

TLIC VARIABLE ANNUITY ACCOUNT A

Statement of Additional Information

Dated April 30, 2017

For

Flexible Premium Deferred Variable Annuity Contract

Issued By

THRIVENT LIFE INSURANCE COMPANY

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This Statement of Additional Information is not a prospectus, but should be read in conjunction with the Prospectus dated April 30, 2017 (the "Prospectus") describing a flexible premium deferred variable annuity contract (the "Contract") previously offered by Thrivent Life Insurance Company ("Thrivent Life").

Much of the information contained in this SAI expands upon subjects discussed in the Prospectus. A copy of the Prospectus may be obtained by writing to us at 4321 North Ballard Road, Appleton, Wisconsin 54919-0001, by calling 1-800-847-4836, or by accessing the Securities and Exchange Commission's Web site at www.sec.gov.

Capitalized terms used in this SAI that are not otherwise defined herein shall have the meanings given to them in the Prospectus.

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INTRODUCTION

The Contract was issued by Thrivent Life, a stock life insurance company that is an indirect subsidiary of Thrivent Financial for Lutherans (“Thrivent Financial”), a fraternal benefit society organized under Wisconsin law. Thrivent Life began operating by its current name on or about June 13, 2003. Prior to that date, Thrivent Life did business as Lutheran Brotherhood Variable Insurance Products Company. The Contract may have been sold to or in connection with retirement plans which may or may not qualify for special federal tax treatment under the Internal Revenue Code. Annuity payments under the Contract are deferred until a selected later date.

Premiums will be allocated, as designated by the Contract Owner, to one or more Subaccounts of the Variable Account, a separate account of Thrivent Life and/or to the Fixed Account (which is the general account of Thrivent Life, and which pays interest at a guaranteed fixed rate). The assets of each Subaccount will be invested solely in a corresponding Portfolio of Thrivent Series Fund, Inc. (a “Fund”), which is an open-end management investment company (commonly known as a “mutual fund”). The prospectus for the Fund that accompany the Prospectus describe the investment objectives and attendant risks of the Portfolios of the Fund.

Additional Subaccounts (together with the related additional Portfolios) may be added in the future. The Accumulated Value of the Contract and, except to the extent fixed amount annuity payments are elected by the Contract Owner, the amount of annuity payments will vary, primarily based on the investment experience of the Portfolios whose shares are held in the Subaccounts designated. Premiums allocated to Fixed Account will accumulate at fixed rates of interest declared by Thrivent Life.

SERVICES

Service Agreements and Other Services Providers

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

Thrivent Life and Thrivent Financial have entered into a Master Services Agreement whereby Thrivent Financial provides Thrivent Life with services relating to the keeping, preparing and filing of accounts, books, records and other documents required under federal or state law to the daily administration of the accounts, books and records. The services provided include among other things, operations, communications, legal, human resources, investment, distribution, financial, corporate services, product development and marketing. There is no custodian. The basis of the compensation is determined using a cost allocation systems agreed upon by the companies. Fees paid by Thrivent Life to Thrivent Financial for all variable life insurance and variable annuity contracts issued by Thrivent Life for such services for the last three fiscal years are shown below.

<u>2014</u>	<u>2015</u>	<u>2016</u>
\$8,724,231	\$8,379,366	\$7,166,356

ADMINISTRATION OF THE CONTRACTS

Thrivent Financial performs certain investment and administrative duties for Thrivent Life pursuant to a written agreement. This agreement includes services performed for the administration of the Contracts along with other insurance products issued by Thrivent Life. The agreement is automatically renewed each year, unless either party terminates it. Under this agreement, Thrivent Life pays Thrivent Financial for salary costs and other services and an amount for indirect costs incurred through Thrivent Life’s use of Thrivent Financial’s personnel and facilities.

PRINCIPAL UNDERWRITER

Thrivent Investment Management Inc. (“Thrivent Investment Mgt.”), 625 Fourth Avenue South, Minneapolis, Minnesota 55415, an indirect subsidiary of Thrivent Financial, is a registered broker-dealer and acts as principal underwriter and distributor of the Contracts pursuant to a principal underwriting and servicing agreement to which Thrivent Investment Mgt. and Thrivent Life, on behalf of itself and the separate account, are parties. The Contract is no longer sold but we continue to take premium payments.

From time to time, Thrivent Life may offer to exchange this Contract offered in this Prospectus for the Flexible Premium Deferred Variable Annuity contract issued by Thrivent Financial in another prospectus (as part of Thrivent Variable Annuity Account I). No surrender charge will apply upon an exchange of Contracts pursuant to this exchange offer. In addition, as part of the exchange offer, the New Contracts will be deemed to have been issued on the same issue date as the Current Contract for purposes of computing the applicable surrender charge.

The offering of the contracts is continuous.

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$667,983	\$647,961	\$469,870

STANDARD AND POOR’S DISCLAIMER

The S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indexes are products of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”), and have been licensed for use by Thrivent Financial for Lutherans (“Thrivent Financial”). Standard & Poor’s[®] and S&P[®] are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”) and Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by Thrivent Financial. Thrivent Financial variable insurance products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, and of their respective affiliates (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of Thrivent Financial variable insurance products or any member of the public regarding the advisability of purchasing variable insurance contracts generally or in the Thrivent Financial variable insurance contracts particularly or the ability of the S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indexes to track general market performance. S&P Dow Jones Indices only relationship to Thrivent Financial with respect to the S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indexes is the licensing of the Indexes and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P 500, S&P MidCap 400, and S&P Small Cap 600 Indexes are determined, composed and calculated by S&P Dow Jones Indices without regard to Thrivent Financial or the Thrivent Financial variable insurance products. S&P Dow Jones Indices have no obligation to take the needs of Thrivent Financial or the owners of the Thrivent Financial variable insurance products into consideration in determining, composing or calculating the S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indexes. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of the Thrivent Financial variable insurance products or the timing of the issuance or sale of the Thrivent Financial variable insurance contract or in the determination or calculation of the equation by which a Thrivent Financial variable insurance product is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Thrivent Financial variable insurance product. There is no assurance that investment products based on the S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indexes will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a

security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&P 500, S&P MIDCAP 400, AND S&P SMALLCAP 600 INDEXES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THRIVENT FINANCIAL, OWNERS OF THE THRIVENT FINANCIAL VARIABLE INSURANCE PRODUCTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500, S&P MIDCAP 400, AND S&P SMALLCAP 600 INDEXES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THRIVENT FINANCIAL, OTHER THAN THE LICENSORS OR S&P DOW JONES INDICES.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND FINANCIAL STATEMENTS

The statutory financial statements of Thrivent Life Insurance Company as of December 31, 2016 and December 31, 2015 and for each of the three years in the period ended December 31, 2016 and the financial statements of each of the subaccounts of TLIC Variable Annuity Account A as of December 31, 2016 and for the period then ended and the statement of changes in net assets for the period ended December 31, 2015 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 authority of said firm as experts in auditing and accounting.

Report of Independent Auditors

To the Board of Directors of Thrivent Life Insurance Company:

We have audited the accompanying statutory financial statements of Thrivent Life Insurance Company (the “Company”), which comprise the statutory statements of assets, liabilities and capital and surplus as of December 31, 2016 and 2015, and the related statutory statements of operations, capital and surplus and cash flow for each of the three years in the period ended December 31, 2016.

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 Minnesota Department of Commerce. 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 Minnesota Department of Commerce, 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 1 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, 2016 and 2015, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2016.

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 admitted assets, liabilities and surplus of the Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in accordance with the accounting practices prescribed or permitted by the State of Minnesota Department of Commerce described in Note 1.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 15, 2017

Thrivent Life Insurance Company
Statutory-Basis Statements of Assets, Liabilities and Capital and Surplus
As of December 31, 2016 and 2015
(in thousands)

	<u>2016</u>	<u>2015</u>
Admitted Assets		
Bonds	\$1,999,043	\$1,870,682
Stocks	400	400
Cash, cash equivalents and short-term investments	98,310	75,012
Contract loans	14,155	13,370
Receivables for securities	284	43
Investment in Thrivent Cash Management Trust	9,248	12,643
Investment in Thrivent Asset Management, LLC	3,369	2,271
Other invested assets	1,998	1,998
Total cash and invested assets	<u>2,126,807</u>	<u>1,976,419</u>
Accrued investment income	16,433	15,973
Other assets	11,250	10,276
Assets held in separate accounts	<u>1,460,780</u>	<u>1,516,708</u>
Total Admitted Assets	<u><u>\$3,615,270</u></u>	<u><u>\$3,519,376</u></u>
Liabilities		
Aggregate reserves for life and annuity contracts	\$1,826,937	\$1,672,206
Deposit liabilities	118,657	113,835
Contract claims	12,575	17,261
Interest maintenance reserve	6,895	7,474
Transfers due from separate account	(1,897)	(4,029)
Asset valuation reserve	19,067	17,661
Payable for securities	--	14,410
Securities lending obligation	9,248	12,643
Other liabilities	6,622	1,735
Liabilities related to separate accounts	<u>1,460,780</u>	<u>1,516,708</u>
Total Liabilities	<u>3,458,884</u>	<u>3,369,904</u>
Capital and Surplus		
Common stock	5,000	5,000
Gross paid-in and contributed surplus	90,800	90,800
Unassigned funds	60,586	53,672
Total Capital and Surplus	<u>156,386</u>	<u>149,472</u>
Total Liabilities and Capital and Surplus	<u><u>\$3,615,270</u></u>	<u><u>\$3,519,376</u></u>

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

Thrivent Life Insurance Company
Statutory-Basis Statements of Operations
For the Years Ended December 31, 2016, 2015 and 2014
(in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues			
Premiums.....	\$ 153,956	\$ 144,852	\$ 115,396
Considerations for supplementary contracts with life contingencies.....	9,074	7,211	5,436
Net investment income	76,367	79,206	85,570
Separate account fees.....	22,479	23,612	24,102
Amortization of interest maintenance reserve.....	1,883	1,768	2,397
Other revenues	--		1
Total Revenues	<u>263,759</u>	<u>256,649</u>	<u>232,902</u>
Benefits and Expenses			
Death benefits	8,202	8,776	5,051
Surrender and other benefits.....	220,453	224,108	236,173
Change in reserves	154,731	111,230	63,006
Total benefits	<u>383,386</u>	<u>344,114</u>	<u>304,230</u>
Commissions	1,278	1,379	1,150
General insurance expenses.....	8,365	7,922	9,636
Transfers from separate accounts, net.....	(138,528)	(115,974)	(113,344)
Total expenses and net transfers	<u>(128,885)</u>	<u>(106,673)</u>	<u>(102,558)</u>
Total Benefits and Expenses	<u>254,501</u>	<u>237,441</u>	<u>201,672</u>
Gain from Operations before Federal Income Taxes and Capital Gains and Losses			
Gains and Losses	9,258	19,208	31,230
Federal income tax expense	2,150	4,818	7,300
Gain from Operations before Capital Gains and Losses	<u>7,108</u>	<u>14,390</u>	<u>23,930</u>
Realized capital gains (losses), net	(413)	(750)	(614)
Net Income	<u>\$ 6,695</u>	<u>\$ 13,640</u>	<u>\$ 23,316</u>

