THRIVENT VARIABLE LIFE ACCOUNT I

Statement of Additional Information

Dated September 15, 2020

Flexible Premium Variable Adjustable Life Insurance Contract

Offered By:

THRIVENT FINANCIAL FOR LUTHERANS

Service Center:	Corporate Office:
4321 North Ballard Road	625 Fourth Avenue South
Appleton, WI 54919-0001	Minneapolis, MN 55415-1665
Telephone: 800-847-4836	Telephone: 800-847-4836
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This Statement of Additional Information (SAI) contains additional information about the Thrivent Accumulation Variable Universal Life Contract, a flexible premium variable adjustable life insurance contract (Contract) offered by Thrivent Financial for Lutherans ("Thrivent") to persons eligible for membership in Thrivent. This SAI is not a prospectus and should be read together with the prospectus for the contract dated September 15, 2020. Terms used in this SAI that are not otherwise defined herein have the same meanings given to them in the prospectus that is incorporated by reference. A copy of the prospectus may be obtained at no charge by writing Thrivent (attention: Thrivent Service Center) at 4321 North Ballard Road, Appleton, WI 54919, by calling (800) 847-4836, or at www.thrivent.com.

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GENERAL INFORMATION AND HISTORY

Depositor

Thrivent, a fraternal benefit society owned by and operated for its members, was organized in 1902 under the laws of the State of Wisconsin. Thrivent is currently licensed to transact life insurance business in all 50 states and the District of Columbia. Thrivent began operating by its current name on or about May 21, 2002.

Registrant

THRIVENT VARIABLE LIFE ACCOUNT I (the "Variable Account") is a separate account of ours, which was established on May 8, 1997 and the first investment was made on March 31, 1998. The Variable Account is registered with the Securities and Exchange Commission ("SEC") as a unit investment trust under the Investment Company Act of 1940. Such registration does not involve supervision by the SEC of the management or investment policies or practices of the Variable Account.

SERVICES

Service Agreements and Other Service Providers

Assurance and audit are currently provided by PricewaterhouseCoopers LLP, whose address is 45 South Seventh Street, Suite 3400, Minneapolis, Minnesota 55402.

There are no other service agreement contracts or service providers other than those described in this Statement of Additional Information. There is no custodian.

PREMIUMS

Administrative Procedures

If mandated under applicable law, we may be required to reject an initial premium.

Sometimes we are not able to accept premiums. We reserve the following rights to ensure compliance with provisions in the Internal Revenue Code to retain the tax deferral quality, or exclusion of increases in cash value and death benefits from gross income:

(1) to accept certain premiums;

(2) to refund premiums;

(3) to refund the earnings on premiums;

(4) to refund any necessary accumulated value; and

(5) to increase death benefit.

Automatic Premium Loans

The Contract does not provide for automatic premium loans.

ADDITIONAL INFORMATION ABOUT OPERATION OF CONTRACTS AND REGISTRANT

Incidental Benefits

We offer Additional Benefits that you can add to your Contract. Certain of these riders are subject to age and underwriting requirements and may be added, if available, or cancelled at any time. The prospectus provides a detailed discussion regarding Additional Benefits.

Surrender and Withdrawal

The prospectus provides a detailed discussion regarding Surrenders and withdrawals (referred to as Partial Surrenders and Loans in the Contract).

Material Contracts Relating to the Registrant

There are no material contracts relating to the operation or administration of the Variable Account not already disclosed.

PRINCIPAL UNDERWRITER

Identification

Thrivent Investment Management Inc., 625 Fourth Avenue South, Minneapolis, Minnesota 55415 is an indirect subsidiary of Thrivent and a registered broker-dealer. Thrivent Investment Management Inc. is a corporation organized under Delaware law in 1986 and it serves as the principal underwriter of the Contracts. Contracts are distributed by financial representatives of Thrivent Investment Management Inc. Thrivent Investment Management Inc. is a member of the Financial Industry Regulatory Authority (FINRA), and is a broker-dealer registered with the SEC under the Securities Exchange Act of 1934. It also serves as the principal underwriter of other variable accounts established by Thrivent. Thrivent Investment Management Inc.'s fiscal year operates on a calendar year basis.

Offering and Commissions

Offerings of units issued under the terms of the Contracts are continuous.

Thrivent Investment Management Inc. may execute selling agreements with other broker-dealer firms to sell the Contracts. In addition, we may retain other firms to serve as principal underwriters of the Contracts. We offer the Contracts in all states and the District of Columbia where authorized to do so.

The prospectus provides a detailed discussion regarding the determination of commissions and other compensation paid to financial representatives.

Thrivent paid underwriting commissions for the last three fiscal years as shown below. Of these amounts, Thrivent Investment Management Inc. retained $0.

2017	2018	2019
$0	$0	$0

ADDITIONAL INFORMATION ABOUT CHARGES

Sales Load

We charge a sales load, referred to as "Percent of Premium Charge" in the Contract, of 5% on each premium.

Special Purchase Plans

We currently do not have any programs such as group discounts that would result in a variation in, or elimination of, any applicable charges. In some situations, certain charges may be waived.

Underwriting Procedures

We require proof of insurability, which may include a medical examination. We offer people who do not use nicotine products the most favorable rates. If increased mortality risks are involved, there may be a higher cost of insurance charged. We reserve the right to change our underwriting requirements.

Increases in Face Amount

Subject to our underwriting guidelines and policies, the Contract Owner has the right to increase the Face Amount at any time before the Insured's last day for increases shown on page 3A of your Contract. Increases in Face Amount will result in additional charges to cover the increased amount at risk. We compute charges at the existing rates at the time of increase. The cost of insurance rates for each increase will vary based on factors such as sex (in most states), risk class, age and the time elapsed since issue.

A new set of Decrease Charges will also apply to each increase in the Face Amount. The Decrease Charge applies to decreases in Face Amount during the first 10 years following an increase in Face Amount. The Decrease Charge remains level during the first five years following an increase in Face Amount, and then decreases each Contract Year to zero after the 10th year following an increase in Face Amount. Decrease Charges depend on the Insured's Issue Age, sex (in most states), amount of decrease in Face Amount, risk class and duration of the Contract. We will subtract the decrease first from any previous increases in the Face Amount, starting with the most recent, then as needed from the original Face Amount.

LAPSE AND REINSTATEMENT

The prospectus provides a detailed discussion regarding lapse and reinstatement provisions of the Contract.

LOANS

The prospectus provides a detailed discussion regarding loans.

STANDARD AND POOR'S DISCLAIMER

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The statutory financial statements of Thrivent Financial for Lutherans as of December 31, 2019 and December 31, 2018 and for each of the three years in the period ended December 31, 2019 and the financial statements of each of the subaccounts of Thrivent Variable Life Account I as of December 31, 2019 and for the period then ended and the statement of changes in net assets for the period ended December 31, 2019 included in this Statement of Additional Information have been so included in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Report of Independent Auditors

To the Board of Directors of Thrivent Financial for Lutherans

We have audited the accompanying statutory financial statements of Thrivent Financial for Lutherans, which comprise the statutory statements of assets, liabilities and surplus as of December 31, 2019 and 2018, and the related statutory statements of operations, surplus and of cash flow for each of the three years in the period ended December 31, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 12 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2019 and 2018, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2019.

Report of Independent Auditors, continued

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and surplus of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in accordance with the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements give retroactive effect to the merger of Thrivent Life Insurance Company into the Company on July 1, 2019 in a transaction accounted for as a statutory merger. Our opinion is not modified with respect to this matter.

/s/PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 13, 2020

Thrivent Financial for Lutherans
Statutory-Basis Statements of Assets, Liabilities and Surplus
As of December 31, 2019 and 2018
(in millions)

	2019	2018
Admitted Assets		
Bonds	$ 46,538	$45,530
Stocks	2,535	2,223
Mortgage loans	9,506	8,999
Real estate	143	65
Cash, cash equivalents and short-term investments	2,054	1,471
Contract loans	1,164	1,173
Receivables for securities	110	85
Limited partnerships	4,621	3,844
Other invested assets	426	203
Total cash and invested assets	67,097	63,593
Accrued investment income	460	455
Due premiums and considerations	119	119
Other assets	63	54
Assets held in separate accounts	34,482	29,850
Total Admitted Assets	$102,221	$94,071
Liabilities		
Aggregate reserves for life, annuity and health contracts	$ 49,028	$48,051
Deposit liabilities	3,922	3,691
Contract claims	400	349
Dividends due in following calendar year	330	326
Interest maintenance reserve	503	476
Asset valuation reserve	1,836	1,387
Transfers due from separate accounts, net	(515)	(488)
Payable for securities	843	376
Securities lending obligation	479	251
Other liabilities	922	712
Liabilities related to separate accounts	34,408	29,810
Total Liabilities	$ 92,156	$84,941
Surplus		
Unassigned funds	$ 10,043	$ 9,088
Other surplus	22	42
Total Surplus	$ 10,065	$ 9,130
Total Liabilities and Surplus	$102,221	$94,071

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Statutory-Basis Statements of Operations
For the Years Ended December 31, 2019, 2018 and 2017
(in millions)

	2019	2018	2017
Revenues			
Premiums	$4,967	$5,117	$5,151
Considerations for supplementary contracts with life contingencies	170	140	118
Net investment income	3,050	2,798	2,794
Separate account fees	706	705	672
Amortization of interest maintenance reserve	105	163	131
Other revenues	35	40	47
Total Revenues	$9,033	$8,963	$8,913
Benefits and Expenses			
Death benefits	$1,123	$1,110	$1,035
Surrender benefits	3,263	2,841	2,466
Change in reserves	975	769	1,515
Other benefits	1,931	1,757	1,606
Total benefits	7,292	6,477	6,622
Commissions	264	273	272
General insurance expenses	764	741	690
Fraternal benefits and expenses	200	200	180
Transfers to separate accounts, net	(782)	(116)	375
Total expenses and net transfers	446	1,098	1,517
Total Benefits and Expenses	$7,738	$7,575	$8,139
Gain from Operations before Dividends and Capital Gains and Losses	$1,295	$1,388	$ 774
Dividends	329	324	319
Other	—	—	4
Gain from Operations before Capital Gains and Losses	$ 966	$1,064	$ 451
Realized capital gains (losses), net	24	146	75
Net Income	$ 990	$1,210	$ 526

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans

Statutory-Basis Statements of Surplus

For the Years Ended December 31, 2019, 2018 and 2017

(in millions)

	2019	2018	2017
Surplus, Beginning of Year	$ 9,130	$8,269	$7,726
Net income	990	1,210	526
Change in unrealized investment gains and losses	423	(261)	85
Change in non-admitted assets	(20)	7	(9)
Change in asset valuation reserve	(449)	(150)	(119)
Change in surplus of separate account	33	(3)	(3)
Reserve adjustment	—	—	84
Corporate home office building sale	(19)	41	—
Pension liability adjustment	(19)	18	(11)
Other	(4)	—	(10)
Surplus, End of Year	$10,065	$9,130	$8,269

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Statutory-Basis Statements of Cash Flow
For the Years Ended December 31, 2019, 2018 and 2017
(in millions)

	2019	2018	2017
Cash from Operations			
Premiums	$ 5,133	$ 5,258	$ 5,270
Net investment income	2,526	2,450	2,401
Other revenues	741	745	718
	8,400	8,453	8,389
Benefit and loss-related payments	(6,149)	(5,600)	(4,941)
Transfers to/from separate account, net	756	213	(390)
Commissions and expenses	(1,172)	(1,215)	(1,127)
Dividends	(324)	(319)	(316)
Other	4	(5)	—
Net Cash from Operations	$ 1,515	$ 1,527	$ 1,615
Cash from Investments			
Proceeds from investments sold, matured or repaid:			
Bonds	$ 10,721	$ 7,648	$ 8,226
Stocks	1,427	1,276	1,027
Mortgage loans	822	775	823
Other	1,543	820	834
	14,513	10,519	10,910
Cost of investments acquired or originated:			
Bonds	(11,201)	(7,862)	(9,408)
Stocks	(1,323)	(1,648)	(1,189)
Mortgage loans	(1,329)	(1,575)	(1,253)
Other	(1,494)	(1,033)	(764)
	(15,347)	(12,118)	(12,614)
Transactions under mortgage dollar roll program, net	(468)	167	(204)
Change in net amounts due to/from broker	(25)	(224)	201
Change in collateral held for securities lending	228	(122)	(158)
Change in contract loans	8	3	4
Net Cash from Investments	$ (1,091)	$ (1,775)	$ (1,861)
Cash from Financing and Miscellaneous Sources			
Net deposits (payments) on deposit-type contracts	$ 115	$ 23	$ 42
Other	44	78	(7)
Net Cash from Financing and Miscellaneous Sources	$ 159	$ 101	$ 35
Net Change in Cash, Cash Equivalents and Short-Term Investments	$ 583	$ (147)	$ (211)
Cash, Cash Equivalents and Short-Term Investments, Beginning of Year	$ 1,471	$ 1,618	$ 1,829
Cash, Cash Equivalents and Short-Term Investments, End of Year	$ 2,054	$ 1,471	$ 1,618
Supplemental Information:			
Non-cash investing activities not included above			
Mortgage Loans	$ 114	$ 91	$ 145

The accompanying notes are an integral part of these statutory-basis financial statements.

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Thrivent Financial for Lutherans ("Thrivent") is a fraternal benefit society that provides life insurance, retirement products, disability income, long-term care insurance, and Medicare supplement insurance to members. Thrivent is licensed to conduct business throughout the United States and distributes products to members primarily through a network of career financial representatives. Thrivent's members are offered additional financial products and services, such as investment funds and trust services, through subsidiaries and affiliates.

Statutory Merger

On July 1, 2019, the dissolution of Thrivent's wholly-owned subsidiary, Thrivent Life Insurance Company ("Thrivent Life"), was completed. All shares of Thrivent Life were cancelled on the date of dissolution. All of Thrivent Life's assets and obligations were absorbed by Thrivent. This transaction was accounted for as a statutory merger and all prior periods have been restated to incorporate the assets, liabilities and operations of Thrivent Life into Thrivent. Thrivent Life's assets, liabilities, revenue and net income are deemed immaterial to the combined financial results of Thrivent. Taxes related to the dissolution are disclosed in the Income Taxes section.

Pre-merger separate company assets, liabilities, surplus, revenue and net income for Thrivent and Thrivent Life are shown in the table below (in millions).

	December 31, 2018			December 31, 2017		
	Thrivent	Thrivent Life	Restated	Thrivent	Thrivent Life	Restated
Assets*	$90,509	$3,721	$94,071	$90,969	$3,841	$94,654
Liabilities*	81,379	3,562	84,941	82,700	3,685	86,385
Surplus*	9,130	159	9,130	8,269	156	8,269
Revenue	8,712	251	8,963	8,668	245	8,913
Net Income	1,206	4	1,210	517	9	526

* Thrivent's reported assets, liabilities and surplus above previously reflected Thrivent Life's assets, liabilities and surplus as admitted assets consistent with Statement of Statutory Accounting Principles ("SSAP") No. 97, Investments in Subsidiary, Controlled and Affiliated Entities (SCAs).

Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices ("SAP") prescribed by the State of Wisconsin Office of the Commissioner of Insurance.

Use of Estimates

The preparation of statutory-basis financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the statutory-basis financial statements and accompanying notes. The more significant estimates relate to fair values of investments, reserves for life, health and annuity contracts, and pension and other retirement benefit liabilities. Actual results could differ from those estimates.

1. Nature of Operations and Significant Accounting Policies, continued

The significant accounting practices used in preparation of the statutory-basis financial statements are summarized as follows:

Investments

Bonds: Bonds are generally carried at amortized cost, depending on the nature of the security and as prescribed by National Association of Insurance Commissioners ("NAIC") guidelines. Discounts or premiums on bonds are amortized over the term of the securities using the modified scientific method. Discounts or premiums on loan-backed and structured securities are amortized over the term of the securities using the modified scientific method, adjusted to reflect anticipated pre-payment patterns. Interest income is recognized when earned.

Thrivent uses a mortgage dollar roll program to enhance the yield on the mortgage-backed security ("MBS") portfolio. MBS dollar rolls are transactions whereby Thrivent sells an MBS to a counterparty and subsequently enters into a commitment to purchase another security at a later date. Thrivent's mortgage dollar roll program generally includes a series of MBS dollar rolls extending for more than a year. Thrivent had $721 million and $252 million in the mortgage dollar roll program as of December 31, 2019 and 2018, respectively.

Stocks: Preferred stocks are generally carried at amortized cost. Common stocks of unaffiliated companies are stated at fair value. Common stocks of unconsolidated subsidiaries and affiliates are carried at the stock's prescribed equity basis. Investments in affiliated mutual funds are carried at net asset value ("NAV").

Mortgage Loans: Mortgage loans are generally carried at unpaid principal balances less valuation adjustments. Interest income is accrued on the unpaid principal balance using the loan's contractual interest rate. Discounts or premiums are amortized over the term of the loans using the effective interest method. Interest income and amortization of premiums and discounts are recorded as a component of net investment income along with prepayment fees and mortgage loan fees.

Real Estate: Home office real estate is valued at original cost, plus capital expenditures less accumulated depreciation and encumbrances. Depreciation expense is determined using the straight-line method over the estimated useful life of the properties. Real estate expected to be disposed is carried at the lower of cost or fair value, less estimated costs to sell.

Cash, Cash equivalents and Short-term Investments: Cash and cash equivalents include demand deposits, highly liquid investments purchased with an original maturity of three months or less and investments in money market mutual funds. Demand deposits and highly liquid investments are carried at amortized cost while investments in money market mutual funds are carried at fair value. Short-term investments have contractual maturities of one year or less at the time of acquisition. Included in short-term investments are commercial paper and agency notes, which are carried at amortized cost.

Contract Loans: Contract loans are generally carried at the loans' aggregate unpaid balances. Contract loans are collateralized by the cash surrender value of the associated insurance contracts.

Limited Partnerships: Limited partnerships consist primarily of equity limited partnerships, which are valued on the underlying audited U.S. generally accepted accounting principles ("GAAP") equity of the investee. Income is recognized on distributions received that are not in excess of undistributed earnings.

1. Nature of Operations and Significant Accounting Policies, continued

Other Invested Assets: Other invested assets include derivative instruments, real estate joint ventures and surplus notes. Derivatives are primarily carried at fair value. Real estate joint ventures are valued on the underlying audited equity of the investee. Surplus notes are carried at amortized cost.

