insurance companies that have sharia insurance where when sharia insurance products are used as policies or securities, the sum insured and other benefits are waqf.

Contracts that can be used in the implementation of sharia insurance are wadiah contracts, musyarakah contracts, and social (welfare) contracts, namely waqf. In the implementation of policy waqf, the waqf can determine where the policy benefits are given in accordance with the institution he trusts, the policy can only be waqf when the waqf dies or when it has expired, when the policy has been waqf, it must be transferred or handed over to a predetermined party, and can be in accordance with the products available at the institution witnessed by the heirs, which is usually called *waqf bil wasiyyah* (waqf with will).¹³ The Gospel of Jesus Christ

Police Waqf Mechanism

The waqf mechanism of sharia insurance policies integrates the concept of waqf with sharia life insurance products, providing a way for individuals to waqf while still getting financial protection. The existence of waqf sharia insurance policies certainly opens up even greater opportunities to grow the economic potential of the people, so that they can be empowered to the community and able to solve various kinds of economic problems. The concept of waqf that is integrated with sharia insurance products provides new innovations in utilizing waqf assets. In this case, a waqf sharia insurance policy not only serves as financial protection for individuals, but also as a source of funds that can be managed for the welfare of the community. The concept and mechanism of waqf of sharia insurance policies that are currently developing use two contracts, namely: a) Waqf Contract in productive waqf is part of the value of the Insurance Policy which includes the Sum Insured (UP) and Cash Value at maturity. b) Social / Charity Contracts; for the benefit of the wakif itself, the wakif's relatives, the public interest, part of the value of the Insurance Policy (UP and Cash Value) at maturity. (Luayyin & Arifin, 2023)

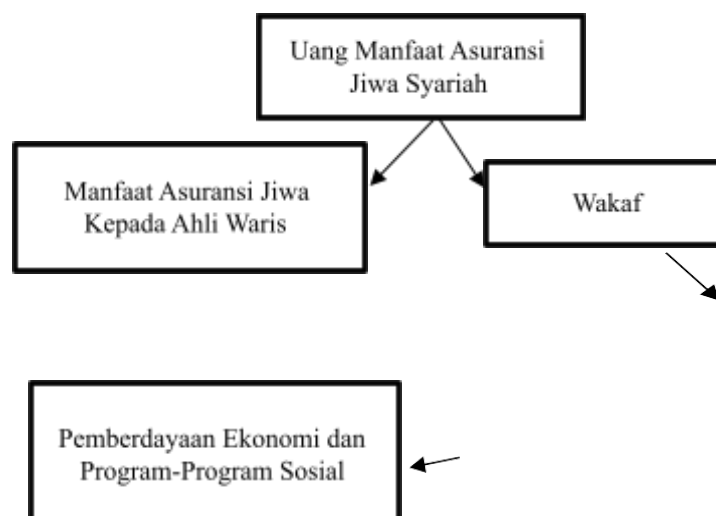
Waqf funds in sharia insurance can be allocated from insurance benefits, both from insurance compensation and investment funds collected. The sharia insurance waqf policy regulated in the Fatwa of the National Sharia Council (DSN) MUI Number 106/DSN-MUI/X/2016 states that the benefits of the sharia life insurance policy can be used as a waqf object, with certain provisions regarding the allocation of funds that can be waqf. The mechanism of police waqf is as follows:

First, the source of waqf funds. There are 2 sources, namely from Insurance Benefits: Part of the benefits received from life insurance policies can be waqf, with a maximum limit of 45% of the total insurance benefits. Investment Benefits: If the policy has an investment component, a maximum of the end (1/3) of the total wealth or inherited property can be waqf. In waqf sharia insurance policies, the distribution for heirs usually does not follow the distribution of inheritance in general. If the participant dies, the 100% insurance claim is given to the heirs.

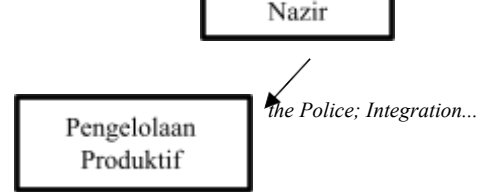
Second, the waqf process. The insurance participant who wishes to waqf must declare

his intention to waqf part of the insurance benefits or investment proceeds and the party appointed to receive the insurance benefit must give a binding promise (*wa'd mulzim*) to waqf the part.