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

Thrivent Life Insurance Company
Statutory-Basis Statements of Capital and Surplus
For the Years Ended December 31, 2016, 2015 and 2014
(in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Capital and Surplus, Beginning of Year	\$149,472	\$159,653	\$162,607
Net income	6,695	13,640	23,316
Change in unrealized investment gains (losses)	1,098	531	(2,605)
Change in non-admitted assets	(740)	214	431
Change in asset valuation reserve	(1,406)	(1,416)	127
Change in deferred income taxes.....	1,267	(150)	(246)
Dividends to shareholder.....	--	(23,000)	(23,977)
Capital and Surplus, End of Year	<u>\$156,386</u>	<u>\$149,472</u>	<u>\$159,653</u>

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

Thrivent Life Insurance Company
Statutory-Basis Statements of Cash Flow
For the Years Ended December 31, 2016, 2015 and 2014
(in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Cash from Operations			
Premiums.....	\$ 163,031	\$ 152,061	\$ 120,832
Net investment income	78,183	81,401	85,635
Other revenues	22,480	23,613	24,104
	<u>263,694</u>	<u>257,075</u>	<u>230,571</u>
Benefit- and loss-related payments	(229,138)	(226,291)	(234,024)
Transfers from separate account, net.....	140,660	116,063	114,276
Commissions and expenses.....	(9,644)	(9,302)	(10,870)
Federal income taxes paid.....	(3,384)	(3,938)	(10,670)
Net Cash from Operations	<u>162,188</u>	<u>133,607</u>	<u>89,283</u>
Cash from Investments			
Proceeds from investments sold, matured or repaid:			
Bonds	337,207	282,618	320,191
Miscellaneous Proceeds	2	--	--
Total proceeds from investments sold, matured or repaid.....	<u>337,209</u>	<u>282,618</u>	<u>320,191</u>
Cost of investments acquired:			
Bonds	(465,622)	(376,137)	(377,794)
Miscellaneous Applications.....	--	(1)	—
Total cost of investments acquired.....	<u>(465,622)</u>	<u>(376,138)</u>	<u>(377,794)</u>
Net proceeds from (investment in) Thrivent Cash Management Trust	3,395	(4,429)	1,685
Change in contract loans	(785)	(263)	(1,002)
Change in net amounts due to/from broker	(14,650)	14,406	—
Change in securities lending obligation.....	(3,395)	4,429	(1,685)
Net Cash from Investments	<u>(143,848)</u>	<u>(79,377)</u>	<u>(58,605)</u>
Cash from Financing and Miscellaneous Sources			
Net deposits (payments) on deposit-type contracts.....	687	(2,775)	(4,645)
Dividends to shareholder	--	(23,000)	(21,800)
Other	4,271	(268)	(127)
Net Cash from Financing and Miscellaneous Sources	<u>4,958</u>	<u>(26,043)</u>	<u>(26,572)</u>
Net Change in Cash, Cash Equivalents and Short-Term Investments ..	23,298	28,187	4,106
Cash, Cash Equivalents and Short-Term Investments, Beginning of Year..	75,012	46,825	42,719
Cash, Cash Equivalents and Short-Term Investments, end of year	<u>\$ 98,310</u>	<u>\$ 75,012</u>	<u>\$ 46,825</u>
Supplemental information:			
Non-cash dividend to Shareholder.....	\$ —	\$ —	\$ 2,176

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

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements
For the Years Ended December 31, 2016, 2015 and 2014

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Thrivent Life Insurance Company (“the Company”) is a wholly owned subsidiary of Thrivent Financial Holdings, Inc. (“Holdings”), which is a wholly owned subsidiary of Thrivent Financial for Lutherans (“Thrivent Financial”). The Company, together with Thrivent Financial, a fraternal benefit society, provides financial products and services to its members through a network of career financial representatives. Products include variable life insurance and variable annuities. The Company is licensed to sell business in 41 states throughout the United States but has not issued any new contracts since 2003.

Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices (“SAP”) prescribed or permitted by the State of Minnesota Department of Commerce.

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 involve those relating to fair values of investments and reserves for life and annuity contracts. Actual results could differ from those estimates.

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 Commissioner (“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.

Stocks: Preferred stocks are generally carried at amortized cost.

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

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

Investment in Thrivent Cash Management Trust: The Company invests in the Thrivent Cash Management Trust (“Cash Mgt. Trust”) which is an affiliated money market mutual fund, as part of the securities lending program. The investment in the Cash Mgt. Trust is carried at fair value.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

Investment in Thrivent Asset Management, LLC:

The Company has a 20% investment interest in Thrivent Asset Management, LLC (“Asset Mgt.”), a limited liability company which is valued based on its U.S. generally accepted accounting principles (“GAAP”) equity. The Company’s Board of Directors approved the transfer of one-half of the Company’s 40% ownership interest in Asset Mgt. to Holdings through a dividend distribution arrangement on March 26, 2014. As a result the Company recorded a dividend to shareholder in the amount of \$2 million and reduced its investment by the same amount.

Other invested assets: Other invested assets include investments in surplus notes, which are carried at amortized cost.

Securities lending : Securities loaned under the Company’s securities lending agreement are carried in the Statutory-Basis Statements of Assets, Liabilities and Capital and Surplus at amortized cost or fair value, depending on the nature of the security and as prescribed by NAIC guidelines. The Company 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 the Cash Mgt. Trust. A liability is also recognized for the amount of the collateral. Market values of securities loaned and collateral are monitored daily and additional collateral is obtained as necessary. The Company requires a minimum level of collateral to be held for loaned securities. The Company presents securities lending agreements on a gross basis in the statutory-basis financial statements.

Unrealized investment gains and losses: Unrealized investment gains and losses on unaffiliated stocks are accounted for as a direct increase or decrease of surplus.

Realized capital gains and losses: Realized capital gains and losses on sales of securities are determined using primarily an average cost method.

The Company periodically reviews its security portfolios and evaluates those securities where the current fair value is less than amortized cost for indicators that the decline in value is other-than-temporary. This review includes an evaluation of each security issuer’s creditworthiness, such as its ability to generate operating cash flow and remain current on all debt obligations, as well as any changes in its credit ratings from third party agencies. Other factors include the severity and duration of the impairment, the Company’s ability to collect all amounts due according to the contractual terms of the debt security, and the Company’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 but 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, the Company 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 generally 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, the Company decides to sell a security in an unrealized loss position, a realized loss is

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

Realized capital gains and losses, continued

recognized in the period that the decision is made to sell that security. Certain realized capital gains and losses on bonds sold prior to their maturity are transferred to the interest maintenance reserve.

Interest maintenance reserve: The Company is required to maintain an interest maintenance reserve (“IMR”). The IMR is used to defer realized capital gains and losses, net of income taxes, 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 that 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 Capital and Surplus represent funds that are separately administered for variable life insurance and variable annuities and for which the contract holder, rather than the Company, bears the investment risk. Fees charged on separate account contract holder deposits 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; 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 section Aggregate Reserves for Life and Annuity Contracts.

Aggregate Reserves for Life and Annuity Contracts

Contract reserves are based on statutory mortality and interest requirements and are designed to be sufficient to provide for all contractual benefits. Variable life insurance reserves for contracts issued prior to January 31, 1993, are equal to full account value. Reserves for all other variable life contracts are determined according to the Commissioner’s Reserve Valuation Method using interest rates of 4% to 5%. Reserves for variable annuities are computed using the methods and assumptions specified in Actuarial Guideline 43, including assumptions for guaranteed minimum death benefits. Reserves for supplemental benefits, minimum death benefit guarantees, and other fixed benefits are maintained in the general account and are determined using statutory mortality/morbidity bases and interest rates predominantly ranging from 2.5% to 4.0%. The Company waives deduction of deferred fractional premiums upon death of insureds and returns any portion of the final premium related to coverage beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Deposit Liabilities

Deposit liabilities have been established on certain annuity and supplemental contracts that do not subject the Company 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

The Company is required to maintain an asset valuation reserve (“AVR”), which is a liability calculated using a formula prescribed by the NAIC. The AVR is intended to protect surplus against potential declines in the value of investments that are not related to changes in interest rates. Increases or decreases in the AVR are reported as direct adjustments to surplus in the Statutory-Basis Statements of Capital and Surplus.

Premiums and Considerations

Variable life premiums, annuity premiums and considerations on supplementary contracts are recognized when received.

Income Taxes

The Company files a consolidated federal income tax return with Holdings. The federal income taxes are recognized on a separate-return basis, in accordance with a tax-sharing agreement with Holdings, whereby the federal income tax provision is based upon amounts estimated to be currently payable and deferred income taxes resulting from temporary differences between statutory-basis financial statement carrying amounts and income tax bases of assets and liabilities using enacted income tax rates and laws.

New Accounting Guidance

In 2016, the Company adopted changes to Statement of Statutory Accounting Principle (SSAP) No. 1 (Accounting Policies, Risks & Uncertainties, and Other Disclosures) requiring a new disclosure of the nature and amount of any assets received as collateral, reflected as assets within the financial statements, and the recognized liability to return these collateral assets, including a comparison to admitted assets. The additional disclosure was added in footnote 2.

In 2016, the Company adopted changes to SSAP No. 26 (Bonds); No. 32 (Preferred Stock); and No. 43R (Loan-Backed and Structured Securities which requires disclosure by investment type, the number “5*” securities, book adjusted carrying value and fair value for those securities. The “5*” securities are securities which are unrated but are current on principal and interest payments. The Company held no “5*” securities at December 31, 2016 or 2015.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

New Accounting Guidance, continued

In 2016, the Company adopted changes to SSAP No. 100 (Accounting Policies, Risks & Uncertainties, and Other Disclosures) which requires ‘Deposit liabilities with no defined or contractual maturities’ to be omitted from the table of Fair Value of All Financial Instruments in footnote 7. Prior year amounts were adjusted to conform to current year presentation.

Subsequent Events

The Company evaluated events or transactions that may have occurred after the Statutory-Basis Statement of Assets, Liabilities and Capital and Surplus date for potential recognition or disclosure through February 15, 2017, 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 the Company’s investment in bonds is summarized as follows (in thousands):

	Admitted Value	Gross Unrealized		Fair Value
		Gains	Losses	
December 31, 2016				
U.S. government and agency securities	\$ 187,928	\$ 4,566	\$ 425	\$ 192,069
U.S. state and political subdivision securities	1,012	467	—	1,479
Securities issued by foreign governments	16,427	626	188	16,865
Corporate debt securities.....	1,282,225	52,248	11,976	1,322,497
Residential mortgage-backed securities	371,438	4,867	3,969	372,336
Commercial mortgage-backed securities	110,286	1,036	2,115	109,207
Other debt obligations	29,727	441	258	29,910
Total bonds	<u>\$1,999,043</u>	<u>\$64,251</u>	<u>\$18,931</u>	<u>\$2,044,363</u>
December 31, 2015				
U.S. government and agency securities	\$ 170,376	\$ 5,760	\$ 136	\$ 176,000
U.S. state and political subdivision securities	1,012	440	—	1,452
Securities issued by foreign governments	16,920	949	504	17,365
Corporate debt securities.....	1,181,874	43,667	35,332	1,190,209
Residential mortgage-backed securities	374,808	7,117	2,661	379,264
Commercial mortgage-backed securities	103,810	1,354	558	104,606
Other debt obligations	21,882	485	168	22,199
Total bonds	<u>\$1,870,682</u>	<u>\$59,772</u>	<u>\$39,359</u>	<u>\$1,891,095</u>

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

2. Investments, continued

Bonds, continued

The admitted value and fair value of bonds by contractual maturity as of December 31, 2016, are shown below (in thousands). 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.