Securities Lending: Securities loaned under Thrivent's securities lending agreement are carried in the Statutory-Basis Statements of Assets, Liabilities and Surplus at amortized cost or fair value, depending on the nature of the security and as prescribed by NAIC guidelines. Thrivent generally receives cash collateral in an amount that is in excess of the market value of the securities loaned, and the cash collateral is invested in highly-liquid, highly-rated securities which are included in bonds and cash, cash equivalents and short-term investments on the Statutory-Basis Statements of Assets, Liabilities and Surplus. A liability is also recognized for the amount of the collateral. Market values of securities loaned and corresponding collateral are monitored daily, and additional collateral is obtained as necessary. Thrivent requires a minimum level of collateral to be held for loaned securities.

Offsetting Assets and Liabilities: Thrivent presents securities lending agreements and derivatives on a gross basis in the statutory-basis financial statements.

Unrealized Investment Gains and Losses: Unrealized investment gains and losses include changes in fair value of bonds, unaffiliated stocks, affiliated common stocks, affiliated mutual funds, and other invested assets are reported as a direct increase or decrease to surplus.

Realized Capital Gains and Losses: Realized capital gains and losses on sales of investments are determined using the specific identification method for bonds and average cost method for stocks.

Thrivent's security portfolios are periodically reviewed, and those securities are evaluated where the current fair value is less than amortized cost for indicators that show the decline in value is other-than-temporary. The review includes an evaluation of each security issuer's creditworthiness, such as the ability to generate operating cash flow while remaining current on all debt obligations, and any changes in credit ratings from third party agencies. Other factors include, the severity and duration of the impairment, Thrivent's ability to collect all amounts due according to the contractual terms of the debt security, and Thrivent's ability and intent to hold the security for a period of time sufficient to allow for any anticipated recovery in the market.

The potential need to sell securities in an unrealized loss position which have no other indications of other-than-temporary impairment is evaluated based on the current market environment, near-term and long-term asset liability management strategies and target allocation strategies for various asset classes. Generally, Thrivent has the ability and intent to hold securities in an unrealized loss position for a period of time sufficient for the security to recover in value. Investments that are determined to be other-than-temporarily impaired are written down, primarily to fair value, and the write-down is included in realized capital gains and losses in the Statutory-Basis Statements of Operations. If, in response to changed conditions in the capital markets, Thrivent decides to sell a security in an unrealized loss position, a realized loss is recognized in the period that the decision is made to sell that security.

Certain realized capital gains and losses on bonds sold prior to maturity are transferred to the interest maintenance reserve.

1. Nature of Operations and Significant Accounting Policies, continued

Interest Maintenance Reserve: Thrivent is required by the NAIC to maintain an interest maintenance reserve ("IMR"). The IMR is primarily used to defer certain realized capital gains and losses on fixed income investments. Net realized capital gains and losses deferred to IMR are amortized into investment income over the estimated remaining term to maturity of the investment sold.

Fair Value of Financial Instruments: In estimating the fair values for financial instruments, the amount of observable and unobservable inputs used to determine fair value is taken into consideration. Each of the financial instruments has been classified into one of three categories based on the evaluation. A Level 1 financial instrument is valued using quoted prices for identical assets in active markets that are accessible. A Level 2 financial instrument is valued based on quoted prices for similar instruments in active markets that are accessible, quoted prices for identical or similar instruments in markets that are not active, or model-derived valuations where the significant value driver inputs are observable. A Level 3 financial instrument is valued using significant value driver inputs that are unobservable.

Separate Accounts

Separate account assets and liabilities reported in the accompanying Statutory-Basis Statements of Assets, Liabilities and Surplus represent funds that are separately administered for variable annuity and variable life contracts, for which the contractholder, rather than Thrivent, bears the investment risk. Fees charged on separate account contractholder account value, include mortality and expense charges, rider fees, and advisor fees and are recognized when due. Separate account assets, which consist of investment funds, are carried at fair value based on published market prices. Separate account liability values are not guaranteed to the contractholder; however, general account reserves include provisions for the guaranteed minimum death and living benefits contained in the contracts. Reserve assumptions for these benefits are discussed in the Aggregate Reserves for Life, Annuity and Health Contracts section.

Aggregate Reserves for Life, Annuity and Health Contracts

Reserves for life insurance contracts are calculated using primarily the Commissioners' Reserve Valuation Method generally based upon the 1941, 1958, 1980, 2001, and 2017 Commissioners' Standard Ordinary and American Experience Mortality Tables with assumed interest rates ranging from 2.5% to 5.5%. Reserves on Contracts issued on a substandard basis are valued using the valuation mortality rates for the substandard rating.

Reserves for fixed annuities, supplementary contracts with life contingencies and other benefits are computed using recognized and accepted mortality tables and methods, which equal or exceed the minimum reserves calculated under the Commissioners' Annuity Reserve Valuation Method. Fixed indexed annuity reserves are calculated according to the Black-Scholes Projection Method described in Actuarial Guideline 35. Reserves for variable annuities are computed using the methods and assumptions specified in Actuarial Guidelines 43 and VM-21, including assumptions for guaranteed minimum death benefits and living benefits.

Accident and health contract reserves are generally calculated using the two-year preliminary term, one-year preliminary term and the net level premium methods based upon various morbidity tables. In addition, for long-term care and disability income products, a premium deficiency reserve is held to the extent future premiums and current reserves are less than the value of future expected claim payments and expenses.

1. Nature of Operations and Significant Accounting Policies, continued

The reserve assumptions inherent in these approaches are designed to be sufficient to provide for all contractual benefits. Thrivent waives deduction of deferred fractional premiums upon the death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

During 2017, Thrivent Financial recorded an adjustment to its reserves for life contracts totaling $84 million. The adjustment corrected an overstatement of the reserve connected with waivers on the Term Life products.

Deposit Liabilities

Deposit liabilities have been established on certain annuity and supplemental contracts that do not subject Thrivent to mortality and morbidity risk. Changes in future benefits on these deposit-type contracts are classified as deposit-type transactions and thereby excluded from net additions to contract reserves.

Contract Claims Liabilities

Claim liabilities are established in amounts estimated to cover incurred claims. These liabilities are based on individual case estimates for reported claims and estimates of unreported claims based on past experience.

Asset Valuation Reserve

Thrivent is required to maintain an asset valuation reserve (“AVR”), which is a liability calculated using a formula prescribed by the NAIC. The AVR is a general provision for future potential losses in the value of investments, unrelated to changes in interest rates. Increases or decreases in the AVR are reported as direct adjustments to surplus in the Statutory-Basis Statements of Surplus.

Premiums and Considerations

Traditional life insurance premiums are recognized as revenue when due. Variable life, universal life, annuity premiums and considerations of supplemental contracts with life contingencies are recognized when received. Health insurance premiums are earned pro rata over the terms of the policies.

Fraternal Benefits and Expenses

Fraternal benefits and expenses include all fraternal activities and expenses incurred to provide or administer fraternal benefits and expenses related to Thrivent’s fraternal character. This includes items such as benevolences to help meet the needs of people, educational benefits to raise community and family awareness of issues, church grants and costs necessary to maintain Thrivent’s fraternal branch system. Thrivent conducts fraternal activities primarily through a lodge system where members participate in locally sponsored fraternal activities.

Dividends to Members

Thrivent’s insurance products are participating in nature. Dividends on these policies to be paid to members in the subsequent 12 months are reflected in the Statutory-Basis Statements of Operations for the current year. The majority of life insurance contracts receive dividends. Dividends are not currently being paid on most health insurance and annuity contracts. Dividend scales are approved annually by Thrivent’s Board of Directors.

1. Nature of Operations and Significant Accounting Policies, continued

Income Taxes

Thrivent, as a fraternal benefit society, qualifies as a tax-exempt organization under the Internal Revenue Code. Accordingly, income earned by Thrivent is generally exempt from taxation; therefore, no provision for income taxes has been recorded. Income tax expense (benefit) of less than $1 million, ($1) million, and $3 million are related to the operations of Thrivent Life prior to dissolution and are included in the Statement of Operations for the year ended December 31, 2019, 2018 and 2017, respectively. As part of the dissolution, Thrivent Life's deferred tax asset and related non-admitted assets were released and reduced surplus by $4 million.

New Accounting Guidance

In 2019, Thrivent adopted changes to SSAP No. 51R (*Life Contracts*), SSAP No. 52 (*Deposit-Type Contracts*) and SSAP No. 61R (*Life, Deposit-Type and Accident and Health Reinsurance*), which expands the variable annuity disclosures and adds life liquidity disclosures in Note 3. The new guidance is applied prospectively and did not have a material impact to Thrivent's financial statements.

In 2019, Thrivent adopted changes to SSAP No. 92 (*Postretirement Plans Other Than Pensions*) and SSAP No. 102 (*Pensions*) to improve the effectiveness of disclosures related to benefit plans in Note 9. The new guidance is applied retrospectively and did not have a material impact on Thrivent's financial statements.

In 2019, Thrivent adopted changes to SSAP No. 103R (*Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*), which reduces the disclosure requirements related to repurchase and reverse repurchase transactions. This clarifies that only wash sales that cross a reporting period are to be included in Note 2. In 2018, Thrivent adopted changes to SSAP No. 103R, which clarified that wash sales were to be included for the period in which the securities were sold. The new guidance is applied prospectively and did not have a material impact to Thrivent's financial statements.

In 2019, Thrivent adopted changes to SSAP No.43R *(Loan-Backed and Structured Securities)* which removed disclosures on structured notes in Note 2.

Subsequent Events

Thrivent evaluated events or transactions that may have occurred after the Statutory-Basis Statements of Assets, Liabilities and Surplus date for potential recognition or disclosure through February 13, 2020, the date the statutory-basis financial statements were available to be issued. There were no subsequent events or transactions which required recognition or disclosure.

2. Investments

Bonds

The admitted value and fair value of Thrivent's investment in bonds are summarized below (in millions):

	Admitted Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2019				
U.S. government and agency securities	$ 2,235	$ 114	$ 2	$ 2,347
U.S. state and political subdivision securities	104	46	—	150
Securities issued by foreign governments	99	5	—	104
Corporate debt securities	34,041	3,195	66	37,170
Residential mortgage-backed securities	7,218	118	14	7,322
Commercial mortgage-backed securities	2,217	71	2	2,286
Collateralized debt obligations	3	11	—	14
Other debt obligations	489	12	2	499
Affiliated Bonds	132	1	—	133
Total bonds	$46,538	$3,573	$ 86	$50,025
December 31, 2018				
U.S. government and agency securities	$ 1,704	$ 41	$ 14	$ 1,731
U.S. state and political subdivision securities	105	34	—	139
Securities issued by foreign governments	113	3	1	115
Corporate debt securities	33,543	1,004	967	33,580
Residential mortgage-backed securities	7,365	28	158	7,235
Commercial mortgage-backed securities	2,187	8	43	2,152
Collateralized debt obligations	3	11	—	14
Other debt obligations	486	2	9	479
Affiliated Bonds	24	—	—	24
Total bonds	$45,530	$1,131	$1,192	$45,469

The admitted value of corporate debt securities issued in foreign currencies was $584 million and $546 million as of December 31, 2019 and 2018, respectively.

The admitted value and fair value of bonds, short-term investments and certain cash equivalents by contractual maturity are shown below (in millions). Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

2. Investments, continued

December 31, 2019	Admitted Value	Fair Value
Due in 1 year or less	$ 3,169	$ 3,383
Due after 1 year through 5 years	10,463	10,848
Due after 5 years through 10 years	14,528	15,401
Due after 10 years through 20 years	7,217	8,383
Due after 20 years	12,963	13,995
Total	$48,340	$52,010

The following table shows the fair value and gross unrealized losses aggregated by investment category and length of time that individual bonds have been in a continuous unrealized loss position (dollars in millions).

	Less than 12 Months			12 Months or More		
	Number of Securities	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
December 31, 2019						
U.S. government and agency securities	4	$ 223	$ 1	1	$ 9	$—
Securities issued by foreign governments	1	12	—	—	—	—
Corporate debt securities	127	1,124	37	70	601	29
Residential mortgage-backed securities	41	979	5	43	609	9
Commercial mortgage-backed securities	18	246	2	13	93	1
Collateralized debt obligations	—	—	—	—	—	—
Other debt obligations	20	79	1	12	26	1
Total bonds	211	$ 2,663	$ 46	139	$1,338	$ 40
December 31, 2018						
U.S. government and agency securities	23	$ 565	$ 7	16	$ 246	$ 7
Securities issued by foreign governments	4	6	—	2	24	1
Corporate debt securities	2,693	16,708	748	526	2,802	219
Residential mortgage-backed securities	140	3,223	66	125	2,267	92
Commercial mortgage-backed securities	100	989	18	65	553	26
Collateralized debt obligations	—	—	—	2	—	—
Other debt obligations	75	253	6	34	125	2
Total bonds	3,035	$21,744	$845	770	$6,017	$347

Based on Thrivent's current evaluation in accordance with Thrivent's impairment policy, a determination was made that the declines in the securities summarized above are temporary in nature and Thrivent has the ability and intent to hold securities in an unrealized loss position for a period of time sufficient for the security to recover in value.

2. Investments, continued

Stocks

The cost and fair value of Thrivent's investment in stocks as of December 31 are presented below (in millions).

	2019	2018
Unaffiliated Preferred Stocks:		
Cost/statement value	$ 318	$ 207
Gross unrealized gains[1]	34	8
Gross unrealized losses[1]	(1)	(7)
Fair value[1]	$ 351	$ 208
Unaffiliated Common Stocks:		
Cost	$1,389	$1,372
Gross unrealized gains	370	177
Gross unrealized losses	(22)	(105)
Fair value/statement value	$1,737	$1,444
Affiliated Common Stocks:		
Cost	$ 90	$ 134
Gross unrealized gains	64	79
Gross unrealized losses	(3)	(33)
Fair value/statement value	$ 151	$ 180
Affiliated Mutual Funds:		
Cost	$ 308	$ 426
Gross unrealized gains	21	3
Gross unrealized losses	—	(37)
Fair value/statement value	$ 329	$ 392
Total statement value	$2,535	$2,223

1. 2018 amounts have been corrected. Gross unrealized gains were reduced by $111 million and gross unrealized losses were increased by $2 million.

Mortgage Loans

Thrivent invests in mortgage loans that principally involve commercial real estate consisting of first mortgage liens on completed income-producing properties. The carrying value of mortgage loans as of December 31, 2019 and 2018 was $10 billion and $9 billion, respectively. There was no allowance for credit losses as of December 31, 2019 or 2018.

Thrivent requires that all properties subject to mortgage loans have fire insurance at least equal to the value of the property.

2. Investments, continued

The carrying values of mortgage loans by credit quality as of December 31 are presented below where restructured loans, in good standing, represent loans with reduced principal or interest rates below market (dollars in millions):

	2019	2018
In good standing	$9,486	$8,975
Restructured loans, in good standing	20	23
Delinquent	—	1
In process of foreclosure	—	—
Total mortgage loans	$9,506	$8,999

	2019	2018
Loans with Interest Rates Reduced During the Year:		
Weighted average interest rate reduction	0.8%	0.6%
Total principal	$ 36	$ 9
Number of loans	34	16
Interest Rates for Loans Issued During the Year:		
Maximum	6.0%	5.9%
Minimum	2.9%	2.7%
Maximum loan-to-value ratio for loans issued during the year, exclusive of purchase money mortgages	74%	80%

The age analysis of mortgage loans as of December 31 are presented below (in millions):

	2019	2018
Current	$9,501	$8,995
30 – 59 days past due	5	2
60 – 89 days past due	—	1
90 – 179 days past due	—	—
180+ days past due	—	1
Total mortgage loans	$9,506	$8,999
180+ Days Past Due and Accruing Interest:		
Investment	$ —	$ 1
Interest accrued	—	—
90 -179 Days Past Due and Accruing Interest:		
Investment	$ —	$ —
Interest accrued	—	—

2. Investments, continued

The distribution of Thrivent's mortgage loans among various geographic regions of the United States as of December 31 are presented below:

	2019	2018
Geographic Region:		
Pacific	29%	27%
South Atlantic	19	19
East North Central	8	9
West North Central	13	14
Mountain	10	11
Mid-Atlantic	8	8
West South Central	8	7
Other	5	5
Total	100%	100%

The distribution of Thrivent's mortgage loans among various property types as of December 31 are presented below:

	2019	2018
Property Type:		
Industrial	23%	25%
Retail	22	23
Office	17	17
Church	10	10
Apartments	20	17
Other	8	8
Total	100%	100%

Impaired loans

A loan is determined to be impaired when considered probable that the principal and interest will not be collected according to the contractual terms of the loan agreement. At December 31, 2019, Thrivent held impaired loans with a carrying value of $9 million and an unpaid principal balance of $9 million for which there was no related allowance for credit losses recorded. At December 31, 2018, Thrivent held impaired loans with a carrying value of $9 million and an unpaid principal balance of $11 million for which there was no related allowance for credit losses recorded.

Any payments received on impaired loans are either applied against the principal or reported as net investment income, based on an assessment as to the collectability of the principal. Interest income on impaired loans is recognized upon receipt.

After loans become 180 days delinquent on principal or interest payments, or if the loans have been determined to be impaired, any accrued but uncollectible interest on the mortgage loans is non-admitted and charged to surplus in the period in which the loans are determined to be impaired. Generally, only after the loans become less than 180 days delinquent from the contractual due date will accrued interest be returned to admitted status. The amount of impairments included in realized capital losses due to debt restructuring was less than $1 million for all three years ended December 31, 2019, 2018 and 2017. The average recorded

2. Investments, continued

investment in impaired mortgage loans was $4 million held on December 31, 2019 and 2018. Interest income recognized on impaired mortgage loans was less than $1 million for all three years ended December 31, 2019, 2018 and 2017.

In certain circumstances, Thrivent may modify the terms of a loan to maximize the collection of amounts due. During the years ended December 31, 2019 and 2018, Thrivent modified no loans under these circumstances.

As of both December 31, 2019 and 2018, Thrivent held 2 mortgage loans totaling $9 million, where loan modifications had occurred. During the years ended December 31, 2019 and 2018, there were no modified mortgage loans with a payment default.

During the years ended December 31, 2019, no mortgage loan that was derecognized as a result of foreclosure. In 2018, there was one mortgage loan that was derecognized as a result of foreclosure in the amount of $2 million.

Real Estate

The components of real estate investments as of December 31 were as follows (in millions):

	2019	2018
Home office properties	$226	$143
Held-for-sale	6	6
Total before accumulated depreciation	232	149
Accumulated depreciation	(89)	(84)
Total real estate	$143	$ 65

In August 2018, Thrivent sold a corporate home office property for a cash payment of $55 million. In conjunction with the sale, Thrivent entered into an agreement with the purchaser to lease the property for a 30-month term lease. A $48 million gain on the sale of the property has been deferred and is reported in other surplus funds and will be recognized over the term of the lease.