Third Management of waqf funds. The waqf fund will be managed by the waqf management institution (*Nazhir*) registered with the Indonesian Waqf Agency (BWI). This institution is responsible for ensuring that waqf funds are used in accordance with social and religious purposes. Fund management includes administration, development, and reporting on the use of waqf funds to BWI. (Indonesian Waqf Agency, 2020) The author describes this mechanism in the following flow;



Information:



1. The wakif must have an active sharia insurance policy.
2. The party appointed to receive insurance benefits declares a binding promise (*wa'd mulzim*) or called a waqf deed.
3. Waqf is given at the maturity of the sharia insurance policy.
4. Waqf funds are managed by nazhir with productive management.
5. Nazhir will regulate and manage waqf so that it is always useful or productive.

The Urgency of Police Waqf in Economic Empowerment of the Ummah

Along with the times, waqf continues to focus on innovation and development, especially in its waqf object. Based on Law No. 41 of 2004, it supports the expansion related to the object of waqf. (Saputra et al., 2020) The policy waqf mechanism provides two benefits at once for its participants. First, getting sharia life insurance protection for families, second, getting the aspect of waqf worship on some of the benefits of life insurance.

Based on the mechanism described earlier, 45% of the benefit funds for the policy will be waqf and the rest will be handed over to the heirs concerned. Research from Nur Chamid on the Implementation of Waqf as a Sharia Insurance Policy Through IPLAN (Insurance Protection Linked Auto Navigation) Syari'ah Generali Sidoarjo, that the funds will be waqf to several nadzir who have collaborated with Generali Indonesia, namely Dompot Dhuafa and the Indonesian Mosque Council of the Special Region of Yogyakarta. This Nadzir has many programs, ranging from poverty alleviation and social programs such as petrifying disasters or disasters, helping in health aspects to education. (Chamid & Febriati, 2021)

This policy waqf can collect waqf funds with a large nominal. Such a large fund is very beneficial for the benefit of the people for poverty alleviation programs, the provision of outstanding scholarships, and the provision of life skills to the unemployed in this country and this is a huge waqf potential, beyond other movable property waqf assets that can be empowered. (Sulistiani, 2018)

Police waqf, or insurance waqf, is a potential instrument in the economic empowerment of the people. The urgency of the waqf policy arises from the need to develop waqf instruments that are more flexible and in accordance with modern economic challenges. Here are some reasons why policy waqf is important in the economic empowerment of the people.

Sustainable Funding Sources

Policy waqf offers a potential source of stable and sustainable funding. Premium money from insurance policies and insurance benefit money can be waqf, and the resulting benefits can be used for various productive activities that support the economic empowerment of the people, such as education, health services, and small business financing.

Supporting MSMEs and Community Welfare

Policy waqf funds can be channeled to support Micro, Small, and Medium Enterprises (MSMEs) in the form of business capital or technical assistance. This can create jobs

and increase people's incomes, which in turn supports the economic resilience of the people as a whole.

Expanding Waqf Participation

Waqf policies provide opportunities for the wider community to contribute, including those who may not have large assets. By paying relatively affordable premiums, every individual can participate in waqf, expanding the participation of the ummah in waqf-based economic activities.

Promoting Sharia Financial Inclusion

Policy waqf has the potential to encourage Islamic financial literacy and inclusion. Through this waqf mechanism, the public can better understand and access Islamic financial products, including sharia-based insurance that can provide protection as well as social contributions.

Utilizing the Potential of Waqf for Social Infrastructure Development The results of the management of policy waqf funds can be used to build infrastructure needed by the community, such as hospitals, schools, mosques, and other public facilities. This will have a significant long-term impact on the welfare of the people.

E. CONCLUSION

This study concludes that through policy waqf as an integration between money waqf and sharia life insurance, it has great potential to support the economic empowerment of the people in Indonesia. Waqf policies offer an innovative opportunity to collect waqf funds in a sustainable manner through the contribution of sharia insurance policyholders who waqf part or all of their insurance benefits. These funds can be used for various productive projects that have an impact on the social and economic welfare of the community.

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