	<u>Admitted Value</u>	<u>Fair Value</u>
Due in one year or less	\$ 102,362	\$ 103,071
Due after one year through five years	451,996	472,683
Due after five years through ten years	767,041	774,711
Due after ten years	736,019	752,272
Total bonds	<u>\$2,057,418</u>	<u>\$2,102,737</u>

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 thousands):

	<u>Less than 12 Months</u>			<u>12 Months or More</u>		
	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
December 31, 2016						
U.S. government and agency securities	4	\$ 44,161	\$ 425	—	\$ —	\$ —
Securities issued by foreign governments ..	3	4,258	188	—	—	—
Corporate debt securities	312	316,110	7,856	52	49,904	4,120
Residential mortgage-backed securities	21	227,093	3,376	5	7,569	593
Commercial mortgage-backed securities ...	9	43,362	2,115	—	—	—
Other debt obligations	4	13,608	227	1	981	31
Total bonds	<u>353</u>	<u>\$648,592</u>	<u>\$14,187</u>	<u>58</u>	<u>\$58,454</u>	<u>\$ 4,744</u>
December 31, 2015						
U.S. government and agency securities	5	\$ 37,814	\$ 136	—	\$ —	\$ —
Securities issued by foreign governments ..	1	1,450	504	—	—	—
Corporate debt securities	450	425,153	25,053	49	36,020	10,279
Residential mortgage-backed securities	17	179,829	1,645	7	19,152	1,016
Commercial mortgage-backed securities ...	8	41,080	558	—	—	—
Other debt obligations	3	8,926	35	2	3,877	133
Total bonds	<u>484</u>	<u>\$694,252</u>	<u>\$27,931</u>	<u>58</u>	<u>\$59,049</u>	<u>\$11,428</u>

Based on the Company's current evaluation of its securities in accordance with its impairment policy, a determination was made that the declines in the securities summarized above are temporary in nature.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

2. Investments, continued

Stocks

The cost and fair value of the Company's investment in stocks as of December 31 are summarized as follows (in thousands):

	2016	2015
Unaffiliated preferred stock:		
Cost/statement value.....	\$400	\$400
Gross unrealized gains.....	14	7
Gross unrealized losses.....	—	—
Fair value.....	\$414	\$407

The Company had no stocks in an unrealized loss position as of December 31, 2015 or 2014.

Securities Lending

Elements of the securities lending program are presented below as of December 31 (in thousands):

	2016	2015
Loaned securities:		
Carrying value.....	\$9,230	\$13,213
Fair value.....	9,039	12,363
Cash collateral reinvested:		
Carrying value.....	\$9,248	\$12,643
Fair value.....	9,248	12,643
Aging of cash collateral liability:		
Open collateral positions	\$9,248	\$12,643

Pledged and Restricted Assets

The Company owns assets which are pledged to others as collateral or are otherwise restricted totaling \$12 million and \$16 million as of December 31, 2016 and 2015, respectively. Total pledged and restricted assets, which include state deposits and collateral held under securities lending agreements, are less than 1% of total admitted assets. Securities on deposits with state insurance departments totaled \$2 million and \$3 million at December 31, 2016 and 2015, respectively.

Collateral Received

As of December 31, 2016 and 2015, the Company has received collateral of \$9 million and \$13 million, respectively, for the securities lending program, which is invested in the Thrivent Cash Mgt. Trust.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

2. Investments, continued

Net Investment Income

Investment income by type of investment for the years ended December 31 is summarized as follows (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Bonds.....	\$75,753	\$73,656	\$74,430
Stocks	32	32	32
Contract loans	1,046	1,027	963
Cash, cash equivalents and short-term investments	334	60	16
Thrivent Asset Management, LLC	-	5,225	11,168
Other invested assets	436	424	185
	<u>77,601</u>	<u>80,424</u>	<u>86,794</u>
Investment expenses	(1,234)	(1,218)	(1,224)
Net investment income	<u>\$76,367</u>	<u>\$79,206</u>	<u>\$85,570</u>

Realized Capital Gains and Losses

Realized capital gains and losses for the years ended December 31 were as follows (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net gains (losses) on sales:			
Bonds:			
Gross gains	\$ 3,525	\$ 3,417	\$ 5,072
Gross losses.....	(1,265)	(3,442)	(1,266)
Other.....	2	-	-
Net gains (losses) on sales	2,262	(25)	3,806
Provisions for losses	(580)	(754)	(628)
Realized capital gains (losses)	1,682	(779)	3,178
Transfers from (to) interest maintenance reserve, net of tax.....	(1,303)	20	(2,460)
Taxes on realized capital gains and losses.....	(792)	9	(1,332)
Realized capital gains (losses), net.....	<u>\$ (413)</u>	<u>\$ (750)</u>	<u>\$ (614)</u>

Proceeds from the sale of investments in bonds were \$241 million, \$213 million and \$239 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Thrivent Life Insurance Company

Notes to Statutory-Basis Financial Statements, continued

2. Investments, continued

Realized Capital Gains and Losses, continued

The Company recognized no other-than-temporary impairments on loan-backed and structured securities during 2016 or 2015. The Company recognized other-than-temporary impairments during the years ended December 31, 2014 on the following loan-backed and structured securities where the present value of cash flows expected to be collected were less than the amortized cost basis of the security (in thousands):

<u>CUSIP</u>	<u>Book Value Before Impairment</u>	<u>Impairment Recognized</u>	<u>Amortized Cost After Impairment</u>	<u>Fair Value as of Date Impaired</u>
75971EAJ5	\$3,026	\$628	\$2,398	\$2,320
	<u>\$3,026</u>	<u>\$628</u>	<u>\$2,398</u>	<u>\$2,320</u>

3. Policyholder Liabilities

Many of the contracts issued by the Company, primarily annuities, do not subject the Company 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 these liabilities by their withdrawal characteristics as of December 31 (dollars in thousands):

	<u>General Account</u>	<u>Separate Account Without Guarantees</u>	<u>Total</u>	<u>% of Total</u>
December 31, 2016				
Subject to discretionary withdrawal:				
At fair value.....	\$ —	\$1,213,952	\$1,213,952	38%
At book value without adjustment.....	1,769,730	—	1,769,730	56
Not subject to discretionary withdrawal	158,692	19,797	178,489	6
Total.....	<u>\$1,928,422</u>	<u>\$1,233,749</u>	<u>\$3,162,171</u>	<u>100%</u>
December 31, 2015				
Subject to discretionary withdrawal:				
At fair value.....	\$ —	\$1,268,818	\$1,268,818	41%
At book value without adjustment.....	1,612,292	—	1,612,292	53
Not subject to discretionary withdrawal	156,796	21,401	178,197	6
Total.....	<u>\$1,769,088</u>	<u>\$1,290,219</u>	<u>\$3,059,307</u>	<u>100%</u>

Thrivent Life Insurance Company

Notes to Statutory-Basis Financial Statements, continued

3. Policyholder Liabilities, continued

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

	<u>2016</u>	<u>2015</u>
Aggregate reserves for life and annuity contracts	\$1,809,765	\$1,655,253
Deposit liabilities	118,657	113,835
Liabilities related to separate accounts	1,233,749	1,290,219
Total	<u>\$3,162,171</u>	<u>\$3,059,307</u>

The Company has no insurance in force as of December 31, 2016, 2015 and 2014, where the gross premiums are less than the net premiums according to the standard valuation requirements set by the State of Minnesota.

4. Income Taxes

The current income tax expense of the Company as of December 31 was as follows (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal	\$2,150	\$4,818	\$7,300
Federal income tax on net capital gains	792	(9)	1,332
Total federal income taxes.....	<u>\$2,942</u>	<u>\$4,809</u>	<u>\$8,632</u>

The components of the Company's net income tax asset as of December 31 were as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Tax receivable	\$ 1,922	\$ 1,390
Net deferred tax asset	9,319	8,792
Total.....	<u>\$11,241</u>	<u>\$10,182</u>

As of December 31, 2016 and 2015, the tax receivable and the deferred tax asset are components of other assets on the Statutory-Basis Statements of Assets, Liabilities and Capital and Surplus.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

4. Income Taxes, continued

Deferred income taxes reflect the impact of temporary differences between the statutory-basis financial statement carrying amounts and the tax bases of assets and liabilities. The components of the Company's net deferred tax asset as of December 31, were as follows (in thousands):

	2016	2015
Deferred tax assets:		
Ordinary:		
Reserves.....	\$ 2,907	\$ 2,982
Deferred acquisition costs	1,667	1,687
Deferred compensation	2,227	2,103
Minority owned affiliate.....	867	-
Charitable contribution carryover.....	240	-
Other	24	22
Total ordinary	7,932	6,794
Capital:		
Investments.....	5,957	5,754
Total capital	5,957	5,754
Total deferred tax assets.....	13,889	12,548
Deferred tax liabilities:		
Ordinary:		
Market discount accretion	(720)	(646)
Total deferred tax liabilities	(720)	(646)
Net deferred tax asset	13,169	11,902
Non-admissible deferred tax assets (all ordinary).....	3,850	3,110
Total admissible net deferred tax assets	\$ 9,319	\$ 8,792
Components of admissible net deferred tax assets:		
Ordinary:		
Available to be recovered from loss carrybacks.....	\$3,362	\$3,038
Deferred tax assets to be offset against deferred tax liabilities	720	646
Deferred tax liabilities	(720)	(646)
Capital:		
Available to be recovered from loss carrybacks.....	2,123	1,323
Expected to offset future taxable capital losses	3,834	4,431
Total admissible net deferred tax assets	\$9,319	\$8,792

There are no taxes contingencies recorded that warrant disclosure, and the Company has made no provisions for uncertain tax positions. Tax years 2014 through 2016 remain subject to examination by the Internal Revenue Service (IRS).

Thrivent Life Insurance Company

Notes to Statutory-Basis Financial Statements, continued

4. Income Taxes, continued

As of December 31, 2016, the Company had impaired capital losses of \$17 million and capital gains in the carryback period of \$6 million. Through tax planning strategies the remaining capital losses were admitted as the Company had unrealized capital gains of \$64 million as of December 31, 2016. The impact of tax-planning strategies in the determination of adjusted gross deferred tax assets (“DTAs”) and the determination of net admitted DTAs, by percentage and by tax character is 0% and 64% for ordinary and capital assets, respectively. The Company’s tax planning strategies do not include the use of reinsurance.

The adjusted capital and surplus used in determining the recovery period and threshold limitations was \$175 million and \$167 million for the years ended December 31, 2016 and 2015, respectively. The ratio percentage used in determining the recovery period and threshold limitation was 1135% and 1053% for the years ended December 31, 2016 and 2015, respectively. The resulting adjusted gross deferred tax limitation threshold was \$26 million and \$25 million for the years ended December 31, 2016 and 2015, respectively.