Derivative Financial Instruments

Thrivent uses derivative financial instruments in the normal course of business to manage investment risks, to reduce interest rate and duration imbalances determined in asset/liability analyses and to offset risks associated with the guaranteed living benefits features of certain variable annuity products.

2. Investments, continued

The following table summarizes the carrying values, which primarily equal fair values, included in other invested assets or other liabilities on the Statutory-Basis Statements of Assets, Liabilities and Surplus, and the notional amounts of Thrivent's derivative financial instruments (in millions):

	Carrying Value	Notional Amount	Realized Gain/(Loss)
As of and for the year ended December 31, 2019			
Assets:			
Call spread options	$ 91	$ 733	$ 11
Futures	—	461	(90)
Foreign currency swaps	29	390	8
Interest rate swaps	—	—	1
Covered written call options	—	—	—
Total assets	$120	$1,584	$ (70)
Liabilities:			
Call spread options	$ (67)	$ 765	$ (7)
Foreign currency swaps	(10)	202	3
Covered written call options	—	—	2
Total liabilities	$ (77)	$ 967	$ (2)
As of and for the year ended December 31, 2018			
Assets:			
Call spread options	4	$ 545	$ 20
Futures	—	990	(9)
Foreign currency swaps	25	258	2
Interest rate swaps	—	—	—
Covered written call options	—	—	2
Total assets	$ 29	$1,793	$ 15
Liabilities:			
Call spread options	$ (2)	$ 569	$ (16)
Foreign currency swaps	(17)	305	6
Covered written call options	—	—	—
Total liabilities	$ (19)	$ 874	$ (10)

All gains and losses on derivatives are reflected in realized capital gains and losses in the statutory-basis financial statements except foreign currency swaps which are reflected in net investment income. Notional amounts do not represent amounts exchanged by the parties and therefore are not a measure of Thrivent's exposure. The amounts exchanged are calculated based on the notional amounts and the other terms of the instruments, such as interest rates, exchange rates, security prices or financial and other indices.

2. Investments, continued

Call Spread Options

Thrivent uses over-the-counter S&P 500 index call spread options (i.e. buying call options and selling cap call options) to manage risks associated with fixed indexed annuities. Purchased call spread options are reported at fair value in other invested assets and written call spread options are reported at fair value in other liabilities. The changes in the fair value of the call spread options are recorded in unrealized gains and losses.

Covered Written Call Options

Thrivent sells covered written call option contracts to enhance the return on residential mortgage-backed "to be announced" collateral that Thrivent owns. The premium received for these call options is recorded in other liabilities at book value at each reporting period. All positions in these contracts are settled at month end. Upon disposition of the options, the gains are recorded as a component of realized capital gains and losses. During the years ended December 31, 2019, 2018 and 2017, $8 million, $3 million and $8 million, respectively, was received in call premium.

Futures

Thrivent utilizes futures contracts to manage a portion of the risks associated with the guaranteed minimum accumulation benefit feature of variable annuity products and to manage foreign equity risk. Cash paid for the futures contracts is recorded in other invested assets. The futures contracts are valued at fair value at each reporting period. The daily change in fair value from the contracts variation margin is recognized in unrealized gains and losses until the contract is closed and/or otherwise expired. Realized gains and losses are recognized when the contract is closed and/or otherwise expired.

Foreign Currency Swaps

Thrivent utilizes foreign currency swaps to manage the risk associated with changes in the exchange rate of foreign currency to U.S. dollar payments for foreign denominated bonds. The swaps are reported at fair value with the change in the fair value recognized in unrealized gains and losses. Realized gains and losses are recognized upon settlement of the swap. No cash is exchanged at the outset of the swaps, and interest payments received are recorded as a component of net investment income.

2. Investments, continued

Securities Lending

Elements of the securities lending program as of December 31 are presented below (in millions).

	2019	2018
Loaned Securities:		
Carrying value	$467	$261
Fair value	470	245
Cash Collateral Reinvested:		
Open	$209	$ 62
30 days or less	147	88
31 - 60 days	53	25
61 - 90 days	11	9
91 - 120 days	9	5
121 - 180 days	2	11
181 - 365 days	33	10
1 - 2 years	15	33
2 - 3 years	—	1
Greater than 3 years	5	7
Total	$484	$251
Cash collateral liabilities	$479	$251

The maturity dates of the cash collateral liabilities generally match the maturity dates of the invested assets.

Wash Sales

In the normal course of Thrivent's investment management activities, securities are periodically sold and repurchased within 30 days of the sale date to enhance total return on the investment portfolio. At December 31, 2019, Thrivent sold 81 non-investment grade securities with a book value totaling $19 million where the cost to repurchase within 30 days totaled $24 million. The net gain for securities sold and later repurchased totaled $4 million. During 2018, Thrivent sold 223 non-investment grade securities with a book value totaling $115 million where the cost to repurchase within 30 days totaled $143 million. The net gain for securities sold and later repurchased totaled $31 million.

Reverse Repurchase Agreements

During 2019, Thrivent entered into a tri-party reverse repurchase agreement ("repo") to purchase and resell short-term securities. The securities are classified as a NAIC 1 designation and the maturity of the securities is 3 months to 1 year with a carrying value and fair value of less than $1 million. Thrivent is not permitted to sell or repledge these securities. The purchased securities are included in cash, cash equivalents and short-term investments in the accompany Statutory-Basis Statements of Assets, Liabilities and Surplus. Thrivent received cash as collateral, having a fair value at least equal to 102% of the purchase price paid for the securities and Thrivent's designated custodian takes possession of the collateral. The collateral is not recorded in Thrivent's financial statements.

2. Investments, continued

The fair value of the securities for the repo transactions accounted for each reporting period of 2019 are presented below (in millions):

	Maximum	Ending Balance
Bonds:		
1st quarter	$—	$—
2nd quarter	20	20
3rd quarter	20	20
4th quarter	109	—

The fair value of the cash collateral under the repo borrowing transactions for each reporting period of 2019 by remaining contractual maturity are presented below (in millions):

	Maximum	Ending Balance
Overnight and Continuous:		
1st quarter	$—	$—
2nd quarter	27	27
3rd quarter	27	27
4th quarter	103	—

Pledged and Restricted Assets

Thrivent owns assets which are pledged to others as collateral or are otherwise restricted totaling $530 million and $320 million at December 31, 2019 and 2018, respectively. Total pledged and restricted assets, which primarily include collateral held under futures transactions, securities lending agreements, and reverse repurchase agreements are less than 1% of total admitted assets. Securities on deposit with state insurance departments were $3 million and $6 million for at December 31, 2019 and 2018, respectively.

Collateral Received

Elements of reinvested collateral received in the securities lending program as of December 31 are presented below (in millions):

	2019	2018
Bonds:		
Carrying value	$ 53	$ 47
Fair value	53	47
Short-term Investments:		
Carrying value	$ 39	$ 62
Fair value	39	62
Cash Equivalents:		
Carrying value	$392	$134
Fair value	392	134
Common Stocks:		
Carrying value	$—	$ 8
Fair Value	—	8

All collateral received is less than 1% of total admitted assets.

2. Investments, continued

Net Investment Income

Investment income by type of investment for the years ended December 31 is presented below (in millions):

	2019	2018	2017
Bonds	$1,818	$1,827	$1,825
Preferred stock	15	11	7
Unaffiliated common stocks	29	28	21
Affiliated common stocks	60	24	11
Mortgage loans	433	392	391
Real estate	14	23	24
Contract loans	86	85	81
Cash, cash equivalents and short-term investments	52	33	21
Limited partnerships	584	410	450
Other invested assets	17	22	16
	3,108	2,855	2,848
Investment expenses	(53)	(51)	(48)
Depreciation on real estate	(5)	(6)	(6)
Net investment income	$3,050	$2,798	$2,794

Net investment income includes bonds sold or redeemed with a callable feature. During 2019, there were 118 securities with callable features sold or redeemed totaling $25 million and during 2018, there were 84 securities with callable features sold or redeemed totaling $20 million included in net investment income.

Realized Capital Gains and Losses

Realized capital gains and losses for the years ended December 31 is presented below (in millions):

	2019	2018	2017
Net Gains (Losses) on Sales:			
Bonds:			
Gross gains	$ 209	$ 198	$ 228
Gross losses	(89)	(59)	(42)
Stocks:			
Gross gains	174	201	143
Gross losses	(60)	(47)	(31)
Futures	(90)	(9)	(41)
Other	8	17	31
Net gains (losses) on sales	152	301	288

2. Investments, continued

	2019	2018	2017
Provisions for Losses:			
Bonds	(15)	(18)	(10)
Stocks	—	—	—
Other	19	5	—
Total provisions for losses	4	(13)	(10)
Realized capital gains (losses)	156	288	278
Transfers to interest maintenance reserve	(132)	(142)	(205)
Realized capital gains (losses), net	$ 24	$ 146	$ 73

Proceeds from the sale of investments in bonds, net of mortgage dollar roll transactions, were $10 billion, $7 billion and $7 billion for the years ended December 31, 2019, 2018 and 2017, respectively.

Thrivent recognized other-than-temporary impairments during the year ended December 31, 2019 on the following loan-backed and structured securities where the present value of cash flows expected to be collected was less than the amortized cost basis of the security (in millions):

CUSIP	Book Value Before Impairment	Impairment Recognized	Amortized Cost After Impairment	Fair Value as of Date Impaired
02660YAX0	$ 2	$—	$ 2	$ 2
16165TAE3	7	—	7	7
40431KAD2	4	—	4	4
45660LST7	3	—	3	3
Total	$16	$—	$16	$16

3. Policyholder Liabilities

Many of the contracts issued by Thrivent, primarily annuities, do not subject Thrivent to mortality or morbidity risk. These contracts may have certain limitations placed upon the amount of funds that can be withdrawn without penalties. The following table summarizes liabilities by withdrawal characteristics of individual annuities (dollars in millions):

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
December 31, 2019					
Subject to Discretionary Withdrawal:					
With market value adjustment	$ —	$202	$ —	$ 202	1%
At book value less a surrender charge of 5% or more	1,984	—	—	1,984	4
At fair value	—	—	32,079	32,079	63
Total with market value adjustment or at fair value (total of 1 through 3)	1,984		32,079	34,265	68%
At book value without adjustment	14,888	—	—	14,888	29
Not subject to discretionary withdrawal	1,552	—	48	1,600	3
Total (gross)	18,424	202	32,127	50,753	100
Total (net)	$18,424	$202	$32,127	$50,753	100%
Amount to Move in Subject to Discretionary Withdrawal in the Year After the Statement Date:	$ 339	$—	$ —	$ —	
December 31, 2018					
Subject to Discretionary Withdrawal:					
With market value adjustment	$ —	$248	$ —	$ 248	1%
At book value less a surrender charge of 5% or more	5,238	—	—	5,238	10
At fair value	—	—	27,768	27,768	56
At book value without adjustment	15,032	—	—	15,032	30
Not subject to discretionary withdrawal	1,553	—	68	1,621	3
Total	$21,823	$248	$27,836	$49,907	100%

3. Policyholder Liabilities, continued

The following table summarizes liabilities by withdrawal characteristics of deposit type contracts with no life contingencies (dollars in millions):

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
December 31, 2019					
Subject to Discretionary Withdrawal:					
At book value less a surrender charge of 5% or more	$3,517	$—	$—	$3,517	89%
Total with market value adjustment or at fair value (total of 1 through 3)	3,517	—	—	3,517	89%
At book value without adjustment	346	—	—	346	9
Not subject to discretionary withdrawal	59	—	26	85	2
Total (gross)	3,922	—	26	3,948	100
Total (net)	$3,922	$—	$ 26	$3,948	100%

The following table summarizes the analysis of life actuarial reserves by withdrawal characteristics (dollars in millions):

	General Account			Separate Account Nonguaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
December 31, 2019						
Subject to Discretionary Withdrawal, Surrender Values, or Policy Loans:						
Universal life	$10,279	$10,268	$10,300	$ —	$ —	$ —
Universal life with secondary guarantees	1,168	1,029	1,248	796	712	732
Other permanent cash value life insurance	—	6,710	12,175	—	—	—
Variable universal life	43	43	55	797	795	807
Miscellaneous reserves	—	—	2	—	—	—
Not Subject to Discretionary Withdrawals or No Cash Values:						
Term policies without cash value	XXX	XXX	1,010	XXX	XXX	—
Accidental death benefits	XXX	XXX	16	XXX	XXX	—
Disability death benefits	XXX	XXX	—	XXX	XXX	—
Disability – active lives	XXX	XXX	126	XXX	XXX	—
Disability – disable lives	XXX	XXX	371	XXX	XXX	—
Miscellaneous reserves	XXX	XXX	—	XXX	XXX	—
Total	$11,490	$18,050	$25,303	$1,593	$1,507	$1,539
Reinsurance ceded	527	544	826	—	—	—
Total	$10,963	$17,506	$24,477	$1,593	$1,507	$1,539

3. Policyholder Liabilities, continued

The above policyholder liabilities are recorded as components of the following captions of the Statutory-Basis Statements of Assets, Liabilities and Surplus as of December 31 (in millions):

	2019	2018
Aggregate reserves for life, annuity and health contracts	$18,425	$18,132
Deposit liabilities	3,922	3,691
Liabilities related to separate accounts	32,354	28,084
Total	$54,701	$49,907

Thrivent calculates premium deficiency reserves (PDR) on Thrivent's closed block of long-term care insurance policies. The PDR was $0 and $133 million as of December 31, 2019 and 2018, respectively. During 2018, Thrivent updated the claim incidence, claim termination, disabled life mortality, expense, and net earned rate assumptions used in the determination of the PDR. Additional updates to those same assumptions (plus claim utilization) were made in 2019 as Thrivent moved from an aggregate care model to an initial site-of-care model. These updated assumptions, along with the natural decline in the reserve as new premium sufficient LTC contracts sold replace older premium deficient LTC contracts, were the primary drivers of the $133 million and $434 million decrease in PDR for the years ended December 31, 2019 and 2018, respectively.

Thrivent has insurance in force as of December 31, 2019 and 2018, totaling $18 billion and $17 billion, respectively, where the gross premiums are less than the net premiums according to the standard valuation requirements set by the State of Wisconsin Office of the Commissioner of Insurance. Reserves associated with these policies as of December 31, 2019 and 2018, totaled $59 million and $64 million, respectively.

Deferred and uncollected life insurance premiums and annuity considerations were as follows (in millions):

	Gross	Net of Loading
December 31, 2019		
Ordinary new business	$12	$ 7
Ordinary renewal	49	99
Total	$61	$106
December 31, 2018		
Ordinary new business	$12	$ 8
Ordinary renewal	45	99
Total	$57	$107

4. Separate accounts

Thrivent administers and invests funds segregated into separate accounts for the exclusive benefit of variable annuity, variable immediate annuity and variable universal life contractholders. Variable life and variable annuity separate accounts of Thrivent are non-guaranteed, while Thrivent's multi-year guarantee separate account is a non-indexed guarantee account. Within the non-guaranteed separate account, all variable deferred annuity contracts contain guaranteed death benefits and some contain guaranteed living benefits. The

4. Separate accounts, continued

following table presents the explicit risk charges paid by separate account contract holders for these guarantees and the amounts paid for guaranteed death benefits for the years ended December 31 (in millions):

	2019	2018	2017	2016	2015
Risk charge paid	$104	$108	$107	$99	$99
Payments for guaranteed benefits	5	4	4	6	5

The distribution of investments in the separate account assets as of December 31 were as follows:

	2019	2018
Equity funds	63%	61%
Bond funds	26	20
Balanced funds	9	17
Other	2	2
Total separate account assets	100%	100%

The following tables summarize information for the separate accounts (in millions):

	Non-Indexed Guarantee	Non-Guaranteed	Total
December 31, 2019			
Reserves:			
For accounts with assets at fair value	$202	$33,692	$33,894
By Withdrawal Characteristics:			
Subject to Discretionary Withdrawal:			
With market value adjustment	$202	$ —	$ 202
At fair value	—	33,618	33,618
Not subject to discretionary withdrawal	—	74	74
Total	$202	$33,692	$33,894
December 31, 2018			
Reserves:			
For accounts with assets at fair value	$248	$29,072	$29,320
By Withdrawal Characteristics:			
Subject to Discretionary Withdrawal:			
With market value adjustment	$248	$ —	$ 248
At fair value	—	29,004	29,004
Not subject to discretionary withdrawal	—	68	68
Total	$248	$29,072	$29,320

4. Separate accounts, continued

	2019	2018	2017
Premiums, Considerations and Deposits:			
Non-indexed guarantee	$ —	$ 1	$ 1
Non-guaranteed	1,712	1,774	1,843
Total	$1,712	$1,775	$1,844

	2019	2018	2017
Transfers to separate accounts	$ 1,709	$ 1,773	$ 1,843
Transfers from separate accounts	(2,490)	(1,890)	(1,467)
Other items	(1)	1	(1)
Transfers to separate accounts, net	$ (782)	$ (116)	$ 375

5. Claims liabilities

Activity in the liabilities for accident and health, long-term care and disability benefits, included in aggregate reserves for life, annuity, and health contracts and contract claims, as presented below (in millions):

	2019	2018
Net balance at January 1		
Incurred Related to:	$1,114	$1.089
Current year	546	471
Prior years	(40)	(52)
Total incurred	506	419
Paid Related to:		
Current year	122	104
Prior years	295	290
Total paid	417	394
Net balance at December 31	$1,203	$1,114

Thrivent uses estimates for determining the liability for accident and health, long-term care and disability benefits, which are based on historical claim payment patterns, and attempts to provide for potential adverse changes in claim patterns and severity. Thrivent annually reviews the claim payment experience to evaluate the methodology and assumptions that are used in determining Thrivent's estimate of ultimate claims experience.

6. Reinsurance

Thrivent participates in reinsurance in order to limit maximum losses and to diversify exposures. Life and accident and health reinsurance is accomplished through various plans of reinsurance, primarily coinsurance and yearly renewable term. Generally, Thrivent retains a maximum of $3 million of single and $3 million of joint life coverage for any single mortality risk.

6. Reinsurance, continued

Ceded balances would represent a liability of Thrivent in the event the reinsurers were unable to meet the obligations under the terms of the reinsurance agreements. Reinsurance contracts do not relieve an insurer from the contract's primary obligation to policyholders.

Reinsurance premiums, commissions, expense reimbursements, benefits and reserves related to reinsured long-duration contracts are accounted for over the life of the underlying reinsured contracts using assumptions consistent with those used to account for the underlying contracts. The cost of reinsurance related to short-duration contracts is accounted for over the reinsurance contract period. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liabilities and policy benefits associated with the reinsured policies.

