

# Overlay approach

## Example

Statement of comprehensive income	20XX
Earned premiums, net of reinsurance	X
Investment income (under IFRS 9)	X
Overlay adjustment	(X)
Benefits and claims	(X)
Other charges	(X)
Profit or loss	X
Overlay adjustment	X
Total comprehensive income	X

The diagram illustrates the flow of the overlay adjustment. A dashed green oval highlights the 'Overlay adjustment' row in the 'Statement of comprehensive income' section. A dashed green arrow points from this oval to a solid green oval that highlights the 'Overlay adjustment' row in the 'Profit or loss' section, indicating that the adjustment is recognized in the profit or loss account.