The Company’s effective tax rate for the years ended December 31, 2016, 2015 and 2014 was 17%, 27% and 29%, respectively. The difference between the statutory tax rate and the effective tax rate is due primarily to the dividends received deduction. During 2016 the Company recognized the tax impact of the future deductibility for certain costs incurred by its minority-owned affiliate. The amount increased 2016 tax expense by \$0.9 million that had not been recognized in the prior year. This item had no impact on pre-tax income for any period.

At December 31, 2016, the Company had no capital loss carryforward. In addition, tax expenses of \$2 million, \$6 million and \$9 million from the years 2016, 2015 and 2014, respectively, are available for offset against future losses.

5. Separate Accounts

The Company administers and invests funds segregated into separate accounts for the exclusive benefit of variable life and variable annuity contract holders. All of the separate accounts of the Company are considered non-guaranteed; however, all variable deferred annuity contracts within the non-guaranteed separate account contain a guaranteed minimum death benefit backed by the general account. As of December 31, 2016 and 2015, the maximum amount of that guarantee was estimated at \$5 million and \$9 million, respectively. There were no explicit risk charges paid by separate account contract holders for these guarantees. The following table presents the amounts paid for guaranteed death benefits for the years ended December 31 (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Payments for guaranteed benefits	\$234	\$390	\$45	\$256	\$255

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

	<u>2016</u>	<u>2015</u>
Equity funds	67%	67%
Bond funds	24	24
Balanced funds	8	8
Other	1	1
Total separate account assets	100%	100%

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

5. Separate Accounts, continued

The following tables summarize activity for the separate account as of and for the years ended December 31 (in thousands):

	<u>NonIndexed Guarantee</u>	<u>Non- Guaranteed</u>	<u>Total</u>
December 31, 2016			
Reserves:			
For accounts with assets at fair value	\$—	\$1,458,883	\$1,458,883
By withdrawal characteristics:			
Subject to discretionary withdrawal:			
At fair value	\$—	\$1,439,086	\$1,439,086
Not subject to discretionary withdrawal	—	19,797	19,797
Total	<u>\$—</u>	<u>\$1,458,883</u>	<u>\$1,458,883</u>
December 31, 2015			
Reserves:			
For accounts with assets at fair value	\$—	\$1,512,679	\$1,512,679
By withdrawal characteristics:			
Subject to discretionary withdrawal:			
At fair value	\$—	\$1,491,278	\$1,491,278
Not subject to discretionary withdrawal	—	21,401	21,401
Total	<u>\$—</u>	<u>\$1,512,679</u>	<u>\$1,512,679</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Premiums, considerations and deposits:			
Non-indexed guarantee	\$ —	\$ —	\$ —
Non-guaranteed	31,814	37,279	33,829
Total	<u>\$31,814</u>	<u>\$37,279</u>	<u>\$33,829</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Transfers to separate accounts	\$ 31,814	\$ 37,279	\$ 33,829
Transfers from separate accounts	(170,350)	(153,253)	(147,174)
Other items	8	-	1
Transfers from separate accounts, net	<u>\$(138,528)</u>	<u>\$(115,974)</u>	<u>\$(113,344)</u>

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

6. Capital and Surplus

The capital stock of the Company consists of 2,000,000 shares of common stock authorized, issued and outstanding with a par value of \$2.50 per share. The amount of dividends that the Company may pay to its parent without prior approval of the State of Minnesota Department of Commerce is limited to the greatest of 10% of statutory-basis surplus as of the prior year-end or 100% of statutory-basis gain from operations. In 2015 and 2014, the Company declared cash dividends to its parent in the amounts of \$23 million and \$22 million, respectively. No dividends were declared in 2016. Additionally, in 2014 \$2 million of ownership in Asset Mgt. was transferred as a dividend.

The Company is subject to certain risk-based capital (“RBC”) requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life insurance company is to be determined based on the various risk factors related to it. The Company exceeds the RBC requirements as of December 31, 2016 and 2015.

Unassigned funds were represented or reduced by the following categories and amounts as of December 31 (in thousands):

	2016	2015
Unrealized gains and losses.....	\$ 3,367	\$ 2,269
Non-admitted assets	(3,852)	(3,112)
Asset valuation reserve	(19,067)	(17,661)

7. Fair Value of Financial Instruments

The financial instruments of the Company have been classified, for disclosure purposes, into one of three 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 short-term investments and investment in cash management trust. Short-term investments reported at fair value include investments in money market funds, and the fair value is based on quoted daily net asset value of the invested funds. The fair value of the investment in Cash Mgt. Trust is based on the quoted daily net asset values of the invested funds.

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

Level 2 Financial Instruments

Level 2 financial instruments reported at fair value include assets held in separate accounts. 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 include bonds, unaffiliated preferred stocks, cash equivalents, other invested assets and liabilities related to separate accounts.

Bonds that are priced using a third party pricing vendor include corporate debt securities, asset-backed

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

7. Fair Value of Financial Instruments, continued

Fair Value Descriptions, continued

Level 2 Financial Instruments, continued

securities and other debt obligations. 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. Fair values of unaffiliated preferred stocks are priced using market quotes where stocks are not considered actively traded.

Cash and cash equivalents consist of demand deposits and highly liquid investments purchased with an original maturity date of three months or less. The carrying amounts for cash and cash equivalents approximate their fair values. Other invested assets include investments in surplus notes in which the fair values are based on quoted market prices. 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. The carrying amounts of liabilities related to separate accounts reflect the amounts in the separate account assets and approximate their fair values.

Level 3 Financial Instruments

Level 3 financial instruments not reported at fair value include contract loans, deferred annuities and other deposit contracts. The reported amounts for contract loans approximate their fair values. The fair values for deferred annuities and other deposit contracts, which include supplementary contracts without life contingencies and deferred income settlement options, are estimated to be the cash surrender value payable upon immediate withdrawal.

Financial Instruments Carried at Fair Value

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2016				
Short-term investments	\$ 10	\$ —	\$—	\$ 10
Investment in Thrivent Cash Management Trust	9,248	—	—	9,248
Assets held in separate accounts	—	1,460,780	—	1,460,780
Total	<u>\$ 9,258</u>	<u>\$1,460,780</u>	<u>\$—</u>	<u>\$1,470,038</u>
December 31, 2014				
Short-term investments	\$ 846	\$ —	\$—	\$ 846
Investment in Thrivent Cash Management Trust	12,643	—	—	12,643
Assets held in separate accounts	—	1,516,708	—	1,516,708
Total	<u>\$13,489</u>	<u>\$1,516,708</u>	<u>\$—</u>	<u>\$1,530,197</u>

Transfers

The Company had no transfers into or out of Level 1 or Level 2 fair value measurements during 2015 or 2014 that required disclosures. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

7. Fair Value of Financial Instruments, continued

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 instrument. These fair values are for certain financial instruments of the Company; accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Fair Value of All Financial Instruments

The carrying value and estimated fair value of all financial instruments as of December 31 were as follows (in thousands).

	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
December 31, 2016					
Financial assets:					
Bonds.....	\$1,999,043	\$143,073	\$1,901,290	\$ —	\$2,044,363
Unaffiliated preferred stocks.....	400	—	414	—	414
Cash, cash equivalents and short-term investments	98,310	10	98,300	—	98,310
Contract loans	14,155	—	—	14,155	14,155
Investment in cash management trust...	9,248	9,248	—	—	9,248
Other invested assets	1,998	—	2,547	—	2,547
Assets held in separate accounts	1,460,780	—	1,460,780	—	1,460,780
Financial liabilities:					
Deferred annuities	1,672,909	—	—	1,672,269	1,672,269
Other deposit contracts	50,537	—	—	50,537	50,537
Liabilities related to separate accounts..	1,460,780	—	1,460,780	—	1,460,780
	Carrying Value	Level 1	Level 2	Level 3	Total
December 31, 2015					
Financial assets:					
Bonds.....	\$1,870,682	\$135,127	\$1,755,969	\$ —	\$1,891,096
Unaffiliated preferred stocks.....	400	—	407	—	407
Cash, cash equivalents and short-term investments	75,012	846	74,166	—	75,012
Contract loans	13,370	—	—	13,371	13,371
Investments in cash management trust..	12,643	12,643	—	—	12,643
Other invested assets	1,998	—	2,484	—	2,484
Assets held in separate accounts	1,516,708	—	1,516,708	—	1,516,708
Financial liabilities:					
Deferred annuities	1,516,350	—	—	1,515,877	1,515,877
Other deposit contracts	53,042	—	—	53,042	53,042
Liabilities related to separate accounts..	1,516,708	—	1,516,708	—	1,516,708

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

8. Contingent Liabilities

The Company is involved in various lawsuits, contractual matters and other contingencies that have arisen from the normal course of business. The Company assesses its exposure to these matters periodically and adjusts its provision accordingly. As of December 31, 2016, the Company believes adequate provision has been made for any potential losses that may result from these matters.

9. Related Party Transactions

As of December 31, 2016 and 2015, the Company had no directly-owned subsidiary, controlled or affiliated (SCA) investments that are valued using methods in accordance with SSAP No. 97 *Investments in Subsidiary, Controlled and Affiliated Entities*.

The Company has an agreement whereby Thrivent Financial provides administrative and operating functions on behalf of the Company. The total value of services provided to the Company under the terms of this agreement totaled \$9 million, \$9 million and \$10 million for the years ended December 31, 2016, 2015 and 2014, respectively, which is included in general insurance expense on the Statutory-Basis Statement of Operations. As of December 31, 2016 and 2015, the Company has a net payable to Thrivent Financial totaling \$5 million and \$1 million, respectively, which is included in other liabilities on the Statutory-Basis Statements of Assets, Liabilities and Capital and Surplus.

The Company has an agreement with an affiliate who distributes its variable products. Under the terms of the agreement, the Company paid commissions, bonuses and other benefits to the affiliate totaling \$1 million for each of the three years ended December 31, 2016, 2015 and 2014.

10. Basis of Presentation

The preceding statutory-basis financial statements of the Company have been prepared in accordance with accounting practices prescribed or permitted by the State of Minnesota Department of Commerce, 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 unrealized gains and losses reported as a separate component of comprehensive 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 benefit reserves and expenses are estimated based on expected experience or actual account balances.

Thrivent Life Insurance Company
Notes to Statutory-Basis Financial Statements, continued

10. Basis of Presentation, continued

Non-Admitted Assets

For GAAP purposes, certain assets are not charged directly to stockholders' 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.

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.

Reconciliation of Accounting Bases

Differences between GAAP financial statements and statutory-basis financial statements as of December 31, 2016 and 2015 and for the three years ended December 31, 2016 have not been quantified but are presumed to be material.