Reinsurance amounts included in the Statutory-Basis Statements of Operations for the years ended December 31 were as follows (in millions):

	2019	2018	2017
Direct premiums	$5,073	$5,098	$5,146
Reinsurance ceded	(106)	(117)	(125)
Net premiums	$4,967	$4,981	$5,021
Reinsurance claims recovered	$ 81	$ 60	$ 65

Aggregate reserves and contract claim liabilities in the Statutory-Basis Statements of Assets, Liabilities and Surplus for the years ended December 31 were reduced by reinsurance ceded amounts as presented below (in millions):

	2019	2018
Life insurance	$826	$801
Accident-and-health	—	—
Total	$826	$801

The financial condition of Thrivent's reinsurers and amounts recoverable are periodically reviewed in order to evaluate the financial strength of the companies supporting the recoverable balances. One reinsurer accounts for approximately 47% of the reinsurance recoverable as of December 31, 2019.

Thrivent has no covered policies where certain term life and universal life insurance policies (XXX/AXXX risks) are ceded in accordance with Actuarial Guideline 48 (Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies to be Valued Under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation).

7. Surplus

Thrivent is subject to certain risk-based capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of surplus maintained by a fraternal benefit society is to be determined based on the various risk factors. Thrivent exceeds the RBC requirements as of December 31, 2019 and 2018.

7. Surplus, continued

Unassigned funds as of December 31 includes adjustments related to the following items (in millions):

	2019	2018
Unrealized gains and (losses)	$ 557	$ 293
Non-admitted assets	(130)	(110)
Separate account business	75	42
Asset valuation reserve	(1,836)	(1,387)

Thrivent also holds special surplus funds which include the deferred gain on the sale of the corporate home office property and a special surplus balance related to the separate accounts.

8. Fair value of financial instruments

The financial instruments of Thrivent have been classified, for disclosure purposes, into categories based on the evaluation of the amount of observable and unobservable inputs used to determine fair value.

Fair Value Descriptions

Level 1 Financial Instruments

Level 1 financial instruments reported at fair value include certain bonds, certain unaffiliated common stocks and certain cash equivalents. Bonds and unaffiliated common stocks are primarily valued using quoted prices in active markets. Cash equivalents consist of money market mutual funds whose fair value is based on the quoted daily net asset values of the invested funds.

Level 1 financial instruments not reported at fair value include certain bonds, which are priced based on quoted market prices, and include primarily U.S. Treasury bonds.

Level 2 Financial Instruments

Level 2 financial instruments reported at fair value include certain unaffiliated common stocks and other invested assets. Unaffiliated common stocks and other invested assets, primarily derivatives, are valued based on market quotes where the financial instruments are not considered actively traded. The fair values for separate account assets are based on published daily net asset values of the funds in which the separate accounts are invested.

Level 2 financial instruments not reported at fair value includes certain bonds, unaffiliated preferred stocks, cash, cash equivalents and short-term investments, other invested assets, liabilities related to separate accounts and other liabilities.

Bonds not reported at fair value are priced using a third–party pricing vendor and include certain corporate debt securities and asset-backed securities. Pricing from a third–party pricing vendor varies by asset class but generally includes inputs such as estimated cash flows, benchmark yields, reported trades, issuer spreads, bids, offers, credit quality, industry events and economic events. If Thrivent is unable to obtain a price from a third–party pricing vendor, management may obtain broker quotes or utilize an internal pricing model specific to the asset. The internal pricing models apply practices that are standard among the industry and utilize observable market data.

8. Fair value of financial instruments, continued

Fair values of unaffiliated preferred stocks not reported at fair value are based on market quotes where these securities are not considered actively traded.

Cash and cash equivalents not reported at fair value consist of demand deposit and highly liquid investments purchased with an original maturity date of three months or less. Short-term investments not reported at fair value consist of investments in commercial paper and agency notes with contractual maturities of one year or less at the time of acquisition. The carrying amounts for cash, cash equivalents and short-term investments approximate the fair values.

Other invested assets not reported at fair value include investments in surplus notes in which the fair values are based on quoted market prices.

The carrying amounts of liabilities related to separate accounts reflect the amounts in the separate account assets and approximate the fair values.

Other liabilities include certain derivatives. Derivative fair values are derived from broker quotes.

Level 3 Financial Instruments

Level 3 financial instruments reported at fair value include other invested assets, which consist of certain derivatives. The fair value is determined using independent broker quotes.

Level 3 financial instruments not reported at fair value include certain bonds, unaffiliated preferred stocks, mortgage loans, real estate, contract loans, limited partnerships, other invested assets, deferred annuities, other deposit contracts and other liabilities.

Level 3 bonds not reported at fair value include private placement debt securities and convertible bonds. Private placement debt securities are valued using internal pricing models specific to the assets using unobservable inputs such as issuer spreads, estimated cash flows, internal credit ratings and volatility adjustments. Market comparable discount rates ranging from 0% to 12% are used as the base rate in the discounted cash flows used to determine the fair value of certain assets. Increases or decreases in the credit spreads on the comparable assets could cause the fair value of assets to significantly decrease or increase, respectively. Additionally, Thrivent may adjust the base discount rate or the modeled price by applying an illiquidity premium of 25 basis points, given the highly structured nature of certain assets. Convertible bonds are valued using third party broker quotes to determine fair value.

Unaffiliated preferred stocks are valued using third-party broker quotes to determine fair value.

The fair values for mortgage loans are estimated using discounted cash flow analyses based on interest rates currently being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

The fair value of real estate properties held-for-sale is based on current market price assessments, current purchase agreements or market appraisals.

The carrying amounts for contract loans approximate the fair values.

8. Fair value of financial instruments, continued

Limited partnerships include private equity investments. The fair values of private equity investments are estimated based on assumptions in the absence of observable market data. In determining fair value, the following valuation techniques are generally used: most recent capital balance adjusted for current cash flows; internal valuation methodologies designed for specific asset classes, primarily sponsor valuations or net asset value; discounted cash flow models; or applying current market multiples to earnings before interest, taxes, depreciation and amortization (EBITDA).

Other invested assets primarily include real estate joint ventures, which the fair value is derived using GAAP audited financial statements.

Other liabilities primarily include deferred annuities, other deposit contracts and certain derivatives. The fair values for deferred annuities and other deposit contracts, which include supplementary contracts without life contingencies, deferred income settlement options and refunds on deposit are estimated to be the cash surrender value payable upon immediate withdrawal. Derivatives fair values are derived from broker quotes.

Financial Instruments Carried at Fair Value

The fair values of Thrivent's financial instruments measured and reported at fair value are presented below (in millions).

	Level 1	Level 2	Level 3	Total
December 31, 2019				
Assets:				
Bonds	$ 281	$ —	$—	$ 281
Unaffiliated common stocks	1,737	—	—	1,737
Cash, cash equivalents and short-term investments	318	—	—	318
Assets held in Separate account assets	—	34,482	—	34,482
Other invested assets	—	29	91	120
Total	$2,236	$34,511	$ 91	$36,938
Liabilities:				
Other liabilities	$ 1	$ 10	$ 66	$ 77
December 31, 2018				
Assets:				
Bonds	$ 265	$ —	$—	$ 265
Unaffiliated common stocks [(1)]	1,444	—	—	1,444
Cash, cash equivalents and short-term investments	133	—	—	133
Assets held in Separate account assets	—	29,850	—	29,850
Other invested assets	8	25	4	37
Total	$1,850	$29,875	$ 4	$31,729
Liabilities:				
Other liabilities	$ —	$ 17	$ 2	$ 19

1. 2018 amounts have been corrected resulting in a $54 million reclassification from Level 2 to Level 1.

8. Fair value of financial instruments, continued

Additional Information on Level 3 Financial Instruments carried at Fair Value

The following table shows the changes in fair values for the investments categorized as Level 3 (in millions). Certain amounts below have been revised to correct the December 31, 2018 disclosure.

	2019	2018
Assets:		
Balance, January 1	$ 4	$ 38
Purchases	47	37
Sales	(60)	(20)
Realized gains and (losses) net income	11	(20)
Unrealized gains and (losses) surplus	89	(31)
Balance, December 31	$ 91	$ 4
Liabilities:		
Balance, January 1	$ 2	$ 26
Purchases	29	24
Sales	(31)	(27)
Realized gains and (losses) net income	(7)	(16)
Unrealized gains and (losses) surplus	74	(5)
Balance, December 31	$ 67	$ 2

Transfers

During 2019, Thrivent had transfers of $67 million into Level 2 from Level 3 and transfers of $242 million into Level 3 from Level 2 for bonds which are not held at fair value. During 2018, Thrivent had transfers of $30 million into Level 2 from Level 3 and transfers of $66 million into Level 3 from Level 2 for bonds which are not held at fair value. There were no transfers between fair value levels for assets held at fair value. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

Valuation Assumptions

The results of the valuation methods presented in this footnote are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. As a result, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the financial instruments. These fair values are for certain financial instruments of Thrivent; accordingly, the aggregate fair value amounts presented do not represent the underlying value of Thrivent.

8. Fair value of financial instruments

Fair Value of All Financial Instruments

The carrying values and fair values of all financial instruments are presented below (in millions).

		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
December 31, 2019					
Financial Assets:					
Bonds	$46,538	$2,242	$37,225	$10,558	$50,025
Unaffiliated preferred stocks	318	—	269	82	351
Unaffiliated common stocks	1,737	1,737	—	—	1,737
Affiliated common stock	151	—	151	—	151
Affiliated mutual funds	329	160	169	—	329
Mortgage loans	9,506	—	—	10,177	10,177
Contract loans	1,164	—	—	1,164	1,164
Cash, cash equivalents and short-term investments	2,054	318	1,736	302	2,054
Limited partnerships	4,621	—	—	4,621	4,621
Real estate – held-for-sale	6	—	—	8	8
Assets held in separate accounts	34,482	—	34,482	—	34,482
Other invested assets	426	—	137	317	454
Financial Liabilities:					
Deferred annuities	$15,911	$ —	$ —	$15,654	$15,654
Other deposit contracts	1,118	—	—	1,118	1,118
Other liabilities	77	1	10	66	77
Liabilities related to separate accounts	34,408	—	34,408	—	34,408

8. Fair value of financial instruments, continued

	Carrying Value	Fair Value Level 1	Level 2	Level 3	Total
December 31, 2018					
Financial Assets:					
Bonds [1]	$45,530	$1,568	$34,718	$ 9,183	$45,469
Unaffiliated preferred stocks [1]	207	—	136	72	208
Unaffiliated common stocks [1]	1,444	1,444	—	—	1,444
Affiliated common stock	180	—	180	—	180
Affiliated mutual funds [1]	392	129	263	—	392
Mortgage loans	8,999	—	—	9,256	9,256
Contract loans	1,173	—	—	1,173	1,173
Cash, cash equivalents and short-term investments	1,471	133	1,338	—	1,471
Limited partnerships	3,844	—	—	3,844	3,844
Real estate – held-for-sale	6	—	—	9	9
Assets held in separate accounts	29,850	—	29,850	—	29,850
Other invested assets [1]	203	1	123	90	214
Financial Liabilities:					
Deferred annuities	$15,664	$ —	$ —	$15,423	$15,423
Other deposit contracts	1,080	—	—	1,080	1,080
Other liabilities	19	—	17	2	19
Liabilities related to separate accounts	29,810	—	29,810	—	29,810

1. 2018 amounts have been corrected. Unaffiliated preferred stocks in Level 3 were reduced by $113 million. Bonds, unaffiliated common stocks, and other invested assets were reclassified by $10 million, $54 million, and $7 million, respectively from Level 2 to Level 1. $263 million in affiliated mutual funds were reclassified from Level 1 to Level 2.

9. Benefit plans

Pension and Other Postretirement Benefits

Thrivent has a qualified noncontributory defined benefit retirement plan that provides benefits to substantially all home office and field employees upon retirement. Thrivent also provides certain health care and life insurance benefits for substantially all retired home office and field personnel. Thrivent uses a measurement date of December 31 in the benefit plan disclosures.

The components of net periodic pension expense for Thrivent's qualified retirement and other plans for the years ended December 31 were as follows (in millions):

	Retirement Plan 2019	2018	2017	Other Plans 2019	2018	2017
Service cost	$ 23	$ 25	$ 23	$ 2	$ 2	$ 2
Interest cost	47	43	46	5	4	5
Expected return on plan assets	(71)	(77)	(69)	—	—	—
Other	19	19	18	(1)	4	6
Net periodic cost	$ 18	$ 10	$ 18	$ 6	$ 10	$ 13

9. Benefit plans, continued

The plans' amounts recognized in the statutory-basis financial statements as of December 31 were as follows (in millions):

	Retirement Plan		Other Plans	
	2019	2018	2019	2018
Change in Projected Benefit Obligation:				
Benefit obligation, beginning of year	$1,099	$1,187	$107	$120
Service cost	23	25	2	2
Interest cost	47	43	5	5
Actuarial gain (loss)	130	(105)	20	(11)
Transfers from defined contribution plan	2	—	—	—
Benefits paid	(55)	(51)	(10)	(9)
Benefit obligation, end of year	$1,246	$1,099	$124	$107
Change in Plan Assets:				
Fair value of plan assets, beginning of year	$ 960	$1,035	$—	$—
Actual return on plan assets	183	(44)	—	—
Employer contribution	20	20	10	9
Transfers from defined contribution plan	2	—	—	—
Benefits paid	(55)	(51)	(10)	(9)
Fair value of plan assets, end of year	$1,110	$ 960	$—	$—

9. Benefit plans, continued

The plans' amounts recognized in the statutory-basis financial statements funding statuses and accumulated benefit obligation as of December 31 were as follows (in millions):

	Retirement Plan		Other Plans	
	2019	2018	2019	2018
Funded Status:				
Accrued benefit costs	$ —	$ —	$(125)	$(130)
Liability for pension benefits	(136)	(139)	2	23
Total unfunded liabilities	$ (136)	$ (139)	$(123)	$(107)
Deferred Items:				
Net (losses) gains	$ 301	$ 303	$ (2)	$ (23)
Net prior service cost	—	—	—	—
Accumulated amounts recognized in periodic pension expenses	$ 165	$ 164	$(125)	$(130)
Accumulated benefit obligation	$1,209	$1,055	$ 123	$ 107

The unfunded liabilities for the retirement plan and other postretirement plans at December 31, 2019 and 2018, are included in other liabilities in the Statutory-Basis Statement of Assets, Liabilities and Surplus.

A summary of the deferred items in the Statutory-Basis Statement of Operations as of December 31 is as follows (in millions):

	Retirement Plan			Other Plans		
	Net Prior Service Cost	Net Recognized Gains (Losses)	Total	Net Prior Service Cost	Net Recognized Gains (Losses)	Total
Balance, January 1, 2018	$—	$306	$306	$ 4	$ (11)	$ (7)
Net prior service cost recognized	—	—	—	(4)	—	(4)
Net gain (loss) arising during the period	—	16	16	—	(12)	(12)
Net gain (loss) recognized	—	(19)	(19)	—	—	—
Balance, December 31, 2018	$—	$303	$303	$—	$ (23)	$ (23)
Net prior service cost recognized	—	—	—	—	—	—
Net gain (loss) arising during the period	—	17	17	—	20	20
Net gain (loss) recognized	—	(19)	(19)	—	1	1
Balance, December 31, 2019	$—	$301	$301	$	$ (2)	$ (2)

The amounts in unassigned funds expected as of December 31 to be recognized in the next fiscal year as components of periodic benefit cost were as follows (in millions):

	Retirement Plan		Other Plans	
	2019	2018	2019	2018
Net prior service cost	$—	$—	$—	$—
Net recognized gains/(losses)	—	19	—	(1)

9. Benefit plans, continued

Pension and Other Postretirement Benefit Factors

Thrivent periodically evaluates the long-term earned rate assumptions, taking into consideration historical performance of the plans' assets as well as current asset diversification and investment strategy in determining the rate of return assumptions used in calculating the plans' benefit expenses and obligation.

	Retirement Plan		Other Plans	
	2019	2018	2019	2018
Weighted Average Assumptions:				
Discount rate	3.3%	4.4%	3.3%	4.4%
Expected return on plan assets	7.5	7.5	N/A	N/A
Rate of compensation increase	3.4	3.4	N/A	N/A
Interest crediting rate	1.8	2.4	N/A	N/A

The assumed health care cost trend rate used in measuring the postretirement health care benefit obligation was 6.7% and 6.6% in 2019 for pre-65 participants and post-65 participants, respectively, trending down to 4.5% in 2029. The assumed health care cost trend rates can have a significant impact on the amounts reported. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 includes a federal subsidy to sponsors of retirement health care plans that provide a prescription benefit that is at least actuarially equivalent to Medicare Part D. Thrivent's Medicare prescription plan is fully insured and therefore the plan's insurer receives the federal subsidy. The interest crediting rates are used for cash balance plans.

Estimated pension benefit payments for the next ten years are as follows: 2020 – $65 million; 2021 – $66 million; 2022 – $68 million; 2023 – $68 million; 2024 – $70 million; and 2025 to 2029 – $363 million.

Estimated other post-retirement benefit payments for the next ten years are as follows: 2020 – $10 million; 2021 – $10 million; 2022 – $10 million; 2023 – $9 million; 2024 – $9 million; and 2025 to 2029 – $40 million.

The minimum pension contribution required for 2019 under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") guidelines will be determined in the first quarter of 2020.

Pension Assets

The assets of Thrivent's qualified defined benefit plan are held in the Thrivent Financial Defined Benefit Plan Trust. Thrivent has a benefit plan investment committee that sets investment guidelines, which are established based on market conditions, risk tolerance, funding requirements and expected benefit payments. A third party oversees the investment allocation process and monitors asset performance. As pension liabilities are long term in nature, Thrivent employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk.

9. Benefit plans, continued

The investment portfolio contains a diversified portfolio of investment categories, including equities and fixed income securities. Allocations for plan assets for the years ended December 31 were as follows:

	Target Allocation	Actual Allocation 2019	Actual Allocation 2018
Equity securities	60%	67%	64%
Fixed income and other securities	40	33	36
Total	100%	100%	100%

Securities are also diversified in terms of domestic and international securities, short- and long-term securities, growth and value styles, large-cap and small-cap stocks, active and passive management and derivative-based styles. With prudent risk tolerance and asset diversification, the plan is expected to meet the pension obligations in the future.

The fair values of the defined benefit plan assets by asset category are presented below (in millions):

	Level 1	Level 2	Level 3	Total
December 31, 2019				
Fixed Maturity Securities:				
U.S. government and agency securities	$103	$—	$—	$ 103
Corporate debt securities	—	168	—	168
Residential mortgage-backed securities	—	107	—	107
Commercial mortgage-backed securities	—	6	—	6
Other debt obligations	—	4	—	4
Common stocks	445	—	—	445
Affiliated mutual funds – equity funds	—	132	—	132
Short-term investments	9	92	—	101
Limited partnerships	—	—	106	106
Total	$557	$509	$106	$1,172
December 31, 2018				
Fixed Maturity Securities:				
U.S. government and agency securities	$ 71	$ 8	$—	$ 79
Corporate debt securities	—	183	1	184
Residential mortgage-backed securities	—	100	—	100
Commercial mortgage-backed securities	—	14	—	14
Other debt obligations	—	4	—	4
Common stocks	347	6	—	353
Preferred stock	—	—	—	—
Affiliated mutual funds – equity funds	—	106	—	106
Short-term investments	—	143	—	143
Limited partnerships	—	—	82	82
Total	$418	$564	$ 83	$1,065

9. Benefit plans, continued

The fair value of defined benefit plan assets as presented in the table above does not include net accrued liabilities of $62 million and $105 million as of December 31, 2019 and 2018.

There were no transfers of defined benefit plan Level 1 and Level 2 fair value measurements during 2019 or 2018. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

Defined Contribution Plans

Thrivent also provides contributory and noncontributory defined contribution retirement benefits that cover substantially all home office and field employees. Eligible participants in the 401(k) plan may elect to contribute a percentage of their eligible earnings, and Thrivent will match participant contributions up to 6% of eligible earnings. In addition, Thrivent will contribute a percentage of eligible earnings for participants in a noncontributory plan for field employees. For the years ended December 31, 2019, 2018 and 2017, Thrivent contributed $34 million, $37 million and $35 million, respectively, to these plans.

As of December 31, 2019 and 2018, $75 million and $81 million of the assets of the defined contribution plans were respectively invested in a deposit administration contract issued by Thrivent.

10. Commitments and contingent liabilities

Litigation and Other Proceedings

Thrivent is involved in various lawsuits, contractual matters and other contingencies that have arisen in the normal course of business. Thrivent assesses exposure to these matters periodically and adjusts provision accordingly. As of December 31, 2019, Thrivent believes adequate provision has been made for any losses that may result from these matters.

Financial Instruments

Thrivent is a party to financial instruments with on and off-balance sheet risk in the normal course of business. These instruments involve, to varying degrees, elements of credit, interest rate, equity price or liquidity risk in excess of the amount recognized in the Statutory-Basis Statements of Assets, Liabilities and Surplus. Thrivent's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit and financial guarantees is limited to the contractual amount of these instruments.

Commitments to Extend Credit

Thrivent has commitments to extend credit for mortgage loans and other lines of credit of $211 million and $298 million as of December 31, 2019 and 2018, respectively. Commitments to purchase limited partnerships, private placement bonds and other invested assets were $5.2 billion and $3.4 billion as of December 31, 2019 and 2018, respectively.

Financial Guarantees

Thrivent has entered into an agreement to purchase certain debt obligations of a third party civic organization, totaling $37 million, in the event certain conditions occur, as defined in the agreement. This agreement is secured by the assets of the third party.

10. Commitments and contingent liabilities, continued

Thrivent has guaranteed to maintain the capital and surplus of the trust affiliate above certain levels required by the primary regulator of each company.

Leases

Thrivent has operating leases for certain office equipment and real estate. Rental expense for these items totaled $17 million, $21 million and $17 million for each of the years ended December 31, 2019, 2018 and 2017 respectively. Future minimum rental commitments, in aggregate, as of December 31, 2019 were $67 million for operating leases. The future minimum rental payments for the five succeeding years were as follows: 2020 – $13 million; 2021 – $9 million; 2022 – $7 million; 2023 – $6 million and thereafter – $32 million.

Leasing is not a significant part of Thrivent's business activities as lessor.

11. Related party transactions

Investments in Subsidiaries and Affiliated Entities

Thrivent's directly-owned subsidiary, Thrivent Financial Holdings, Inc. ("Holdings"), is valued in accordance with SSAP No. 97. Annually, Thrivent files a "Form Sub-2" with the NAIC in support of the valuation of Holdings. The filing in support of the December 31, 2018 values was completed on August 2, 2019 and Thrivent received a response from the NAIC that did not disallow the valuation method.

As of December 31, 2019 and 2018, the gross and admitted values were $151 million and $180 million, related to Holdings, respectively.

Other Related Party Transactions

Thrivent has invested $329 million and $392 million in mutual funds that are part of the Thrivent mutual fund family as of December 31, 2019 and 2018, respectively.

Thrivent provides administrative services on behalf of their subsidiaries in accordance with intercompany service agreements. The total value of services provided under these agreements totaled $87 million, $82 million and $79 million for the years ended December 31, 2019, 2018 and 2017, respectively. The net receivables due from affiliates for the years ended December 31, 2019 and 2018 were $11 million and $13 million, respectively, which is included in other assets in the Statutory-Basis Financial Statements of Assets, Liabilities and Surplus.

Thrivent has an agreement with an affiliate who distributes Thrivent's variable products. Under the terms of the agreement, Thrivent paid commissions, bonuses and other benefits to the affiliate totaling $124 million, $119 million and $81 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Thrivent is the investment advisor for the Thrivent Series Portfolios in which the separate accounts assets are primarily invested. Advisor fees in the amount of $182 million, $180 million and $170 million for the years ended December 31, 2019, 2018 and 2017, respectively, were included in separate account fees in the Statutory-Basis Statement of Operations.

11. Related party transactions, continued

In December 2018, Thrivent acquired a variable funding note (VFN) issued by Thrivent Education Funding, LLC ("TEF"), an affiliate of Thrivent. The VFN, which is reported as a bond in the accompanying Statutory-Basis Statement of Assets, had an outstanding balance of $132 million and $25 million as December 31, 2019 and 2018, respectively.

12. Basis of presentation

The preceding statutory-basis financial statements of Thrivent have been prepared in accordance with accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, which practices differ from GAAP.

The following describes the more significant statutory accounting policies that are different from GAAP accounting policies:

Bonds and Preferred Stocks

For GAAP purposes, investments in bonds and preferred stocks are reported at fair value with the change in fair value reported as a separate component of comprehensive income for available-for-sale securities and reported as realized gains or losses for trading securities.

Common Stocks

For GAAP purposes, investments in common stocks are reported at fair value with unrealized gains and losses reported as a component of net income.

Acquisition Costs

For GAAP purposes, costs incurred that are directly related to the successful acquisition and issuance of new or renewal insurance contracts are deferred to the extent such costs are deemed recoverable from future profits and amortized in proportion to estimated margins from interest, mortality and other factors under the contracts.

Contract Liabilities

For GAAP purposes, liabilities for future contract benefits and expenses are estimated based on expected experience or actual account balances.

Non-Admitted Assets

For GAAP purposes, certain assets, primarily furniture, equipment and agents' debit balances, are not charged directly to members' equity and are not excluded from the balance sheet.

Interest Maintenance Reserve

For GAAP purposes, certain realized investment gains and losses for fixed maturity securities sold prior to their maturity are not deferred and amortized into operating results over the remaining maturity of the sold security.

12. Basis of presentation, continued

Asset Valuation Reserve

For GAAP purposes, an asset valuation reserve is not maintained.

Premiums and Withdrawals

For GAAP purposes, funds deposited and withdrawn on universal life and investment-type contracts are not recorded in the income statement.

Consolidation

For GAAP purposes, subsidiaries are consolidated into the results of their parent.

Differences between consolidated GAAP financial statements and statutory-basis financial statements as of December 31, 2019 and 2018 and for the three years ended December 31, 2019, have not been quantified but are presumed to be material.

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Thrivent Financial for Lutherans and Contract Owners of Thrivent Variable Life Account I

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities of each of the subaccounts of Thrivent Variable Life Account I, as indicated in Note 1, as of December 31, 2019, and the related statements of operations and of changes in net assetsfor each of the periods indicated in Note 1, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the subaccounts of Thrivent Variable Life Account I as of December 31, 2019, and the results of each of their operations and the changes in each of their net assets for each of the periods indicated in Note 1, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Thrivent Financial for Lutherans management. Our responsibility is to express an opinion on the financial statements of each of the subaccounts of Thrivent Variable Life Account I based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to each of the subaccounts of Thrivent Variable Life Account I in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of investments owned as of December 31, 2019by correspondence with the investee mutual funds. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP

Minneapolis, Minnesota
April 27, 2020

We have served as the auditor of one or more of the subaccounts in Thrivent Variable Life Account I since 2014.

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2019, 2008, 2003, 1997)
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2019

Subaccount	Investments at fair value	Net Assets	Series funds, at cost	Series funds shares owned
Aggressive Allocation	$172,509,420	$172,509,420	$140,485,024	9,865,066
All Cap	$ 5,266,382	$ 5,266,382	$ 3,999,841	320,127
Balanced Income Plus	$ 13,376,036	$ 13,376,036	$ 12,982,435	885,309
Diversified Income Plus	$ 9,209,941	$ 9,209,941	$ 8,426,835	1,108,322
Global Stock	$ 28,546,546	$ 28,546,546	$ 21,938,210	2,042,527
Government Bond	$ 8,300,695	$ 8,300,695	$ 8,084,972	748,620
High Yield	$ 6,194,689	$ 6,194,689	$ 6,194,213	1,293,390
Income	$ 5,874,010	$ 5,874,010	$ 5,603,471	554,199
International Allocation	$ 26,373,976	$ 26,373,976	$ 22,918,453	2,569,686
Large Cap Growth	$ 33,768,379	$ 33,768,379	$ 22,405,321	825,243
Large Cap Index	$100,837,918	$100,837,918	$ 63,215,062	2,275,045
Large Cap Value	$ 13,811,702	$ 13,811,702	$ 10,219,227	719,806
Limited Maturity Bond	$ 4,933,398	$ 4,933,398	$ 4,886,281	497,223
Low Volatility Equity	$ 546,296	$ 546,296	$ 493,263	42,538
Mid Cap Index	$ 31,437,746	$ 31,437,746	$ 27,645,381	1,693,223
Mid Cap Stock	$ 36,598,879	$ 36,598,879	$ 30,892,417	1,880,986
Moderate Allocation	$107,849,307	$107,849,307	$ 91,939,645	7,093,296
Moderately Aggressive Allocation	$300,776,539	$300,776,539	$248,492,750	18,284,622
Moderately Conservative Allocation	$ 12,488,261	$ 12,488,261	$ 11,279,522	900,919
Money Market	$ 4,605,230	$ 4,605,230	$ 4,605,230	4,605,230
Multidimensional Income	$ 373,548	$ 373,548	$ 370,859	37,358
Opportunity Income Plus	$ 2,686,866	$ 2,686,866	$ 2,676,923	265,989
Partner Emerging Markets Equity	$ 4,304,051	$ 4,304,051	$ 3,772,697	297,481
Partner Growth Stock	$ 9,979,327	$ 9,979,327	$ 6,879,973	354,721
Partner Healthcare	$ 6,949,239	$ 6,949,239	$ 5,326,303	288,950
Real Estate Securities	$ 7,709,539	$ 7,709,539	$ 5,600,172	275,040
Small Cap Growth	$ 312,887	$ 312,887	$ 292,520	26,798
Small Cap Index	$ 50,250,862	$ 50,250,862	$ 44,365,691	2,717,806
Small Cap Stock	$ 24,530,311	$ 24,530,311	$ 20,437,267	1,258,171

The accompanying notes are an integral part of these financial statements.

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2019, 2008, 2003, 1997)
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Investment Income		Realized and unrealized gain (loss) on investments				
Subaccount	**Dividends**	**Net investment income (loss)**	**Net realized gain (loss) on sale of investments**	**Capital gain distributions**	**Change in unrealized appreciation (depreciation) of investments**	**Net gain (loss) on investments**	**Net increase (decrease) in net assets resulting from operations**
Aggressive Allocation	$2,034,065	$2,034,065	$1,866,822	$10,576,608	$19,888,957	$32,332,387	$34,366,452
All Cap	$ 29,164	$ 29,164	$ 82,534	$ 187,491	$ 907,323	$ 1,177,348	$ 1,206,512
Balanced Income Plus	$ 371,474	$ 371,474	$ 5,348	$ 687,252	$ 854,841	$ 1,547,441	$ 1,918,915
Diversified Income Plus	$ 292,379	$ 292,379	$ 42,250	$ 197,661	$ 520,616	$ 760,527	$ 1,052,906
Global Stock	$ 382,310	$ 382,310	$ 331,273	$ 1,558,445	$ 3,109,966	$ 4,999,684	$ 5,381,994
Government Bond	$ 174,256	$ 174,256	$ 11,961	$ —	$ 260,135	$ 272,096	$ 446,352
High Yield	$ 328,952	$ 328,952	$ (14,290)	$ —	$ 458,478	$ 444,188	$ 773,140
Income	$ 178,966	$ 178,966	$ 10,394	$ —	$ 471,426	$ 481,820	$ 660,786
International Allocation	$ 551,397	$ 551,397	$ 139,834	$ 199,193	$ 3,528,560	$ 3,867,587	$ 4,418,984
Large Cap Growth	$ 3,669	$ 3,669	$ 814,887	$ 3,384,444	$ 3,976,989	$ 8,176,320	$ 8,179,989
Large Cap Index	$1,359,443	$1,359,443	$1,840,518	$ 489,507	$19,487,180	$21,817,205	$23,176,648
Large Cap Value	$ 193,377	$ 193,377	$ 231,080	$ 567,857	$ 1,707,290	$ 2,506,227	$ 2,699,604
Limited Maturity Bond	$ 126,694	$ 126,694	$ 5,626	$ —	$ 91,446	$ 97,072	$ 223,766
Low Volatility Equity	$ 3,262	$ 3,262	$ 562	$ 441	$ 61,489	$ 62,492	$ 65,754
Mid Cap Index	$ 323,075	$ 323,075	$ 157,459	$ 1,656,610	$ 3,849,616	$ 5,663,685	$ 5,986,760
Mid Cap Stock	$ 204,975	$ 204,975	$ 263,164	$ 3,053,814	$ 3,917,914	$ 7,234,892	$ 7,439,867
Moderate Allocation	$2,284,980	$2,284,980	$ 902,792	$ 4,072,135	$ 9,831,653	$14,806,580	$17,091,560
Moderately Aggressive Allocation	$5,045,121	$5,045,121	$1,457,803	$14,626,549	$32,163,943	$48,248,295	$53,293,416
Moderately Conservative Allocation	$ 301,236	$ 301,236	$ 127,312	$ 251,016	$ 964,153	$ 1,342,481	$ 1,643,717
Money Market	$ 78,792	$ 78,792	$ —	$ —	$ —	$ —	$ 78,792
Multidimensional Income	$ 14,254	$ 14,254	$ (638)	$ —	$ 34,413	$ 33,775	$ 48,029
Opportunity Income Plus	$ 96,840	$ 96,840	$ (1,369)	$ —	$ 94,453	$ 93,084	$ 189,924
Partner Emerging Markets Equity	$ 29,902	$ 29,902	$ 40,549	$ —	$ 635,127	$ 675,676	$ 705,578
Partner Growth Stock	$ 19,243	$ 19,243	$ 220,601	$ 272,033	$ 1,806,593	$ 2,299,227	$ 2,318,470
Partner Healthcare	$ 24,742	$ 24,742	$ 55,245	$ 54	$ 1,308,050	$ 1,363,349	$ 1,388,091
Real Estate Securities	$ 154,853	$ 154,853	$ 190,927	$ —	$ 1,340,067	$ 1,530,994	$ 1,685,847
Small Cap Growth	$ —	$ —	$ 445	$ —	$ 31,065	$ 31,510	$ 31,510
Small Cap Index	$ 469,868	$ 469,868	$ 271,823	$ 3,317,190	$ 4,756,885	$ 8,345,898	$ 8,815,766
Small Cap Stock	$ 88,397	$ 88,397	$ 210,332	$ 2,601,210	$ 2,443,241	$ 5,254,783	$ 5,343,180

The accompanying notes are an integral part of these financial statements.