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Thrivent Life Insurance Company and
Contract Owners of TLIC Variable Annuity Account A

In our opinion, the accompanying statement of assets and liabilities and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of each of the subaccounts of TLIC Variable Annuity Account A offered through Flexible Premium Deferred Variable Annuity Contract sponsored by Thrivent Life Insurance Company, as indicated in Note 1, as of December 31, 2016, the results of each of their operations for the period then ended, 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. These financial statements are the responsibility of the management of Thrivent Life Insurance Company. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of December 31, 2016 by correspondence with Thrivent Series Fund, Inc., provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP
Minneapolis, Minnesota
April 28, 2017

TLIC VARIABLE ANNUITY ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2016

Subaccount	Investments at fair value	Receivable from TLIC for annuity reserve adjustment	Total Assets	Payable to TLIC for annuity reserve adjustment	Net Assets	Contracts in accumulation period	Reserves for contracts in annuity payment period	Net Assets	Accumulation units outstanding (accumulation)	Unit value	Deathclaim units	Deathclaim unit value	Series funds, at cost	Series funds shares owned
Aggressive Allocation.....	\$ 39,255,696	\$ 2	\$ 39,255,698	\$ —	\$ 39,255,698	\$ 39,252,524	\$ 3,174	\$ 39,255,698	2,041,603	\$ 19.21	2,019	\$ 18.19	\$ 33,762,440	2,691,511
Moderately Aggressive														
Allocation.....	\$ 156,419,578	\$ 4,458	\$ 156,424,036	\$ —	\$ 156,424,036	\$ 156,317,117	\$ 106,919	\$ 156,424,036	8,442,430	\$ 18.51	3,910	\$ 17.76	\$ 133,772,675	10,925,368
Moderate Allocation.....	\$ 237,944,902	\$ 9,161	\$ 237,954,063	\$ —	\$ 237,954,063	\$ 237,686,051	\$ 268,012	\$ 237,954,063	13,566,344	\$ 17.52	2,265	\$ 17.04	\$ 207,335,285	17,449,503
Moderately Conservative														
Allocation.....	\$ 81,178,896	\$ —	\$ 81,178,896	\$ 4	\$ 81,178,892	\$ 81,178,500	\$ 392	\$ 81,178,892	5,094,160	\$ 15.93	921	\$ 15.67	\$ 72,962,552	6,352,076
Growth and Income Plus.....	\$ 3,102,562	\$ —	\$ 3,102,562	\$ 5	\$ 3,102,557	\$ 3,097,375	\$ 5,182	\$ 3,102,557	246,643	\$ 12.56	—	\$ 12.72	\$ 3,094,160	304,062
Balanced Income Plus.....	\$ 7,652,694	\$ 17,186	\$ 7,669,880	\$ —	\$ 7,669,880	\$ 7,488,370	\$ 181,510	\$ 7,669,880	381,489	\$ 19.61	406	\$ 17.42	\$ 7,956,880	543,142
Diversified Income Plus.....	\$ 15,403,505	\$ 19,560	\$ 15,423,065	\$ —	\$ 15,423,065	\$ 15,152,302	\$ 270,763	\$ 15,423,065	653,983	\$ 23.12	1,699	\$ 17.79	\$ 14,240,506	1,985,013
Opportunity Income Plus.....	\$ 1,899,479	\$ —	\$ 1,899,479	\$ 33,924	\$ 1,895,555	\$ 1,855,149	\$ 40,406	\$ 1,895,555	125,277	\$ 14.81	—	\$ 14.40	\$ 1,898,740	188,335
Partner Healthcare.....	\$ 5,060,127	\$ —	\$ 5,060,127	\$ 12	\$ 5,060,115	\$ 5,048,073	\$ 12,042	\$ 5,060,115	271,113	\$ 18.60	227	\$ 18.85	\$ 5,715,529	337,048
Partner Emerging Markets														
Equity.....	\$ 1,695,156	\$ —	\$ 1,695,156	\$ —	\$ 1,695,156	\$ 1,695,156	\$ —	\$ 1,695,156	151,300	\$ 11.19	228	\$ 11.33	\$ 1,678,108	148,837
Real Estate Securities.....	\$ 10,714,835	\$ —	\$ 10,714,835	\$ 201	\$ 10,714,634	\$ 10,594,946	\$ 119,688	\$ 10,714,634	283,515	\$ 37.32	719	\$ 20.79	\$ 8,119,224	461,012
Small Cap Stock.....	\$ 15,173,509	\$ 7,152	\$ 15,180,661	\$ —	\$ 15,180,661	\$ 14,766,456	\$ 414,205	\$ 15,180,661	597,310	\$ 24.72	—	\$ 19.21	\$ 12,487,129	820,469
Small Cap Index.....	\$ 9,134,965	\$ 2,744	\$ 9,137,709	\$ —	\$ 9,137,709	\$ 9,093,473	\$ 44,236	\$ 9,137,709	287,053	\$ 31.63	528	\$ 24.67	\$ 7,487,955	502,379
Mid Cap Stock.....	\$ 92,051,364	\$ 131,106	\$ 92,182,470	\$ —	\$ 92,182,470	\$ 89,855,106	\$ 2,327,364	\$ 92,182,470	2,765,651	\$ 32.44	5,131	\$ 24.80	\$ 76,180,165	4,824,319
Mid Cap Index.....	\$ 9,887,225	\$ 3,377	\$ 9,890,602	\$ —	\$ 9,890,602	\$ 9,830,181	\$ 60,421	\$ 9,890,602	321,773	\$ 30.49	748	\$ 24.23	\$ 7,847,140	579,314
Partner Worldwide														
Allocation.....	\$ 29,868,171	\$ 45,248	\$ 29,913,419	\$ —	\$ 29,913,419	\$ 29,162,308	\$ 751,111	\$ 29,913,419	2,992,554	\$ 9.73	3,628	\$ 9.86	\$ 26,460,625	3,285,429
Partner All Cap.....	\$ 6,904,802	\$ 7,116	\$ 6,911,918	\$ —	\$ 6,911,918	\$ 6,837,151	\$ 74,767	\$ 6,911,918	365,442	\$ 18.69	375	\$ 20.16	\$ 5,771,014	531,482
Large Cap Growth.....	\$ 263,812,634	\$ 578,404	\$ 264,391,038	\$ —	\$ 264,391,038	\$ 256,594,846	\$ 7,796,192	\$ 264,391,038	2,649,524	\$ 96.67	23,772	\$ 19.78	\$ 182,482,091	9,542,386
Partner Growth Stock.....	\$ 7,642,498	\$ 2,246	\$ 7,644,744	\$ —	\$ 7,644,744	\$ 7,569,192	\$ 75,552	\$ 7,644,744	316,105	\$ 23.91	568	\$ 22.39	\$ 6,038,654	424,232
Large Cap Value.....	\$ 25,895,168	\$ 6,940	\$ 25,902,108	\$ —	\$ 25,902,108	\$ 25,450,192	\$ 451,916	\$ 25,902,108	1,195,612	\$ 21.25	2,145	\$ 19.54	\$ 17,342,948	1,537,790
Large Cap Stock.....	\$ 11,650,806	\$ 3,186	\$ 11,653,992	\$ —	\$ 11,653,992	\$ 11,368,047	\$ 285,945	\$ 11,653,992	681,929	\$ 16.65	826	\$ 16.16	\$ 9,488,686	963,227
Large Cap Index.....	\$ 16,414,992	\$ 13,742	\$ 16,428,734	\$ —	\$ 16,428,734	\$ 16,297,402	\$ 131,332	\$ 16,428,734	713,582	\$ 22.84	—	\$ 20.53	\$ 11,928,432	528,878
High Yield.....	\$ 90,366,359	\$ 268,992	\$ 90,635,351	\$ —	\$ 90,635,351	\$ 87,491,141	\$ 33,144,210	\$ 90,635,351	1,638,405	\$ 53.35	6,403	\$ 19.59	\$ 114,031,724	18,943,935
Income.....	\$ 76,075,357	\$ 239,983	\$ 76,315,340	\$ —	\$ 76,315,340	\$ 73,716,927	\$ 2,598,413	\$ 76,315,340	1,596,826	\$ 46.08	9,989	\$ 15.81	\$ 75,254,399	7,555,479
Bond Index.....	\$ 4,188,153	\$ 3,197	\$ 4,191,350	\$ —	\$ 4,191,350	\$ 4,113,374	\$ 77,976	\$ 4,191,350	260,039	\$ 15.75	1,257	\$ 14.13	\$ 4,147,285	386,062
Limited Maturity Bond.....	\$ 9,288,904	\$ —	\$ 9,288,904	\$ 411	\$ 9,288,493	\$ 8,966,645	\$ 321,848	\$ 9,288,493	682,200	\$ 13.14	22	\$ 12.29	\$ 9,346,833	947,181
Money Market.....	\$ 7,436,563	\$ 16,926	\$ 7,453,489	\$ —	\$ 7,453,489	\$ 7,220,056	\$ 233,433	\$ 7,453,489	3,887,131	\$ 1.86	2,692	\$ 1.03	\$ 7,436,563	7,436,563