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2019, 2008, 2003, 1997)
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Increase (decrease) in net assets from operations				Increase (decrease) in net assets from contract related transactions									
Subaccount	Net investment income (loss)	Net realized gain (loss) on investments and capital gain distributions	Change in net unrealized appreciation (depreciation) on investments	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Cost of insurance and administrative charges	Transfers between subaccounts	Mortality and expense risk charges	Asset based risk charge	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets	Net Assets Beginning of Year	Net Assets End of Year
Aggressive Allocation	$2,034,065	$12,443,430	$19,888,957	$34,366,452	$19,713,973	$(7,818,874)	$ (6,034,203)	$ (511,341)	$(438,685)	$(340,994)	$ 4,569,876	$38,936,328	$133,573,092	$172,509,420
All Cap	$ 29,164	$ 270,025	$ 907,323	$ 1,206,512	$ 461,570	$ (200,692)	$ (145,209)	$ 19,032	$ (13,568)	$ (5,303)	$ 115,830	$ 1,322,342	$ 3,944,040	$ 5,266,382
Balanced Income Plus	$ 371,474	$ 692,600	$ 854,841	$ 1,918,915	$ 714,511	$ (331,792)	$ (485,554)	$ 622,275	$ (33,298)	$ (4,474)	$ 481,668	$ 2,400,583	$ 10,975,453	$ 13,376,036
Diversified Income Plus	$ 292,379	$ 239,911	$ 520,616	$ 1,052,906	$ 1,041,752	$ (171,529)	$ (375,006)	$ 267,491	$ (22,847)	$ (15,684)	$ 724,177	$ 1,777,083	$ 7,432,858	$ 9,209,941
Global Stock	$ 382,310	$ 1,889,718	$ 3,109,966	$ 5,381,994	$ 1,488,827	$ (775,724)	$ (781,123)	$ (428,034)	$ (72,671)	$ (10,458)	$ (579,183)	$ 4,802,811	$ 23,743,735	$ 28,546,546
Government Bond	$ 174,256	$ 11,961	$ 260,135	$ 446,352	$ 563,976	$ (199,294)	$ (287,180)	$ 217,488	$ (18,778)	$ (21,870)	$ 254,342	$ 700,694	$ 7,600,001	$ 8,300,695
High Yield	$ 328,952	$ (14,290)	$ 458,478	$ 773,140	$ 555,827	$ (280,044)	$ (220,220)	$ 42,786	$ (17,797)	$ (8,578)	$ 71,974	$ 845,114	$ 5,349,575	$ 6,194,689
Income	$ 178,966	$ 10,394	$ 471,426	$ 660,786	$ 420,194	$ (204,022)	$ (194,938)	$ 590,522	$ (17,479)	$ (6,892)	$ 587,385	$ 1,248,171	$ 4,625,839	$ 5,874,010
International Allocation	$ 551,397	$ 339,027	$ 3,528,560	$ 4,418,984	$ 2,309,807	$ (906,377)	$ (769,168)	$ 287,670	$ (66,352)	$ (24,128)	$ 831,452	$ 5,250,436	$ 21,123,540	$ 26,373,976
Large Cap Growth	$ 3,669	$ 4,199,331	$ 3,976,989	$ 8,179,989	$ 2,729,344	$ (772,829)	$ (1,035,118)	$ 231,725	$ (91,731)	$ (27,563)	$ 1,033,828	$ 9,213,817	$ 24,554,562	$ 33,768,379
Large Cap Index	$1,359,443	$ 2,330,025	$19,487,180	$23,176,648	$10,130,098	$(2,802,575)	$ (3,045,738)	$1,289,157	$(183,527)	$(140,445)	$ 5,246,970	$28,423,618	$ 72,414,300	$100,837,918
Large Cap Value	$ 193,377	$ 798,937	$ 1,707,290	$ 2,699,604	$ 897,546	$ (447,491)	$ (352,010)	$ 109,087	$ (36,830)	$ (11,631)	$ 158,671	$ 2,858,275	$ 10,953,427	$ 13,811,702
Limited Maturity Bond	$ 126,694	$ 5,626	$ 91,446	$ 223,766	$ 498,572	$ (193,094)	$ (239,078)	$ (59,422)	$ (17,600)	$ (6,510)	$ (17,132)	$ 206,634	$ 4,726,764	$ 4,933,398
Low Volatility Equity	$ 3,262	$ 1,003	$ 61,489	$ 65,754	$ 82,207	$ 729	$ (12,004)	$ 196,523	$ (357)	$ (1,197)	$ 265,901	$ 331,655	$ 214,641	$ 546,296
Mid Cap Index	$ 323,075	$ 1,814,069	$ 3,849,616	$ 5,986,760	$ 4,977,599	$ (561,672)	$ (1,106,694)	$ 203,335	$ (52,125)	$ (77,065)	$ 3,383,378	$ 9,370,138	$ 22,067,608	$ 31,437,746
Mid Cap Stock	$ 204,975	$ 3,316,978	$ 3,917,914	$ 7,439,867	$ 2,704,596	$ (791,770)	$ (1,033,363)	$ 314,435	$ (92,463)	$ (35,254)	$ 1,066,181	$ 8,506,048	$ 28,092,831	$ 36,598,879
Moderate Allocation	$2,284,980	$ 4,974,927	$ 9,831,653	$17,091,560	$ 9,123,375	$(4,400,712)	$ (4,357,306)	$ (776,958)	$(262,933)	$(195,481)	$ (870,015)	$16,221,545	$ 91,627,762	$107,849,307
Moderately Aggressive Allocation	$5,045,121	$16,084,352	$32,163,943	$53,293,416	$30,132,508	$(7,015,836)	$(10,344,406)	$ (981,880)	$(735,624)	$(582,558)	$10,472,204	$63,765,620	$237,010,919	$300,776,539
Moderately Conservative Allocation	$ 301,236	$ 378,328	$ 964,153	$ 1,643,717	$ 800,229	$ (523,126)	$ (542,598)	$ 458,741	$ (36,468)	$ (15,992)	$ 140,786	$ 1,784,503	$ 10,703,758	$ 12,488,261
Money Market	$ 78,792	$ —	$ —	$ 78,792	$ 1,425,358	$ (480,189)	$ (289,207)	$ (486,161)	$ (18,529)	$ (20,012)	$ 131,260	$ 210,052	$ 4,395,178	$ 4,605,230
Multidimensional Income	$ 14,254	$ (638)	$ 34,413	$ 48,029	$ 25,880	$ 1,036	$ (10,327)	$ (2,698)	$ (209)	$ (1,606)	$ 12,076	$ 60,105	$ 313,443	$ 373,548
Opportunity Income Plus	$ 96,840	$ (1,369)	$ 94,453	$ 189,924	$ 268,048	$ (31,496)	$ (107,557)	$ 287,068	$ (7,401)	$ (8,409)	$ 400,253	$ 590,177	$ 2,096,689	$ 2,686,866
Partner Emerging Markets Equity	$ 29,902	$ 40,549	$ 635,127	$ 705,578	$ 681,732	$ (105,868)	$ (152,897)	$ (95,746)	$ (6,888)	$ (10,682)	$ 309,651	$ 1,015,229	$ 3,288,822	$ 4,304,051
Partner Growth Stock	$ 19,243	$ 492,634	$ 1,806,593	$ 2,318,470	$ 787,767	$ (215,664)	$ (278,014)	$ 206,786	$ (21,447)	$ (16,428)	$ 463,000	$ 2,781,470	$ 7,197,857	$ 9,979,327
Partner Healthcare	$ 24,742	$ 55,299	$ 1,308,050	$ 1,388,091	$ 820,243	$ (115,707)	$ (210,427)	$ 53,337	$ (9,135)	$ (18,388)	$ 519,923	$ 1,908,014	$ 5,041,225	$ 6,949,239
Real Estate Securities	$ 154,853	$ 190,927	$ 1,340,067	$ 1,685,847	$ 614,149	$ (271,895)	$ (243,851)	$ (111,573)	$ (21,766)	$ (10,574)	$ (45,510)	$ 1,640,337	$ 6,069,202	$ 7,709,539
Small Cap Growth	$ —	$ 445	$ 31,065	$ 31,510	$ 60,917	$ (5,105)	$ (14,823)	$ 173,493	$ (413)	$ (544)	$ 213,525	$ 245,035	$ 67,852	$ 312,887
Small Cap Index	$ 469,868	$ 3,589,013	$ 4,756,885	$ 8,815,766	$ 5,613,914	$(1,453,279)	$ (1,613,237)	$1,106,623	$ (95,298)	$ (74,673)	$ 3,484,050	$12,299,816	$ 37,951,046	$ 50,250,862
Small Cap Stock	$ 88,397	$ 2,811,542	$ 2,443,241	$ 5,343,180	$ 1,558,083	$ (624,139)	$ (700,592)	$ (175,254)	$ (69,587)	$ (12,882)	$ (24,371)	$ 5,318,809	$ 19,211,502	$ 24,530,311

The accompanying notes are an integral part of these financial statements.

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2019, 2008, 2003, 1997)
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Increase (decrease) in net assets from operations				Increase (decrease) in net assets from contract related transactions								
Subaccount	Net investment income (loss)	Net realized gain (loss) on investments and capital gain distributions	Change in net unrealized appreciation (depreciation) on investments	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Cost of insurance and administrative charges	Transfers between subaccounts	Mortality and expense risk charges	Asset based risk charge	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets	Net Assets Beginning of Year	Net Assets End of Year
Aggressive Allocation	$ 972,977	$11,189,568	$(21,542,456)	$ (9,379,911)	$17,997,863	$(5,693,397)	$(5,539,873)	$ (796,961)	$(434,092)	$(316,445)	$5,217,095	$(4,162,816)	$137,735,908	$133,573,092
All Cap	$ 22,630	$ 292,402	$ (748,900)	$ (433,868)	$ 361,546	$ (31,505)	$ (137,154)	$ 19,562	$ (15,531)	$ (4,716)	$ 192,202	$ (241,666)	$ 4,185,706	$ 3,944,040
Balanced Income Plus	$ 286,439	$ 196,486	$ (1,039,359)	$ (556,434)	$ 734,208	$ (563,216)	$ (472,361)	$ 74,439	$ (36,627)	$ (3,368)	$ (266,925)	$ (823,359)	$ 11,798,812	$ 10,975,453
Diversified Income Plus	$ 230,692	$ 76,851	$ (514,909)	$ (207,366)	$ 923,371	$ (419,497)	$ (319,852)	$ 332,683	$ (25,562)	$ (11,581)	$ 479,562	$ 272,196	$ 7,160,662	$ 7,432,858
Global Stock	$ 329,198	$ 1,952,256	$ (4,421,556)	$ (2,140,102)	$ 1,513,555	$ (654,863)	$ (770,433)	$ 72,580	$ (87,105)	$ (9,585)	$ 64,149	$(2,075,953)	$ 25,819,688	$ 23,743,735
Government Bond	$ 172,844	$ (4,968)	$ (146,508)	$ 21,368	$ 586,475	$ (141,311)	$ (264,898)	$ 488,044	$ (20,338)	$ (17,357)	$ 630,615	$ 651,983	$ 6,948,018	$ 7,600,001
High Yield	$ 311,686	$ (12,931)	$ (482,276)	$ (183,521)	$ 480,354	$ (198,286)	$ (203,288)	$ 154,924	$ (19,487)	$ (6,912)	$ 207,305	$ 23,784	$ 5,325,791	$ 5,349,575
Income	$ 162,900	$ 26,686	$ (292,515)	$ (102,929)	$ 371,922	$ (182,762)	$ (173,852)	$ 353,585	$ (17,986)	$ (4,460)	$ 346,447	$ 243,518	$ 4,382,321	$ 4,625,839
International Allocation	$ 638,892	$ 864,825	$ (5,261,857)	$ (3,758,140)	$ 2,258,619	$ (767,739)	$ (748,788)	$ 915,089	$ (72,892)	$ (19,371)	$1,564,918	$(2,193,222)	$ 23,316,762	$ 21,123,540
Large Cap Growth	$ 105,760	$ 2,164,750	$ (1,754,697)	$ 515,813	$ 1,916,948	$(1,345,355)	$ (891,517)	$ 708,742	$ (96,934)	$ (15,194)	$ 276,690	$ 792,503	$ 23,762,059	$ 24,554,562
Large Cap Index	$1,082,334	$ 1,815,289	$ (6,576,460)	$ (3,678,837)	$ 9,405,530	$(2,294,768)	$(2,633,166)	$1,546,318	$(178,942)	$(102,433)	$5,742,539	$ 2,063,702	$ 70,350,598	$ 72,414,300
Large Cap Value	$ 162,341	$ 709,709	$ (1,918,357)	$ (1,046,307)	$ 863,586	$ (423,203)	$ (344,872)	$ (33,368)	$ (41,519)	$ (11,070)	$ 9,554	$(1,036,753)	$ 11,990,180	$ 10,953,427
Low Volatility Equity	$ 19	$ 160	$ (8,544)	$ (8,365)	$ 39,117	$ (3,188)	$ (6,529)	$ 133,181	$ (166)	$ (510)	$ 161,905	$ 153,540	$ 61,101	$ 214,641
Mid Cap Index	$ 235,749	$ 1,363,501	$ (4,415,365)	$ (2,816,115)	$ 4,505,029	$ (536,517)	$ (888,320)	$ 890,215	$ (53,913)	$ (58,872)	$3,857,622	$ 1,041,507	$ 21,026,101	$ 22,067,608
Mid Cap Stock	$ 106,818	$ 2,772,112	$ (6,353,693)	$ (3,474,763)	$ 2,618,089	$ (974,258)	$ (956,319)	$ 204,962	$(104,952)	$ (27,171)	$ 760,351	$(2,714,412)	$ 30,807,243	$ 28,092,831
Moderate Allocation	$1,664,437	$ 4,189,931	$(10,135,353)	$ (4,280,985)	$ 9,364,445	$(3,632,309)	$(4,255,533)	$ 614,592	$(275,268)	$(193,584)	$1,622,343	$(2,658,642)	$ 94,286,404	$ 91,627,762
Moderately Aggressive Allocation	$3,218,330	$13,936,264	$(32,146,788)	$(14,992,194)	$28,913,559	$(7,668,409)	$(9,719,862)	$ (898,763)	$(735,290)	$(535,598)	$9,355,637	$(5,636,557)	$242,647,476	$237,010,919
Moderately Conservative Allocation	$ 227,318	$ 417,657	$ (1,012,168)	$ (367,193)	$ 801,719	$ (394,875)	$ (502,437)	$ (707,416)	$ (37,462)	$ (14,513)	$ (854,984)	$(1,222,177)	$ 11,925,935	$ 10,703,758
Multidimensional Income	$ 16,027	$ 559	$ (31,520)	$ (14,934)	$ 65,109	$ (2,328)	$ (8,722)	$ 248,378	$ (179)	$ (1,121)	$ 301,137	$ 286,203	$ 27,240	$ 313,443
Opportunity Income Plus	$ 87,138	$ (8,354)	$ (101,361)	$ (22,577)	$ 256,054	$ (23,377)	$ (97,054)	$ 65,956	$ (7,942)	$ (7,269)	$ 186,368	$ 163,791	$ 1,932,898	$ 2,096,689
Partner Emerging Markets Equity	$ 40,868	$ 7,291	$ (579,359)	$ (531,200)	$ 606,224	$ (129,502)	$ (133,134)	$ 493,736	$ (6,716)	$ (7,981)	$ 822,627	$ 291,427	$ 2,997,395	$ 3,288,822
Partner Growth Stock	$ 9,346	$ 661,296	$ (855,151)	$ (184,509)	$ 833,382	$ (233,931)	$ (235,232)	$ 498,645	$ (21,786)	$ (12,540)	$ 828,538	$ 644,029	$ 6,553,828	$ 7,197,857
Partner Healthcare	$ 43,732	$ 42,534	$ 258,033	$ 344,299	$ 709,998	$ (169,358)	$ (187,718)	$ (33,646)	$ (8,691)	$ (14,686)	$ 295,899	$ 640,198	$ 4,401,027	$ 5,041,225
Real Estate Securities	$ 125,755	$ 114,659	$ (569,024)	$ (328,610)	$ 637,283	$ (233,251)	$ (222,777)	$ (29,704)	$ (22,456)	$ (8,391)	$ 120,704	$ (207,906)	$ 6,277,108	$ 6,069,202
Small Cap Growth*	$ —	$ (1,257)	$ (10,697)	$ (11,954)	$ 32,858	$ (2,572)	$ (2,614)	$ 52,320	$ (71)	$ (115)	$ 79,806	$ 67,852	$ —	$ 67,852
Small Cap Index	$ 397,573	$ 2,547,016	$ (6,698,371)	$ (3,753,782)	$ 5,166,375	$(1,075,133)	$(1,421,526)	$1,491,648	$(101,482)	$ (54,752)	$4,005,130	$ 251,348	$ 37,699,698	$ 37,951,046
Small Cap Stock	$ 93,724	$ 2,223,743	$ (4,457,414)	$ (2,139,947)	$ 1,407,214	$ (843,548)	$ (687,503)	$ (430,837)	$ (81,324)	$ (11,705)	$ (647,703)	$(2,787,650)	$ 21,999,152	$ 19,211,502

*For the period April 27, 2018 (commencement of operations) to December 31, 2018.

The accompanying notes are an integral part of these financial statements.

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2019, 2008, 2003, 1997)
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

(1) ORGANIZATION

The Thrivent Variable Life Account I (the Variable Account) is a unit investment trust registered under the Investment Company Act of 1940 and is a separate account of Thrivent Financial for Lutherans (Thrivent Financial). The Variable Account has 29 subaccounts, each of which invests in a corresponding portfolio of the Thrivent Series Fund, Inc. (each a Fund and collectively the Funds), as provided below. For each subaccount, the financial statements are comprised of a statement of assets and liabilities as of December 31, 2019, a related statement of operations for the year then ended and statements of changes in net assets for each of the two years in the period then ended, all presented to reflect a full twelve month period except as noted below.

Subaccount	Series
Aggressive Allocation	Thrivent Series Fund, Inc. — Aggressive Allocation Portfolio
All Cap (a)	Thrivent Series Fund, Inc. — All Cap Portfolio
Balanced Income Plus	Thrivent Series Fund, Inc. — Balanced Income Plus Portfolio
Diversified Income Plus	Thrivent Series Fund, Inc. — Diversified Income Plus Portfolio
Global Stock (b, k)	Thrivent Series Fund, Inc. — Global Stock Portfolio
Government Bond (f)	Thrivent Series Fund, Inc. — Government Bond Portfolio
High Yield	Thrivent Series Fund, Inc. — High Yield Portfolio
Income	Thrivent Series Fund, Inc. — Income Portfolio
International Allocation (c)	Thrivent Series Fund, Inc. — International Allocation Portfolio
Large Cap Growth (l)	Thrivent Series Fund, Inc. — Large Cap Growth Portfolio
Large Cap Index	Thrivent Series Fund, Inc. — Large Cap Index Portfolio
Large Cap Value	Thrivent Series Fund, Inc. — Large Cap Value Portfolio
Limited Maturity Bond	Thrivent Series Fund, Inc. — Limited Maturity Bond Portfolio
Low Volatility Equity	Thrivent Series Fund, Inc. — Low Volatility Equity Portfolio
Mid Cap Index	Thrivent Series Fund, Inc. — Mid Cap Index Portfolio
Mid Cap Stock (i, j)	Thrivent Series Fund, Inc. — Mid Cap Stock Portfolio
Moderately Aggressive Allocation (d)	Thrivent Series Fund, Inc. — Moderate Allocation Portfolio
Moderate Allocation	Thrivent Series Fund, Inc. — Moderately Aggressive Allocation Portfolio
Moderately Conservative Allocation	Thrivent Series Fund, Inc. — Moderately Conservative Allocation Portfolio
Money Market	Thrivent Series Fund, Inc. — Money Market Portfolio
Multidimensional Income	Thrivent Series Fund, Inc. — Multidimensional Income Portfolio
Opportunity Income Plus	Thrivent Series Fund, Inc. — Opportunity Income Plus Portfolio
Partner Emerging Markets Equity	Thrivent Series Fund, Inc. — Partner Emerging Markets Equity Portfolio
Partner Growth Stock	Thrivent Series Fund, Inc. — Partner Growth Stock Portfolio
Partner Healthcare	Thrivent Series Fund, Inc. — Partner Healthcare Portfolio
Real Estate Securities	Thrivent Series Fund, Inc. — Real Estate Securities Portfolio
Small Cap Growth (e)	Thrivent Series Fund, Inc. — Small Cap Growth Portfolio
Small Cap Index	Thrivent Series Fund, Inc. — Small Cap Index Portfolio
Small Cap Stock (g,h)	Thrivent Series Fund, Inc. — Small Cap Stock Portfolio

(a) Formerly known as Partner All Cap, name change effective April 30, 2019.
(b) Formerly known as Large Cap Stock, name change effective April 30, 2019.
(c) Formerly known as Partner Worldwide Allocation, name change effective April 30, 2019.

(1) ORGANIZATION - continued

(d) Growth and Income Plus merged into the Moderately Aggressive Allocation Portfolio as of June 28, 2018.
(e) Statement of operations and of changes in net assets for the period April 27, 2018 (commencement of operations) to December 31, 2018.
(f) Formerly known as Bond Index, name change effective August 28, 2017.
(g) Partner Small Cap Growth merged into the Small Cap Stock Portfolio as of August 21, 2015.
(h) Partner Small Cap Value merged into the Small Cap Stock Portfolio as of August 21, 2015.
(i) Mid Cap Growth merged into the Mid Cap Stock Portfolio as of August 21, 2015.
(j) Partner Mid Cap Value merged into the Mid Cap Stock Portfolio as of August 21, 2015.
(k) Natural Resources merged into the Large Cap Stock Portfolio as of August 21, 2015.
(l) Partner Technology merged into the Large Cap Growth Portfolio as of August 21, 2015.

The Funds are registered under the Investment Company Act of 1940 as open-end, diversified management investment companies. The Funds are managed by Thrivent Investment Management, Inc. which is an affiliate of Thrivent Financial.

The Variable Account is used to fund flexible premium variable universal life insurance contracts issued by Thrivent Financial. Under applicable insurance law, the assets and liabilities of the Variable Account are clearly identified and distinguished from the other assets and liabilities of Thrivent Financial. The assets of the Variable Account will not be charged with any liabilities arising out of any other business conducted by the life insurance operations of Thrivent Financial.

A fixed account investment option is available for contract owners of the flexible premium variable universal life insurance contracts. Assets of the fixed account are combined with the general assets of Thrivent Financial and invested by Thrivent Financial as allowed by applicable law. Accordingly, the fixed account assets are not included in the Variable Account financial statements.

(2) SIGNIFICANT ACCOUNTING POLICIES

The Variable Account applies the accounting and reporting guidance for investment companies as outlined in Accounting Standards Codification (ASC) 946.

Valuation of Investments

The investments in shares of the Funds are stated at fair value, which is the closing net asset value per share as determined by the Fund. The cost of shares sold and redeemed is determined on the average cost method. Dividend distributions received from the Fund are reinvested in additional shares of the Fund and recorded as income by the subaccount on the ex-dividend date. Series Fund shares owned represent the number of shares of the Fund owned by the subaccount.

Federal Income Taxes

Thrivent Financial qualifies as a tax-exempt organization under the Internal Revenue Code. Accordingly, no provision for income taxes has been charged against the Variable Account. Thrivent Financial reserves the right to charge for taxes in the future should Thrivent Financial’s tax status change.

(2) SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

In estimating the fair values for financial instruments carried at fair value, the amount of observable and unobservable inputs used to determine fair value are taken into consideration. Each of the financial instruments must be classified into one of three categories based on that evaluation:

Level 1: Fair value based on quoted prices for identical assets in active markets that are accessible.
Level 2: Fair value based on quoted prices for similar instruments in active markets that are accessible; quoted prices for identical or similar instruments in markets that are not active; or model-derived valuations where the significant value driver inputs are observable.
Level 3: Fair value based on significant value driver inputs that are not observable.

The fair values for the subaccount's investments are based on the quoted daily net asset values of the Funds in which the subaccounts are invested. These investments have been categorized as Level 2 assets.

Subsequent Events

Management has evaluated Variable Account related events and transactions that occurred during the period from the date of the Statement of Assets and Liabilities through the date of issuance of the Variable Account's financial statements. The COVID-19 global pandemic has caused and may continue to cause substantial market volatility which impacts the net assets of the Variable Account. There were no other events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Variable Account's financial statements.

(3) EXPENSE CHARGES AND OTHER TRANSACTIONS WITH AFFILIATES

Amounts are paid to Thrivent Financial for mortality and expense risks assumed in connection with the contracts as a percentage of the subaccounts. No mortality and expense risk charges are deducted from the fixed account. The mortality and expense risk charges for each of the variable subaccounts are reported in the statements of changes in net assets. The rates are as follows for the three contract types within the Variable Account:

- Thrivent Variable Life 2019 Series – annual rate is based on the subaccount accumulated value and is guaranteed not to exceed 1.00% for all contract years.
- Thrivent Variable Life 2008 Series – annual rate is based on the subaccount accumulated value and is guaranteed not to exceed 0.45% for all contract years.
- Thrivent Variable Life 2003 Series – annual rate is based on subaccount accumulated value and is guaranteed not to exceed 1.10% during the first 10 contract years and guaranteed not to exceed 0.90% thereafter.

(3) EXPENSE CHARGES AND OTHER TRANSACTIONS WITH AFFILIATES - continued

- Thrivent Variable Life 1997 Series – annual rate is based on the subaccount cash value and is guaranteed not to exceed 0.90% during the first 15 years and guaranteed not to exceed 0.40% thereafter.

Thrivent Financial deducts a monthly unit charge for the Thrivent Variable Life 2008 Series only. This charge covers the expenses associated with underwriting, issuing, or increasing the face amount. The charge applies for the first 120 months after issue and the first 120 months after an increase in face amount. Refer to the product prospectus for the applicable charge.

Thrivent Financial deducts an issue expense charge for the Thrivent Variable Life 1997 Series only. This charge covers the expenses associated with underwriting, issuing, or increasing the face amount. The charge applies for the first 36 months after issue and the first 36 months after an increase in face amount. Refer to the product prospectus for the applicable charge.

Thrivent Financial deducts an asset charge for Thrivent Variable Life 2008 Series only. This charge covers the expenses incurred in issuing and administering the contract and operating the Variable Account. Refer to the product prospectus for the applicable rate.

Prior to the allocation of premiums to the Variable Account, Thrivent Financial deducts a sales charge, based on the product, to cover a portion of the sales expenses incurred by Thrivent Financial. Refer to the product prospectus for the applicable rate.

Thrivent Financial charges a monthly administrative fee for administrative expenses. Refer to the product prospectus for the applicable administrative charge rates.

Thrivent Financial assumes responsibility for providing the insurance benefit included in the contract. On a monthly basis, a cost of insurance charge is deducted proportionately from the value of each variable subaccount and/or fixed account funding option. The fixed account is part of the general account of Thrivent Financial and is not included in these financial statements. The cost of insurance charge depends on the attained age, risk classification, gender (in most states) and the current net amount at risk.

Thrivent Financial assesses a transfer fee to each transfer from the subaccounts and fixed account in excess of the first twelve transfers made in a contract year. Refer to the product prospectus for the applicable charge.

Thrivent Financial, upon lapse, surrender or face amount reduction, will charge a decrease or surrender charge during the first 10 contract years and during the first 10 years following an increase in face amount. These charges are in part a deferred sales charge and in part a recovery of certain administrative costs. In no event will the surrender charge exceed the maximum allowed by state or federal law. Refer to the product prospectus for the applicable charge.

Thrivent Financial may charge an administrative fee for each partial surrender/withdrawal that is taken in excess of one per contract year. For Thrivent Variable Life 2003 Series only, the charge is applicable in the first 10 contract years only. Refer to the product prospectus for applicable charges.

Thrivent Financial reserves the right to charge a fee for certain contract changes for Thrivent Variable Life 1997 Series only. Refer to the product prospectus for applicable charges.

(3) EXPENSE CHARGES AND OTHER TRANSACTIONS WITH AFFILIATES - continued

Additionally, during the year ended December 31, 2019, management fees were paid indirectly to Thrivent Financial in its capacity as advisor to the Fund. Additional details of these net asset based charges paid by the Funds can be found in the Fund's annual report.

(4) UNIT ACTIVITY

Transactions in units (including transfers among subaccounts) were as follows:

Subaccount	Units Outstanding at January 1, 2018	Units Issued	Units Issued as a result of merger	Units Redeemed	Units Outstanding at December 31, 2018	Units Issued	Units Redeemed	Units Outstanding at December 31, 2019
Aggressive Allocation	5,946,756	987,908		(709,308)	6,225,356	1,054,096	(769,112)	6,510,340
All Cap	137,984	25,006		(13,607)	149,383	29,542	(22,427)	156,498
Balanced Income Plus	438,529	49,150		(56,401)	431,278	70,155	(40,530)	460,903
Diversified Income Plus	304,396	77,858		(48,203)	334,051	75,424	(41,902)	367,573
Global Stock	1,192,994	118,744		(110,543)	1,201,195	99,880	(124,824)	1,176,251
Government Bond	382,696	89,289		(44,892)	427,093	62,313	(44,572)	444,834
High Yield	204,686	44,690		(33,484)	215,892	50,550	(45,783)	220,659
Income	219,402	50,678		(29,956)	240,124	75,366	(42,209)	273,281
International Allocation	1,758,273	317,718		(193,268)	1,882,723	304,752	(236,394)	1,951,081
Large Cap Growth	724,535	132,725		(106,567)	750,693	146,207	(100,154)	796,746
Large Cap Index	2,381,615	546,706		(294,145)	2,634,176	543,472	(318,522)	2,859,126
Large Cap Value	415,710	50,555		(47,262)	419,003	66,312	(51,686)	433,629
Limited Maturity Bond	322,137	81,048		(78,152)	325,033	75,887	(74,962)	325,958
Low Volatility Equity	5,550	15,503		(977)	20,076	22,830	(1,407)	41,499
Mid Cap Index	663,248	261,017		(106,425)	817,840	237,607	(104,447)	951,000
Mid Cap Stock	784,474	120,204		(83,493)	821,185	128,378	(84,609)	864,954
Moderate Allocation	4,627,100	701,559		(592,695)	4,735,964	583,156	(611,303)	4,707,817
Moderately Aggressive Allocation	11,151,029	1,695,514	38,640	(1,199,412)	11,685,771	1,726,372	(1,184,963)	12,227,180
Moderately Conservative Allocation	636,230	128,160		(172,549)	591,841	109,773	(100,509)	601,105
Money Market	3,321,076	1,562,607		(1,009,550)	3,874,133	1,695,930	(1,554,818)	4,015,245
Multidimensional Income	2,632	33,101		(3,731)	32,002	7,420	(6,284)	33,138
Opportunity Income Plus	116,800	39,011		(28,738)	127,073	42,924	(18,126)	151,871
Partner Emerging Markets Equity	190,798	93,130		(37,972)	245,956	86,333	(64,391)	267,898
Partner Growth Stock	187,391	56,863		(28,611)	215,643	46,287	(31,122)	230,808
Partner Healthcare	180,068	48,000		(37,641)	190,427	42,849	(24,698)	208,578
Real Estate Securities	207,894	43,256		(33,831)	217,319	40,375	(34,555)	223,139
Small Cap Growth	—	11,365		(3,920)	7,445	21,627	(2,333)	26,739
Small Cap Index	876,576	260,595		(110,001)	1,027,170	253,393	(112,830)	1,167,733
Small Cap Stock	657,235	65,351		(78,816)	643,770	74,423	(68,207)	649,986

(5) PURCHASES AND SALES OF INVESTMENTS

The aggregate costs of purchases and proceeds from sales of investments in the Funds for the year ended December 31, 2019 were as follows:

Subaccount	Purchases	Sales
Aggressive Allocation	$26,594,978	$9,414,429
All Cap	784,243	451,757
Balanced Income Plus	2,249,327	708,935
Diversified Income Plus	1,751,655	537,439
Global Stock	3,083,651	1,722,077
Government Bond	929,347	500,749
High Yield	1,233,744	832,817
Income	1,258,806	492,455
International Allocation	3,199,460	1,617,418
Large Cap Growth	6,704,314	2,282,372
Large Cap Index	12,063,961	4,968,041
Large Cap Value	1,883,159	963,252
Limited Maturity Bond	944,366	834,802
Low Volatility Equity	279,338	9,734
Mid Cap Index	6,642,891	1,279,827
Mid Cap Stock	6,029,837	1,704,865
Moderate Allocation	12,884,315	7,397,213
Moderately Aggressive Allocation	39,507,090	9,363,217
Moderately Conservative Allocation	2,300,846	1,607,809
Money Market	1,666,728	1,456,676
Multidimensional Income	65,424	39,096
Opportunity Income Plus	685,796	188,703
Partner Emerging Markets Equity	993,276	653,721
Partner Growth Stock	1,537,269	782,993
Partner Healthcare	908,166	363,447
Real Estate Securities	839,073	729,730
Small Cap Growth	224,943	11,418
Small Cap Index	9,327,795	2,056,688
Small Cap Stock	3,993,194	1,327,959

(6) FINANCIAL HIGHLIGHTS

A summary of units outstanding, unit values, net assets, expense ratios, investment income ratios and total return ratios for each of the five years in the period ended December 31, 2019, except as indicated in Note 1, follows:

Subaccount	2019	2018	2017	2016	2015
Aggressive Allocation					
Units	6,510,340	6,225,356	5,946,756	5,647,086	5,449,823
Unit value	$10.25-$31.12	$18.32-$24.83	$19.58-$26.54	$16.12-$21.84	$14.64-$19.84
Net assets	$ 172,509,420	$ 133,573,092	$ 137,735,908	$ 109,082,161	$ 97,036,915
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.30 %	0.68%	0.73%	0.97%	1.05%
Total return (c)	2.49-25.34%	(6.46)%	21.51%	10.11%	(0.45)%
All Cap					
Units	156,498	149,383	137,984	134,382	116,084
Unit value	$10.28-$48.41	$17.67-$37.16	$19.61-$41.24	$16.31-$34.30	$15.42-$32.43
Net assets	$ 5,266,382	$ 3,944,040	$ 4,185,706	$ 3,451,473	$ 2,913,444
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.62 %	0.52%	0.49%	0.27%	0.34%
Total return (c)	2.84-30.27%	(9.89)%	20.24%	5.78%	2.26%
Balanced Income Plus					
Units	460,903	431,278	438,529	441,782	438,003
Unit value	$20.51-$32.49	$17.52-$27.74	$18.41-$29.16	$16.49-$26.11	$15.40-$24.39
Net assets	$ 13,376,036	$ 10,975,453	$ 11,798,812	$ 10,679,625	$ 10,001,935
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.97 %	2.43%	2.33%	2.53%	2.13%
Total return (c)	17.11 %	(4.87)%	11.67%	7.06%	(0.14)%
Diversified Income Plus					
Units	367,573	334,051	304,396	294,219	266,566
Unit value	$10.13-$30.25	$18.28-$26.59	$18.79-$27.33	$17.18-$24.99	$16.05-$23.34
Net assets	$ 9,209,941	$ 7,432,858	$ 7,160,662	$ 6,397,195	$ 5,557,060
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	3.50 %	3.07%	3.01%	3.43%	3.25%
Total return (c)	1.29-13.73%	(2.69)%	9.34%	7.08%	0.08%
Global Stock					
Units	1,176,251	1,201,195	1,192,994	1,186,415	1,185,776
Unit value	$20.64-$26.93	$16.79-$21.90	$18.31-$23.89	$15.12-$19.72	$14.34-$18.70
Net assets	$ 28,546,546	$ 23,743,735	$ 25,819,688	$ 21,219,515	$ 20,079,301
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.44 %	1.24%	1.28%	1.26%	1.14%
Total return (c)	22.95 %	(8.33)%	21.16%	5.42%	3.11%
Government Bond					
Units	444,834	427,093	382,696	331,839	271,746
Unit value	$15.38-$26.02	$14.53-$24.58	$14.50-$24.54	$14.09-$23.83	$13.88-$23.48
Net assets	$ 8,300,695	$ 7,600,001	$ 6,948,018	$ 6,056,239	$ 5,128,864
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.18 %	2.42%	2.01%	1.68%	1.78%
Total return (c)	5.86 %	0.19%	2.96%	1.49%	0.80%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2019	2018	2017	2016	2015
High Yield					
Units	220,659	215,892	204,686	193,532	193,973
Unit value	$22.13-$39.48	$19.36-$34.53	$20.02-$35.71	$18.63-$33.23	$16.52-$29.46
Net assets	$ 6,194,689	$ 5,349,575	$ 5,325,791	$ 4,716,890	$ 4,204,674
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	5.56 %	5.81%	5.45%	5.68%	5.73%
Total return (c)	14.34 %	(3.31)%	7.47%	12.76%	(2.69)%
Income					
Units	273,281	240,124	219,402	211,049	195,213
Unit value	$10.03-$24.57	$16.51-$21.63	$16.90-$22.14	$15.90-$20.83	$14.99-$19.64
Net assets	$ 5,874,010	$ 4,625,839	$ 4,382,321	$ 3,969,753	$ 3,493,618
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	3.35 %	3.68%	3.32%	3.43%	3.67%
Total return (c)	0.31-13.60%	(2.32)%	6.28%	6.08%	(0.68)%
International Allocation					
Units	1,951,081	1,882,723	1,758,273	1,658,948	1,596,671
Unit value	$ 13.52	$ 11.22	$ 13.26	$ 10.71	$ 10.36
Net assets	$ 26,373,976	$ 21,123,540	$ 23,316,762	$ 17,763,602	$ 16,542,851
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.30 %	2.77%	2.09%	2.22%	2.48%
Total return (c)	20.48 %	(15.39)%	23.85%	3.35%	(0.78)%
Large Cap Growth					
Units	796,746	750,693	724,535	734,395	729,946
Unit value	$31.85-$53.99	$23.96-$40.63	$23.38-$39.63	$18.13-$30.74	$18.40-$31.20
Net assets	$ 33,768,379	$ 24,554,562	$ 23,762,059	$ 18,783,888	$ 19,136,357
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.01 %	0.40%	0.39%	0.57%	0.49%
Total return (c)	32.90 %	2.50%	28.93%	(1.48)%	10.48%
Large Cap Index					
Units	2,859,126	2,634,176	2,381,615	2,172,116	1,971,440
Unit value	$10.28-$41.33	$22.01-$31.51	$23.07-$33.03	$19.00-$27.20	$17.01-$24.35
Net assets	$ 100,837,918	$ 72,414,300	$ 70,350,598	$ 54,004,821	$ 44,927,146
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.55 %	1.44%	1.32%	1.88%	1.35%
Total return (c)	2.79-31.15%	(4.61)%	21.46%	11.68%	1.12%
Large Cap Value					
Units	433,629	419,003	415,710	403,840	405,069
Unit value	$22.96-$42.49	$18.46-$34.16	$20.21-$37.42	$17.18-$31.80	$14.63-$27.08
Net assets	$ 13,811,702	$ 10,953,427	$ 11,990,180	$ 10,079,472	$ 8,670,321
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.54 %	1.34%	1.37%	1.36%	1.30%
Total return (c)	24.39 %	(8.70)%	17.65%	17.44%	(3.53)%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2019	2018	2017	2016	2015
Limited Maturity Bond					
Units	325,958	325,033	322,137	304,457	288,562
Unit value	$13.62-$16.21	$13.01-$15.48	$12.87-$15.32	$12.55-$14.93	$12.20-$14.52
Net assets	$ 4,933,398	$ 4,726,764	$ 4,640,419	$ 4,293,261	$ 3,995,919
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.61 %	2.49%	1.98%	1.93%	1.67%
Total return (c)	4.75 %	1.03%	2.61%	2.83%	0.73%
Low Volatility Equity					
Units	41,499	20,076	5,550	—	—
Unit value	$ 13.16	$ 10.69	$ 11.01	—	—
Net assets	$ 546,296	$ 214,641	$ 61,101	—	—
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	—%	—%
Investment income ratio (b)	0.95 %	0.01%	4.63%	—%	—%
Total return (c)	23.13 %	(2.90)%	10.11%	—%	—%
Mid Cap Index					
Units	951,000	817,840	663,248	547,347	441,116
Unit value	$10.22-$50.21	$22.50-$39.89	$25.37-$44.96	$21.87-$38.77	$18.16-$32.19
Net assets	$ 31,437,746	$ 22,067,608	$ 21,026,101	$ 15,456,064	$ 10,808,130
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.18 %	1.01%	0.88%	0.88%	0.70%
Total return (c)	2.16-25.86%	(11.29)%	15.98%	20.43%	(2.52)%
Mid Cap Stock					
Units	864,954	821,185	784,474	775,437	790,233
Unit value	$10.22-$47.76	$24.59-$37.86	$27.62-$42.52	$23.21-$35.73	$18.03-$27.76
Net assets	$ 36,598,879	$ 28,092,831	$ 30,807,243	$ 25,914,658	$ 20,685,729
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.61 %	0.34%	0.35%	0.38%	0.42%
Total return (c)	2.21-26.16%	(10.96)%	19.00%	28.71%	0.08%
Moderate Allocation					
Units	4,707,817	4,735,964	4,627,100	4,486,693	4,312,671
Unit value	$10.16-$25.53	$16.82-$21.50	$17.60-$22.50	$15.58-$19.92	$14.31-$18.29
Net assets	$ 107,849,307	$ 91,627,762	$ 94,286,404	$ 81,502,685	$ 72,731,915
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.26 %	1.74%	1.61%	1.69%	1.50%
Total return (c)	1.58-18.75%	(4.44)%	12.95%	8.89%	(0.56)%
Moderately Aggressive Allocation					
Units	12,227,180	11,685,771	11,151,029	10,646,665	10,108,138
Unit value	$10.19-$28.24	$17.54-$23.13	$18.64-$24.58	$15.96-$21.04	$14.47-$19.09
Net assets	$ 300,776,539	$ 237,010,919	$ 242,647,476	$ 200,465,974	$ 174,736,140
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.84 %	1.28%	1.21%	1.43%	1.28%
Total return (c)	1.87-22.11%	(5.90)%	16.79%	10.23%	(0.75)%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2019	2018	2017	2016	2015
Moderately Conservative Allocation					
Units	601,105	591,841	636,230	631,615	590,494
Unit value	$18.05-$22.10	$15.67-$19.19	$16.21-$19.84	$14.80-$18.12	$13.80-$16.89
Net assets	$ 12,488,261	$ 10,703,758	$ 11,925,935	$ 10,915,997	$ 9,632,935
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.53%	2.03%	1.74%	1.67%	1.73%
Total return (c)	15.18%	(3.30)%	9.51%	7.24%	(0.46)%
Money Market					
Units	4,015,245	3,874,133	3,321,076	3,178,779	2,727,472
Unit value	$ 1.06-$1.24	$ 1.04-$1.21	$ 1.03-$1.20	$ 1.02-$1.19	$ 1.02-$1.19
Net assets	$ 4,605,230	$ 4,395,178	$ 3,755,444	$ 3,620,847	$ 3,124,866
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.80%	1.48%	0.50%	0.00%	0.00%
Total return (c)	1.83%	1.48%	0.50%	0.00%	0.00%
Multidimensional Income					
Units	33,138	32,002	2,632	—	—
Unit value	$ 11.27	$ 9.79	$ 10.35	—	—
Net assets	$ 373,548	$ 313,443	$ 27,240	—	—
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	—%	—%
Investment income ratio (b)	4.07%	6.67%	4.72%	—%	—%
Total return (c)	15.09%	(5.37)%	3.50%	—%	—%
Opportunity Income Plus					
Units	151,871	127,073	116,800	104,107	96,864
Unit value	$16.18-$19.35	$14.91-$17.83	$15.06-$18.01	$14.39-$17.21	$13.53-$16.18
Net assets	$ 2,686,866	$ 2,096,689	$ 1,932,898	$ 1,647,734	$ 1,441,144
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	4.01%	4.12%	3.38%	3.38%	3.39%
Total return (c)	8.53%	(1.01)%	4.62%	6.37%	(0.03)%
Partner Emerging Markets Equity					
Units	267,898	245,956	190,798	147,309	131,242
Unit value	$ 16.07	$ 13.37	$ 15.71	$ 12.31	$ 11.03
Net assets	$ 4,304,051	$ 3,288,822	$ 2,997,395	$ 1,812,979	$ 1,447,517
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.76%	1.26%	0.68%	1.01%	1.20%
Total return (c)	20.15%	(14.88)%	27.65%	11.59%	(13.59)%
Partner Growth Stock					
Units	230,808	215,643	187,391	167,462	163,433
Unit value	$35.29-$61.98	$26.86-$47.17	$27.20-$47.77	$20.36-$35.76	$20.09-$35.28
Net assets	$ 9,979,327	$ 7,197,857	$ 6,553,828	$ 4,476,574	$ 4,350,692
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.22%	0.12%	0.09%	0.00%	0.00%
Total return (c)	31.38%	(1.26)%	33.61%	1.35%	10.65%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2019	2018	2017	2016	2015
Partner Healthcare					
Units	208,578	190,427	180,068	159,104	137,998
Unit value	$10.24-$33.32	$ 26.47	$ 24.44	$ 20.47	$ 24.37
Net assets	$ 6,949,239	$ 5,041,225	$ 4,401,027	$ 3,256,333	$ 3,362,708
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.42 %	0.90%	0.26%	4.20%	0.01%
Total return (c)	2.42-25.85%	8.31%	19.42%	(16.01)%	4.61%
Real Estate Securities					
Units	223,139	217,319	207,894	195,954	187,154
Unit value	$23.21-$55.68	$18.14-$43.52	$19.16-$45.96	$18.08-$43.38	$16.82-$40.35
Net assets	$ 7,709,539	$ 6,069,202	$ 6,277,108	$ 5,732,120	$ 5,283,574
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.15 %	2.02%	1.62%	1.46%	1.43%
Total return (c)	27.94 %	(5.30)%	5.96%	7.50%	2.75%
Small Cap Growth					
Units	26,739	7,445	—	—	—
Unit value	$ 11.70	$ 9.11	—	—	—
Net assets	$ 312,887	$ 67,852	—	—	—
Ratio of expenses to net assets (a)	0.00 %	0.00%	—%	—%	—%
Investment income ratio (b)	0.00 %	0.00%	—%	—%	—%
Total return (c)	28.41 %	(8.87)%	—%	—%	—%
Small Cap Index					
Units	1,167,733	1,027,170	876,576	788,408	716,707
Unit value	$10.21-$62.21	$24.94-$50.79	$27.30-$55.60	$24.13-$49.15	$19.13-$38.97
Net assets	$ 50,250,862	$ 37,951,046	$ 37,699,698	$ 31,345,634	$ 23,724,251
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.05 %	0.95%	0.84%	0.99%	0.78%
Total return (c)	2.07-22.49%	(8.66)%	13.13%	26.12%	(2.17)%
Small Cap Stock					
Units	649,986	643,770	657,235	675,478	688,926
Unit value	$25.61-$45.30	$20.05-$35.46	$22.31-$39.45	$18.40-$32.54	$14.61-$25.84
Net assets	$ 24,530,311	$ 19,211,502	$ 21,999,152	$ 18,718,342	$ 15,225,436
Ratio of expenses to net assets (a)	0.00 %	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.39 %	0.42%	0.35%	0.33%	0.35%
Total return (c)	27.77 %	(10.13)%	21.23%	25.94%	(3.13)%

(a) These amounts only include items that flow through operations. All other charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund have been excluded.

(b) These amounts represent the dividends, excluding distributions of capital gains, received by the subaccount from the underlying mutual fund net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude those expenses, such as mortality and expense charges, that are assessed against the contract owner accounts either through reductions in the unit values or the redemption of units. The recognition of investment income is affected by the timing of the declaration of dividends by the underlying fund in which the subaccount invests.

(c) These amounts represent the total return for periods indicated, including changes in the value of the

(6) FINANCIAL HIGHLIGHTS - continued

underlying fund, and expenses assessed through the reduction of unit values. Investment options with a date notation in Note 1 indicate the effective date of the investment option in the Variable Account.

(7) UNIT FAIR VALUE

Units, unit values and asset balances for each subaccount are as follows:

Year Ended December 31, 2019	Units	Unit Value	Assets in Accumulation Period
Thrivent Flexible Premium Variable Life Insurance – 2019			
Aggressive Allocation	235	$10.25	$2,405
All Cap	5	$10.28	$ 52
Balanced Income Plus	—	$10.17	$ —
Diversified Income Plus	5	$10.13	$ 52
Global Stock	—	$10.26	$ —
Government Bond	—	$ 9.98	$ —
High Yield	—	$10.17	$ —
Income	5	$10.03	$ 52
International Allocation	—	$10.22	$ —
Large Cap Growth	—	$10.30	$ —
Large Cap Index	68	$10.28	$ 694
Large Cap Value	—	$10.25	$ —
Limited Maturity Bond	—	$10.02	$ —
Low Volatility Equity	—	$10.13	$ —
Mid Cap Index	7	$10.22	$ 71
Mid Cap Stock	31	$10.22	$ 322
Moderate Allocation	35	$10.16	$ 358
Moderately Aggressive Allocation	31	$10.19	$ 316
Moderately Conservative Allocation	—	$10.11	$ —
Money Market	—	$ 1.00	$ —
Multidimensional Income	—	$10.17	$ —
Opportunity Income Plus	—	$10.08	$ —
Partner Emerging Markets Equity	—	$10.59	$ —
Partner Growth Stock	—	$10.30	$ —
Partner Healthcare	1	$10.24	$ 5
Real Estate Securities	—	$ 9.99	$ —
Small Cap Growth	—	$10.18	$ —
Small Cap Index	34	$10.21	$ 350
Small Cap Stock	—	$10.22	$ —
			$4,677

(7) UNIT FAIR VALUE - continued

Year Ended December 31, 2019	Units	Unit Value	Assets in Accumulation Period
Thrivent Flexible Premium Variable Life Insurance – 2008			
Aggressive Allocation	3,687,984	$22.96	$ 84,686,796
All Cap	68,354	$23.02	$ 1,573,284
Balanced Income Plus	75,678	$20.51	$ 1,552,345
Diversified Income Plus	158,439	$20.79	$ 3,294,559
Global Stock	128,197	$20.64	$ 2,646,105
Government Bond	201,813	$15.38	$ 3,104,592
High Yield	86,878	$22.13	$ 1,922,949
Income	84,641	$18.75	$ 1,587,363
International Allocation	502,517	$13.52	$ 6,793,133
Large Cap Growth	240,009	$31.85	$ 7,643,537
Large Cap Index	1,311,291	$28.87	$ 37,851,952
Large Cap Value	143,456	$22.96	$ 3,293,346
Limited Maturity Bond	75,731	$13.62	$ 1,031,835
Low Volatility Equity	33,943	$13.16	$ 446,834
Mid Cap Index	690,988	$28.32	$ 19,571,233
Mid Cap Stock	273,318	$31.02	$ 8,478,280
Moderate Allocation	2,222,583	$19.98	$ 44,396,236
Moderately Aggressive Allocation	6,524,388	$21.41	$139,712,544
Moderately Conservative Allocation	196,598	$18.05	$ 3,549,221
Money Market	1,983,434	$ 1.06	$ 2,103,386
Multidimensional Income	29,166	$11.27	$ 328,772
Opportunity Income Plus	73,166	$16.18	$ 1,183,596
Partner Emerging Markets Equity	177,465	$16.07	$ 2,851,156
Partner Growth Stock	115,830	$35.29	$ 4,087,818
Partner Healthcare	148,961	$33.32	$ 4,962,995
Real Estate Securities	111,481	$23.21	$ 2,587,648
Small Cap Growth	19,876	$11.70	$ 232,582
Small Cap Index	624,693	$30.54	$ 19,081,230
Small Cap Stock	129,001	$25.61	$ 3,304,319
			$413,859,646

(7) UNIT FAIR VALUE - continued

Year Ended December 31, 2019	Units	Unit Value	Assets in Accumulation Period
Thrivent Flexible Premium Variable Life Insurance – 2003			
Aggressive Allocation	2,247,901	$31.12	$ 69,951,099
All Cap	65,573	$39.66	$ 2,600,558
Balanced Income Plus	110,746	$26.24	$ 2,905,510
Diversified Income Plus	105,747	$26.37	$ 2,788,315
Global Stock	433,681	$26.93	$ 11,677,877
Government Bond	142,012	$18.08	$ 2,567,506
High Yield	97,836	$29.16	$ 2,852,788
Income	137,185	$22.03	$ 3,022,374
International Allocation	778,986	$13.52	$ 10,529,872
Large Cap Growth	343,023	$42.52	$ 14,585,096
Large Cap Index	342,756	$38.47	$ 13,187,437
Large Cap Value	206,235	$33.71	$ 6,951,314
Limited Maturity Bond	177,749	$15.34	$ 2,726,440
Low Volatility Equity	6,944	$13.16	$ 91,412
Mid Cap Index	158,295	$42.70	$ 6,759,656
Mid Cap Stock	325,513	$47.34	$ 15,410,796
Moderate Allocation	1,816,923	$25.53	$ 46,390,106
Moderately Aggressive Allocation	4,625,591	$28.24	$130,640,767
Moderately Conservative Allocation	321,152	$22.10	$ 7,097,005
Money Market	1,489,656	$ 1.23	$ 1,831,674
Multidimensional Income	270	$11.27	$ 3,046
Opportunity Income Plus	55,171	$19.00	$ 1,047,982
Partner Emerging Markets Equity	64,292	$16.07	$ 1,032,909
Partner Growth Stock	87,241	$47.83	$ 4,172,569
Partner Healthcare	41,254	$33.32	$ 1,374,464
Real Estate Securities	85,209	$42.83	$ 3,649,110
Small Cap Growth	4,537	$11.70	$ 53,086
Small Cap Index	142,512	$43.93	$ 6,260,040
Small Cap Stock	291,001	$37.13	$ 10,805,898
			$382,966,706

(7) UNIT FAIR VALUE - continued

Year Ended December 31, 2019	Units	Unit Value	Assets in Accumulation Period
AAL Variable Universal Life – 1997			
Aggressive Allocation	574,220	$31.12	$ 17,869,120
All Cap	22,566	$48.41	$ 1,092,488
Balanced Income Plus	274,479	$32.49	$ 8,918,181
Diversified Income Plus	103,382	$30.25	$ 3,127,015
Global Stock	614,373	$23.15	$ 14,222,564
Government Bond	101,009	$26.02	$ 2,628,597
High Yield	35,945	$39.48	$ 1,418,952
Income	51,450	$24.57	$ 1,264,221
International Allocation	669,578	$13.52	$ 9,050,971
Large Cap Growth	213,714	$53.99	$ 11,539,746
Large Cap Index	1,205,011	$41.33	$ 49,797,835
Large Cap Value	83,938	$42.49	$ 3,567,042
Limited Maturity Bond	72,478	$16.21	$ 1,175,123
Low Volatility Equity	612	$13.16	$ 8,050
Mid Cap Index	101,710	$50.21	$ 5,106,786
Mid Cap Stock	266,092	$47.76	$ 12,709,481
Moderate Allocation	668,276	$25.53	$ 17,062,607
Moderately Aggressive Allocation	1,077,170	$28.24	$ 30,422,912
Moderately Conservative Allocation	83,355	$22.10	$ 1,842,035
Money Market	542,155	$ 1.24	$ 670,170
Multidimensional Income	3,702	$11.27	$ 41,730
Opportunity Income Plus	23,534	$19.35	$ 455,288
Partner Emerging Markets Equity	26,141	$16.07	$ 419,986
Partner Growth Stock	27,737	$61.98	$ 1,718,940
Partner Healthcare	18,362	$33.32	$ 611,775
Real Estate Securities	26,449	$55.68	$ 1,472,781
Small Cap Growth	2,326	$11.70	$ 27,219
Small Cap Index	400,494	$62.21	$ 24,909,242
Small Cap Stock	229,984	$45.30	$ 10,420,094
			$233,570,951

(8) SUBACCOUNT MERGERS

A Special Meeting of shareholders of the Thrivent Growth and Income Plus (the "Target Portfolio") which is a separate series of Thrivent Series Fund, Inc. ("the Fund"), was held on June 21, 2018. The Contractholders of each Subaccount voted in favor of merging the Target Portfolio into the Portfolio shown below ("the Acquiring Portfolio") effective June 28, 2018.

	The Target Portfolio	The Acquiring Portfolio
Merger	Thrivent Growth and Income Plus	Thrivent Moderately Aggressive Allocation

The merger was accomplished by tax free exchanges as detailed below:

(8) SUBACCOUNT MERGERS - continued

The target portfolio had the following unrealized appreciation/depreciation, accumulated net realized gains/losses and net investment income as of June 27, 2018.

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Growth and Income Plus	$(74,212)	$24,279	$59,363

Assuming the acquisition had been completed on January 1, 2018 the beginning of the annual reporting period of the Portfolios, the Acquiring Portfolio's unaudited pro forma results of operations for the year ended December 31, 2018, would have been as follows:

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Moderately Aggressive Allocation	$(32,220,999)	$2,507,318	$13,995,627

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practical to separate the amounts of revenue and earnings of the Target Portfolio that have been included in the Acquiring Portfolio's statement of operations since June 28, 2018.

Assuming the acquisition had been completed on January 1, 2017 the beginning of the annual reporting period of the Portfolios, the Acquiring Portfolio's unaudited pro forma results of operations for the year ended December 31, 2017, would have been as follows:

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Moderately Aggressive Allocation	$28,083,553	$2,686,733	$3,505,838