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

TLIC VARIABLE ANNUITY ACCOUNT A
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Subaccount	Investment	Expenses		Realized and unrealized gain (loss) on investments				Net gain (loss) on investments	Net increase (decrease) in net assets resulting from operations
	Income	Mortality & expense risk charges	Net investment income (loss)	Net realized gain (loss) on sale of investments	Capital gain distributions	Change in unrealized appreciation (depreciation) of investments			
Aggressive Allocation.....	\$ 379,410	\$ (426,714)	\$ (47,304)	\$ 564,224	\$ 2,107,985	\$ 697,086	\$ 3,369,295	\$ 3,321,991	
Moderately Aggressive Allocation	\$2,257,276	\$(1,721,722)	\$ 535,554	\$ 2,807,710	\$ 6,430,791	\$ 3,670,303	\$12,908,804	\$13,444,358	
Moderate Allocation	\$4,091,199	\$(2,653,972)	\$ 1,437,227	\$ 3,448,161	\$ 6,170,919	\$ 6,752,288	\$16,371,368	\$17,808,595	
Moderately Conservative Allocation	\$1,431,002	\$ (920,691)	\$ 510,311	\$ 1,119,052	\$ 946,176	\$ 2,323,104	\$ 4,388,332	\$ 4,898,643	
Growth and Income Plus	\$ 71,507	\$ (35,028)	\$ 36,479	\$ (29,806)	\$ 55,382	\$ 91,634	\$ 117,210	\$ 153,689	
Balanced Income Plus	\$ 191,624	\$ (81,644)	\$ 109,980	\$ (59,238)	\$ 264,790	\$ 110,194	\$ 315,746	\$ 425,726	
Diversified Income Plus	\$ 496,631	\$ (162,801)	\$ 333,830	\$ 155,434	\$ 39,668	\$ 302,920	\$ 498,022	\$ 831,852	
Opportunity Income Plus	\$ 63,174	\$ (20,506)	\$ 42,668	\$ (2,852)	\$ —	\$ 54,233	\$ 51,381	\$ 94,049	
Partner Healthcare.....	\$ 281,172	\$ (72,582)	\$ 208,590	\$ (1,930)	\$ 254,459	\$ (1,680,781)	\$ (1,428,252)	\$ (1,219,662)	
Partner Emerging Markets Equity.....	\$ 17,645	\$ (20,259)	\$ (2,614)	\$ 3,225	\$ —	\$ 163,538	\$ 166,763	\$ 164,149	
Real Estate Securities.....	\$ 157,559	\$ (118,551)	\$ 39,008	\$ 359,925	\$ 42,037	\$ 195,721	\$ 597,683	\$ 636,691	
Small Cap Stock.....	\$ 44,280	\$ (147,595)	\$ (103,315)	\$ 61,873	\$ 646,232	\$ 2,374,426	\$ 3,082,531	\$ 2,979,216	
Small Cap Index.....	\$ 76,677	\$ (84,382)	\$ (7,705)	\$ 64,863	\$ 551,797	\$ 1,174,379	\$ 1,791,039	\$ 1,783,334	
Mid Cap Stock.....	\$ 312,221	\$ (893,016)	\$ (580,795)	\$ 689,989	\$ 8,520,733	\$ 11,613,316	\$20,824,038	\$20,243,243	
Mid Cap Index.....	\$ 77,504	\$ (95,570)	\$ (18,066)	\$ 167,777	\$ 453,048	\$ 955,262	\$ 1,576,087	\$ 1,558,021	
Partner Worldwide Allocation.....	\$ 680,850	\$ (339,088)	\$ 341,762	\$ 403,915	\$ —	\$ (107,505)	\$ 296,410	\$ 638,172	
Partner All Cap	\$ 18,385	\$ (75,282)	\$ (56,897)	\$ 173,265	\$ 311,658	\$ (152,311)	\$ 332,612	\$ 275,715	
Large Cap Growth	\$1,454,492	\$(3,011,297)	\$(1,556,805)	\$11,491,121	\$22,705,003	\$(40,981,021)	\$(6,784,897)	\$(8,341,702)	
Partner Growth Stock	\$ —	\$ (89,148)	\$ (89,148)	\$ 469,144	\$ 377,959	\$ (763,150)	\$ 83,953	\$ (5,195)	
Large Cap Value.....	\$ 329,803	\$ (264,801)	\$ 65,002	\$ 934,553	\$ 1,431,644	\$ 1,232,901	\$ 3,599,098	\$ 3,664,100	
Large Cap Stock	\$ 150,444	\$ (129,779)	\$ 20,665	\$ 388,180	\$ —	\$ 46,979	\$ 435,159	\$ 455,824	
Large Cap Index.....	\$ 289,711	\$ (167,775)	\$ 121,936	\$ 468,806	\$ 100,099	\$ 854,651	\$ 1,423,536	\$ 1,545,492	
High Yield.....	\$5,143,648	\$ (994,084)	\$ 4,149,564	\$ (3,553,505)	\$ —	\$ 9,266,717	\$ 5,713,212	\$ 9,862,776	
Income.....	\$2,744,250	\$ (878,025)	\$ 1,866,225	\$ 153,450	\$ 58,830	\$ 1,819,912	\$ 2,032,192	\$ 3,898,417	
Bond Index.....	\$ 72,251	\$ (47,178)	\$ 25,073	\$ 29,918	\$ 8,315	\$ (46,825)	\$ (8,592)	\$ 16,481	
Limited Maturity Bond.....	\$ 181,813	\$ (103,301)	\$ 78,512	\$ (23,883)	\$ —	\$ 100,083	\$ 76,200	\$ 154,712	
Money Market	\$ —	\$ (80,356)	\$ (80,356)	\$ —	\$ —	\$ —	\$ —	\$ (80,356)	

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

TLIC VARIABLE ANNUITY ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

Subaccount	Increase (decrease) in net assets from operations		Increase (decrease) in net assets from contract related transactions										Net Assets Beginning of Year	Net Assets End of Year
	Net investment income (loss)	Change in net unrealized gain (loss) on investments and capital gain distributions	Net realized gain (loss) on investments and capital gain distributions	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Administrative charges	Adjustments to annuity reserves	Transfers between subaccounts	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets			
Aggressive Allocation.....	\$ (47,304)	\$ 697,086	\$ 3,321,991	\$ 604,537	\$ (2,092,074)	\$ (1,594)	\$ —	\$ (2,672,863)	\$ (4,161,994)	\$ (840,003)	\$ 40,095,701	\$ 39,255,698		
Moderately Aggressive Allocation.....	\$ 535,554	\$ 3,670,303	\$ 13,444,358	\$ 3,469,061	\$ (8,488,240)	\$ (2,851)	\$ 242	\$ (16,433,583)	\$ (21,455,371)	\$ (8,011,013)	\$ 164,435,049	\$ 156,424,036		
Moderate Allocation.....	\$ 1,437,227	\$ 6,752,288	\$ 17,808,595	\$ 3,310,135	\$ (14,741,573)	\$ (4,650)	\$ (3,287)	\$ (17,346,791)	\$ (28,786,166)	\$ (10,977,571)	\$ 248,931,634	\$ 237,954,063		
Moderately Conservative Allocation.....	\$ 510,311	\$ 2,065,228	\$ 4,898,643	\$ 764,292	\$ (4,454,710)	\$ (1,564)	\$ —	\$ (7,416,836)	\$ (11,108,818)	\$ (6,210,175)	\$ 87,389,067	\$ 81,178,892		
Growth and Income Plus.....	\$ 36,479	\$ 25,576	\$ 153,689	\$ 129,575	\$ (208,301)	\$ —	\$ —	\$ (392,320)	\$ (471,046)	\$ (317,357)	\$ 3,419,914	\$ 3,102,557		
Balanced Income Plus.....	\$ 109,980	\$ 205,552	\$ 425,726	\$ 127,246	\$ (714,413)	\$ (149)	\$ 8,388	\$ 522,928	\$ (56,000)	\$ 369,726	\$ 7,300,154	\$ 7,669,880		
Diversified Income Plus.....	\$ 333,830	\$ 195,102	\$ 831,852	\$ 1,030,117	\$ (884,891)	\$ (183)	\$ 1,954	\$ (904,917)	\$ (757,920)	\$ 73,932	\$ 15,349,133	\$ 15,423,065		
Opportunity Income Plus.....	\$ 42,668	\$ (2,852)	\$ 94,049	\$ 116,384	\$ (132,345)	\$ (26)	\$ (6,222)	\$ 62,238	\$ 40,029	\$ 134,078	\$ 1,761,477	\$ 1,895,555		
Partner Healthcare.....	\$ 208,590	\$ 252,529	\$ (1,680,781)	\$ 123,027	\$ (426,453)	\$ (57)	\$ 1	\$ (1,658,437)	\$ (1,961,919)	\$ (3,181,581)	\$ 8,241,696	\$ 5,060,115		
Partner Emerging Markets Equity.....	\$ (2,614)	\$ 3,225	\$ 164,149	\$ 24,052	\$ (58,075)	\$ (15)	\$ —	\$ (105,024)	\$ (139,062)	\$ 25,087	\$ 1,670,069	\$ 1,695,156		
Real Estate Securities.....	\$ 39,008	\$ 401,962	\$ 636,691	\$ 158,755	\$ (461,196)	\$ (146)	\$ 3,034	\$ 16,864	\$ (282,689)	\$ 354,002	\$ 10,360,632	\$ 10,714,634		
Small Cap Stock.....	\$ (103,315)	\$ 708,105	\$ 2,979,216	\$ 105,469	\$ (791,059)	\$ (219)	\$ 7,701	\$ (1,052,396)	\$ (1,730,504)	\$ 1,248,712	\$ 13,931,949	\$ 15,180,661		
Small Cap Index.....	\$ (7,705)	\$ 616,660	\$ 1,783,334	\$ 84,025	\$ (524,667)	\$ (182)	\$ 1,487	\$ 634,623	\$ 195,286	\$ 1,978,620	\$ 7,159,089	\$ 9,137,709		
Mid Cap Stock.....	\$ (580,795)	\$ 9,210,722	\$ 20,243,243	\$ 1,255,962	\$ (4,281,505)	\$ (4,380)	\$ 81,039	\$ (5,008,994)	\$ (7,957,878)	\$ 12,285,365	\$ 79,897,105	\$ 92,182,470		
Mid Cap Index.....	\$ (18,066)	\$ 620,825	\$ 1,558,021	\$ 98,792	\$ (432,515)	\$ (162)	\$ 2,310	\$ 689,261	\$ 357,686	\$ 1,915,707	\$ 7,974,895	\$ 9,890,602		
Partner Worldwide Allocation.....	\$ 341,762	\$ 403,915	\$ 638,172	\$ 489,627	\$ (1,625,314)	\$ (1,570)	\$ 25,596	\$ (2,293,725)	\$ (3,405,386)	\$ (2,767,214)	\$ 32,680,633	\$ 29,913,419		
Partner All Cap.....	\$ (56,897)	\$ 484,923	\$ 275,715	\$ 82,859	\$ (329,840)	\$ (212)	\$ 3,322	\$ (684,368)	\$ (928,239)	\$ (652,524)	\$ 7,564,442	\$ 6,911,918		
Large Cap Growth.....	\$ (1,556,805)	\$ 34,196,124	\$ (8,341,702)	\$ 3,895,769	\$ (16,786,923)	\$ (15,746)	\$ 231,794	\$ (17,407,316)	\$ (30,082,422)	\$ (38,424,124)	\$ 302,815,162	\$ 264,391,038		
Partner Growth Stock.....	\$ (89,148)	\$ 847,103	\$ (5,195)	\$ 132,004	\$ (426,407)	\$ (130)	\$ 3,064	\$ (1,074,494)	\$ (1,365,963)	\$ (1,371,158)	\$ 9,015,902	\$ 7,644,744		
Large Cap Value.....	\$ 65,002	\$ 2,366,197	\$ 3,664,100	\$ 207,090	\$ (1,357,956)	\$ (417)	\$ (6,135)	\$ (1,036,666)	\$ (2,194,084)	\$ 1,470,016	\$ 24,432,092	\$ 25,902,108		
Large Cap Stock.....	\$ 20,665	\$ 388,180	\$ 455,824	\$ 178,197	\$ (583,478)	\$ (407)	\$ 3,946	\$ (1,282,748)	\$ (1,684,490)	\$ (1,228,666)	\$ 12,882,658	\$ 11,653,992		
Large Cap Index.....	\$ 121,936	\$ 568,905	\$ 1,545,492	\$ 241,462	\$ (708,906)	\$ (220)	\$ 7,330	\$ 498,450	\$ 38,116	\$ 1,383,608	\$ 14,845,126	\$ 16,428,734		
High Yield.....	\$ 4,149,564	\$ (3,553,505)	\$ 9,862,776	\$ 1,685,736	\$ (6,139,019)	\$ (4,946)	\$ 135,453	\$ (5,498,005)	\$ (9,820,781)	\$ 41,995	\$ 90,593,356	\$ 90,633,351		
Income.....	\$ 1,866,225	\$ 212,280	\$ 3,898,417	\$ 1,344,815	\$ (5,754,412)	\$ (3,968)	\$ 100,540	\$ (4,556,547)	\$ (8,869,572)	\$ (4,971,155)	\$ 81,286,495	\$ 76,313,340		
Bond Index.....	\$ 25,073	\$ 38,233	\$ 16,481	\$ 65,648	\$ (238,467)	\$ (122)	\$ 1,610	\$ 137,226	\$ (34,105)	\$ (17,624)	\$ 4,208,974	\$ 4,191,350		
Limited Maturity Bond.....	\$ 78,512	\$ (23,883)	\$ 154,712	\$ 969,887	\$ (872,304)	\$ (353)	\$ (19,411)	\$ (959,157)	\$ (881,338)	\$ (726,626)	\$ 10,015,119	\$ 9,288,493		
Money Market.....	\$ (80,356)	\$ —	\$ (80,356)	\$ 3,090,835	\$ (1,790,471)	\$ (551)	\$ 8,664	\$ (992,912)	\$ 315,565	\$ 235,209	\$ 7,218,280	\$ 7,453,489		

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

TLIC VARIABLE ANNUITY ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

Subaccount	Increase (decrease) in net assets from operations		Increase (decrease) in net assets from contract related transactions										Net Assets Beginning of Year	Net Assets End of Year
	Net investment income (loss)	Change in net unrealized gain (loss) on investments and capital gain distributions	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Administrative charges	Adjustments to annuity reserves	Transfers between subaccounts	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets				
Aggressive Allocation.....	\$ (17,643)	\$ (4,418,195)	\$ (578,061)	\$ 963,148	\$ (2,171,243)	\$ (1,513)	\$ 2	\$ (1,354,240)	\$ (2,563,846)	\$ (3,141,907)	\$ 43,237,008	\$ 40,095,701		
Moderately Aggressive Allocation.....	\$ 1,070,398	\$ (18,893,483)	\$ (4,076,695)	\$ 55,399,268	\$ (16,322,028)	\$ (4,351)	\$ 6,943	\$ (6,195,917)	\$ (17,116,085)	\$ (2,192,779)	\$ 176,425,111	\$ 248,931,634		
Moderate Allocation.....	\$ 612,899	\$ (5,743,128)	\$ (1,329,582)	\$ 2,826,614	\$ (6,540,775)	\$ (1,655)	\$ 4	\$ (4,820,349)	\$ (8,536,161)	\$ (9,865,744)	\$ 97,254,810	\$ 87,389,067		
Moderately Conservative Allocation.....	\$ 35,165	\$ (298,125)	\$ (67,850)	\$ 83,044	\$ (115,097)	\$ (1)	\$ (5)	\$ (531,289)	\$ (563,348)	\$ (631,198)	\$ 4,051,112	\$ 3,419,914		
Growth and Income Plus.....	\$ 76,673	\$ (391,498)	\$ (81,848)	\$ 628,231	\$ (660,428)	\$ (162)	\$ 7,693	\$ (865,907)	\$ (890,573)	\$ (972,422)	\$ 8,272,575	\$ 7,300,154		
Balanced Income Plus.....	\$ 374,886	\$ (1,119,633)	\$ (137,580)	\$ 306,582	\$ (1,124,416)	\$ (220)	\$ 11,487	\$ (1,329,987)	\$ (2,136,554)	\$ (2,274,134)	\$ 17,623,267	\$ 15,349,133		
Diversified Income Plus.....	\$ 41,283	\$ (60,586)	\$ (20,986)	\$ 173,534	\$ (99,573)	\$ (17)	\$ 872	\$ (43,722)	\$ 31,094	\$ 10,108	\$ 1,751,369	\$ 1,761,477		
Opportunity Income Plus.....	\$ (82,862)	\$ (404,173)	\$ 85,765	\$ 363,395	\$ (283,132)	\$ (43)	\$ (13)	\$ 2,433,862	\$ 2,514,069	\$ 2,599,833	\$ 5,641,862	\$ 8,241,696		
Partner Healthcare.....	\$ 2,323	\$ (331,419)	\$ (305,955)	\$ 17,752	\$ (130,252)	\$ (12)	\$ 2	\$ (349,851)	\$ (462,361)	\$ (768,316)	\$ 2,438,385	\$ 1,670,069		
Partner Emerging Markets Equity.....	\$ 36,533	\$ (828,629)	\$ 133,191	\$ 195,471	\$ (453,604)	\$ (166)	\$ (3,210)	\$ (527,732)	\$ (789,241)	\$ (656,050)	\$ 11,016,682	\$ 10,360,632		
Real Estate Securities.....	\$ (75,136)	\$ (1,496,370)	\$ (621,094)	\$ 82,037	\$ (390,406)	\$ (138)	\$ 2,427	\$ 8,715,289	\$ 8,409,209	\$ 7,788,115	\$ 6,143,834	\$ 13,931,949		
Small Cap Stock.....	\$ (23,437)	\$ (846,566)	\$ (239,514)	\$ 218,616	\$ (343,805)	\$ (191)	\$ 1,182	\$ 94,361	\$ (29,837)	\$ (269,351)	\$ 7,428,440	\$ 7,159,089		
Small Cap Index.....	\$ (333,799)	\$ 1,207,619	\$ 2,355,224	\$ 411,877	\$ (2,131,890)	\$ (1,543)	\$ 56,329	\$ 69,917,418	\$ 68,252,191	\$ 70,607,416	\$ 9,289,690	\$ 79,897,105		
Mid Cap Stock.....	\$ (32,106)	\$ (863,666)	\$ (292,355)	\$ 330,112	\$ (376,846)	\$ (164)	\$ 1,528	\$ 178,521	\$ 133,151	\$ (159,205)	\$ 8,134,099	\$ 7,974,895		
Mid Cap Index.....	\$ 500,330	\$ (1,729,071)	\$ (584,752)	\$ 774,174	\$ (2,088,871)	\$ (1,646)	\$ 23,438	\$ (1,856,380)	\$ (3,149,285)	\$ (3,734,037)	\$ 36,414,670	\$ 32,680,633		
Partner Worldwide Allocation.....	\$ (58,923)	\$ (927,303)	\$ 88,240	\$ 193,073	\$ (382,321)	\$ (185)	\$ 3,025	\$ 372,088	\$ 185,680	\$ 273,920	\$ 7,290,522	\$ 7,564,442		
Partner All Cap.....	\$ (2,140,496)	\$ 15,452,934	\$ 27,365,028	\$ 33,799,441	\$ (19,549,467)	\$ (16,554)	\$ 297,099	\$ (11,414,106)	\$ (26,883,587)	\$ 481,440	\$ 302,333,721	\$ 302,815,162		
Large Cap Growth.....	\$ (93,155)	\$ (474,520)	\$ 750,101	\$ 167,286	\$ (556,436)	\$ (148)	\$ 3,377	\$ 628,954	\$ 243,033	\$ 993,134	\$ 8,022,768	\$ 9,015,902		
Partner Growth Stock.....	\$ 50,822	\$ (3,461,145)	\$ (1,229,735)	\$ 470,254	\$ (1,560,136)	\$ (455)	\$ 10,420	\$ (2,187,364)	\$ (3,267,281)	\$ (4,497,017)	\$ 28,929,108	\$ 24,432,092		
Large Cap Value.....	\$ 2,966	\$ (1,232,269)	\$ 319,840	\$ 120,463	\$ (687,793)	\$ (341)	\$ (24)	\$ 299,008	\$ (268,687)	\$ 51,154	\$ 12,831,505	\$ 12,882,658		
Large Cap Stock.....	\$ 38,770	\$ (554,858)	\$ 13,373	\$ 743,978	\$ (688,393)	\$ (195)	\$ 5,818	\$ 721,320	\$ 782,528	\$ 795,901	\$ 14,049,225	\$ 14,845,126		
Large Cap Index.....	\$ (4,709,818)	\$ (4,452,438)	\$ (3,450,236)	\$ 1,543,914	\$ (7,022,970)	\$ (4,933)	\$ 108,595	\$ (6,213,115)	\$ (11,588,509)	\$ (15,038,745)	\$ 105,632,101	\$ 90,593,356		
High Yield.....	\$ 2,284,329	\$ (6,122,495)	\$ (1,452,345)	\$ 1,848,437	\$ (6,817,120)	\$ (4,047)	\$ 95,999	\$ (6,351,147)	\$ (11,227,878)	\$ (12,680,223)	\$ 93,966,718	\$ 81,286,495		
Income.....	\$ 33,949	\$ (93,082)	\$ (8,608)	\$ 130,221	\$ (260,178)	\$ (124)	\$ 1,887	\$ (1,293,053)	\$ (1,421,247)	\$ (1,429,856)	\$ 5,638,829	\$ 4,208,974		
Bond Index.....	\$ 61,439	\$ (76,346)	\$ (31,413)	\$ 191,711	\$ (807,719)	\$ (374)	\$ 12,132	\$ (1,013,109)	\$ (1,617,359)	\$ (1,648,772)	\$ 11,663,891	\$ 10,015,119		
Limited Maturity Bond.....	\$ (83,856)	\$ —	\$ (83,856)	\$ 1,761,356	\$ (1,096,714)	\$ (600)	\$ 7,490	\$ (1,977,916)	\$ (1,306,384)	\$ (1,390,240)	\$ 8,608,520	\$ 7,218,280		
Money Market.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		

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

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(1) ORGANIZATION

The TLIC Variable Annuity Account A (the Variable Account), is registered as a unit investment trust under the Investment Company Act of 1940, and is a separate account of Thrivent Life Insurance Company (TLIC). TLIC offers financial services to Lutherans and through its parent, Thrivent Financial Holdings, Inc., a wholly owned subsidiary of Thrivent Financial for Lutherans (Thrivent Financial), a fraternal benefit society. The Variable Account contains 27 subaccounts each of which invests in a corresponding portfolio of the Thrivent Series Fund, 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, 2016, 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.

<u>Subaccount</u>	<u>Series</u>
Aggressive Allocation	Thrivent Series Fund, Inc. — Aggressive Allocation Portfolio
Moderately Aggressive	
Allocation	Thrivent Series Fund, Inc. — Moderately Aggressive Allocation Portfolio
Moderate Allocation	Thrivent Series Fund, Inc. — Moderate Allocation Portfolio
Moderately Conservative	
Allocation	Thrivent Series Fund, Inc. — Moderately Conservative Allocation Portfolio
Growth and Income Plus (j)	Thrivent Series Fund, Inc. — Growth and Income Plus Portfolio
Balanced Income Plus (k)	Thrivent Series Fund, Inc. — Balanced Income Plus Portfolio
Diversified Income Plus (o)	Thrivent Series Fund, Inc. — Diversified Income Plus Portfolio
Opportunity Income Plus (l)	Thrivent Series Fund, Inc. — Opportunity Income Plus Portfolio
Partner Healthcare	Thrivent Series Fund, Inc. — Partner Healthcare Portfolio
Partner Emerging Markets	
Equity (q)	Thrivent Series Fund, Inc. — Partner Emerging Markets Equity Portfolio
Real Estate Securities.....	Thrivent Series Fund, Inc. — Real Estate Securities Portfolio
Small Cap Stock (a, b)	Thrivent Series Fund, Inc. — Small Cap Stock Portfolio
Small Cap Index.....	Thrivent Series Fund, Inc. — Small Cap Index Portfolio
Mid Cap Stock (c, d)	Thrivent Series Fund, Inc. — Mid Cap Stock Portfolio
Mid Cap Index	Thrivent Series Fund, Inc. — Mid Cap Index Portfolio
Partner Worldwide	
Allocation (m).....	Thrivent Series Fund, Inc. — Partner Worldwide Allocation Portfolio
Partner All Cap	Thrivent Series Fund, Inc. — Partner All Cap Portfolio
Large Cap Growth (f, n).....	Thrivent Series Fund, Inc. — Large Cap Growth Portfolio
Partner Growth Stock.....	Thrivent Series Fund, Inc. — Partner Growth Stock Portfolio
Large Cap Value.....	Thrivent Series Fund, Inc. — Large Cap Value Portfolio
Large Cap Stock (e, g, h, i)....	Thrivent Series Fund, Inc. — Large Cap Stock Portfolio
Large Cap Index.....	Thrivent Series Fund, Inc. — Large Cap Index Portfolio
High Yield.....	Thrivent Series Fund, Inc. — High Yield Portfolio
Income (p).....	Thrivent Series Fund, Inc. — Income Portfolio
Bond Index	Thrivent Series Fund, Inc. — Bond Index Portfolio
Limited Maturity Bond	Thrivent Series Fund, Inc. — Limited Maturity Bond Portfolio
Money Market.....	Thrivent Series Fund, Inc. — Money Market Portfolio

(a) Partner Small Cap Growth merged into the Small Cap Stock Portfolio as of August 21, 2015.

(b) Partner Small Cap Value merged into the Small Cap Stock Portfolio as of August 21, 2015.

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(1) ORGANIZATION - continued

- (c) Mid Cap Growth merged into the Mid Cap Stock Portfolio as of August 21, 2015.
- (d) Partner Mid Cap Value merged into the Mid Cap Stock Portfolio as of August 21, 2015.
- (e) Natural Resources merged into the Large Cap Stock Portfolio as of August 21, 2015.
- (f) Partner Technology merged into the Large Cap Growth Portfolio as of August 21, 2015.
- (g) Partner All Cap Value Portfolio merged into the Large Cap Stock Portfolio as of August 16, 2013.
- (h) Partner All Cap Growth Portfolio merged into the Large Cap Stock Portfolio as of August 16, 2013.
- (i) Partner Socially Responsible Stock Portfolio merged into the Large Cap Stock Portfolio as of August 16, 2013.
- (j) Formerly known as Equity Income Plus, name change effective August 16, 2013.
- (k) Formerly known as Balanced, name change effective August 16, 2013.
- (l) Formerly known as Mortgage Securities, name change effective August 16, 2013.
- (m) Partner International Stock Portfolio merged into the Partner Worldwide Allocation Portfolio as of July 27, 2012.
- (n) Large Cap Growth Portfolio II merged into the Large Cap Growth Portfolio as of July 27, 2012.
- (o) Partner Utilities Portfolio merged into the Diversified Income Plus Portfolio as of July 27, 2012.
- (p) Partner Socially Responsible Bond Portfolio merged into the Income Portfolio as of July 27, 2012.
- (q) Formerly Partner Emerging Markets, name change effective July 27, 2012.

The Funds are registered under the Investment Company Act of 1940 as diversified open-end 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 deferred variable annuity contracts issued by TLIC. Under applicable insurance law, the assets and liabilities of the Variable Account are clearly identified and distinguished from the other assets and liabilities of TLIC. The assets of the Variable Account will not be charged with any liabilities arising out of any other business conducted by the insurance operations of TLIC.

A fixed account investment option is available for contract owners of the flexible premium deferred variable annuity. Assets of the fixed account are combined with the general assets of TLIC and invested by TLIC 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.

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(2) SIGNIFICANT ACCOUNTING POLICIES - continued

Federal Income Taxes

TLIC is taxed as a life insurance company and includes its single premium variable life insurance operations in its tax return. Under existing federal income tax law, no income taxes are payable with respect to any investment income of the accounts to the extent the earnings are credited under the contracts. Based on this, TLIC anticipates no tax liability resulting from operations of the Variable Account and no provision for income taxes has been charged against the Variable Account. TLIC will periodically review the status of this policy in the event of changes in the tax law and reserves the right to charge for taxes in the future.

Annuity Reserves

Annuity reserves represented as reserves for contracts in annuity payout period on the statement of assets and liabilities, are computed based on amounts currently payable according to the 1983 Table A mortality table, the 2000 IAM mortality table and the 2012 IAR mortality table. The reserve rate is the maximum Single Premium Immediate Annuity (SPIA) valuation interest rate. Changes to annuity reserves are based on actual mortality and risk experience. If the reserves required are less than the original estimated reserve amount held in the Variable Account, the excess is reflected as a payable to TLIC on the statement of assets and liabilities. If additional reserves are required, a receivable from TLIC is reflected on the statement of assets and liabilities.

Death Claims

Amounts payable under the contract for death benefits remain invested in the separate accounts until the beneficiaries provide instructions to disburse the benefits.

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

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(2) SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value of Financial Instruments, continued

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. There were no 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

Proceeds received by the Variable Account from units issued represent gross contract premiums received by TLIC less any applicable premium taxes. No charge for sales distribution expense is deducted from premiums received.

A surrender charge is deducted from the accumulated value of the contract to compensate TLIC if a contract is surrendered in whole or in part during the first six years the contract is in force. The surrender charge is 6% during the first contract year, and decreases by 1% each subsequent contract year. For purposes of the surrender charge calculation, up to 10% of a contract's accumulated value may be excluded from the calculation each year. This charge is deducted by redeeming units of the subaccounts of the Variable Account.

An annual administrative charge of \$30 is deducted on each contract anniversary from the accumulated value of the contract to compensate TLIC for administrative expenses relating to the contract and the Variable Account. This charge is deducted by redeeming units of the subaccounts of the Variable Account. No such charge is deducted from contracts which total premiums paid, less surrenders, equals or exceeds \$5,000. No administrative charge is payable during the annuity payment period.

A daily charge is deducted from the value of the net assets of the Variable Account to compensate TLIC for mortality and expense risks assumed in connection with the contract. The charge is based on the average daily net assets of the Variable Account and is equal to annual rate of 1.10% during accumulation period of the contract and 0.95% while the contract is pending payout due to a death claim.

Additionally, during the year ended December 31, 2016, 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 (including transfers among subaccounts) for accumulation and death claim units were as follows:

	Units Outstanding at January 1, 2015	Units Issued	Units Issued as a result of merger	Units Redeemed	Units Outstanding at December 31, 2015	Units Issued	Units Redeemed	Units Outstanding at December 31, 2016
Aggressive Allocation	2,413,946	189,332	—	(329,937)	2,273,341	74,338	(304,057)	2,043,622
Moderately Aggressive Allocation	10,202,951	544,527	—	(1,066,371)	9,681,107	385,691	(1,620,458)	8,446,340
Moderate Allocation	16,321,767	877,985	—	(1,908,133)	15,291,619	614,715	(2,337,725)	13,568,609
Moderately Conservative Allocation	6,374,265	439,984	—	(996,728)	5,817,521	262,227	(984,667)	5,095,081
Growth and Income Plus	333,763	55,061	—	(102,050)	286,774	20,623	(60,754)	246,643

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(4) UNIT ACTIVITY - continued

	Units Outstanding at		Units Issued as a result of merger	Units Outstanding at		Units		Units Outstanding at
	January 1, 2015	Units Issued		December 31, 2015	Units Issued	Redeemed	December 31, 2016	
Balanced Income Plus	429,155	71,953	—	(118,183)	382,925	83,661	(84,691)	381,895
Diversified Income Plus	783,999	49,760	—	(144,204)	689,555	98,717	(132,590)	655,682
Opportunity Income Plus	121,808	27,954	—	(28,103)	121,659	37,304	(33,686)	125,277
Partner Healthcare	260,646	155,407	—	(48,870)	367,183	33,866	(129,709)	271,340
Partner Emerging Markets								
Equity	205,586	23,625	—	(64,683)	164,528	47,340	(60,340)	151,528
Real Estate Securities	314,661	43,971	—	(66,676)	291,956	40,974	(48,696)	284,234
Small Cap Stock	291,441	17,249	448,429	(73,762)	683,357	41,809	(127,856)	597,310
Small Cap Index	281,882	37,095	—	(38,128)	280,849	56,926	(50,194)	287,581
Mid Cap Stock	351,200	26,126	2,959,482	(282,227)	3,054,581	169,481	(453,280)	2,770,782
Mid Cap Index	303,861	56,607	—	(51,226)	309,242	67,000	(53,721)	322,521
Partner Worldwide								
Allocation	3,654,663	230,299	—	(539,190)	3,345,772	124,008	(473,598)	2,996,182
Partner All Cap	407,496	75,613	—	(64,365)	418,744	22,503	(75,430)	365,817
Large Cap Growth	3,244,064	320,544	29,160	(611,756)	2,982,012	286,800	(595,516)	2,673,296
Partner Growth Stock	363,954	87,394	—	(76,879)	374,469	52,906	(110,702)	316,673
Large Cap Value	1,478,104	69,536	—	(238,452)	1,309,188	92,472	(203,903)	1,197,757
Large Cap Stock	796,561	81,215	91,236	(181,866)	787,146	67,051	(171,442)	682,755
Large Cap Index	672,746	136,329	—	(97,309)	711,766	106,242	(104,426)	713,582
High Yield	2,052,427	154,489	—	(372,087)	1,834,829	143,491	(333,512)	1,644,808
Income	2,030,856	235,030	—	(473,695)	1,792,191	170,999	(356,375)	1,606,815
Bond Index	351,795	21,587	—	(110,781)	262,601	54,387	(55,692)	261,296
Limited Maturity Bond	860,729	89,397	—	(206,126)	744,000	133,747	(195,525)	682,222
Money Market	4,367,634	5,038,279	—	(5,699,612)	3,706,301	4,469,650	(4,286,128)	3,889,823

(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, 2016 were as follows:

<u>Subaccount</u>	<u>Purchases</u>	<u>Sales</u>
Aggressive Allocation	\$ 3,245,482	\$ 5,346,794
Moderately Aggressive Allocation	11,045,577	25,534,845
Moderate Allocation	13,984,678	35,159,411
Moderately Conservative Allocation	4,586,029	14,238,362
Growth and Income Plus	356,638	735,824
Balanced Income Plus	1,756,686	1,446,305
Diversified Income Plus	2,318,925	2,705,300
Opportunity Income Plus	559,243	470,325
Partner Healthcare	1,031,289	2,530,161
Partner Emerging Markets Equity	517,382	659,056
Real Estate Securities	1,339,429	1,544,106
Small Cap Stock	1,193,586	2,388,876
Small Cap Index	1,700,427	962,539
Mid Cap Stock	11,418,322	11,517,301
Mid Cap Index	1,980,801	1,190,442
Partner Worldwide Allocation	1,139,166	4,228,386
Partner All Cap	620,342	1,297,142

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(5) PURCHASES AND SALES OF INVESTMENTS - continued

<u>Subaccount</u>	<u>Purchases</u>	<u>Sales</u>
Large Cap Growth.....	27,546,381	36,712,398
Partner Growth Stock.....	1,379,171	2,459,387
Large Cap Value.....	2,775,585	3,466,888
Large Cap Stock.....	975,466	2,643,237
Large Cap Index.....	2,262,682	2,009,861
High Yield.....	6,667,493	12,474,164
Income	4,319,512	11,364,569
Bond Index	857,437	859,768
Limited Maturity Bond	1,576,874	2,360,291
Money Market.....	7,519,731	7,293,187

(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, 2016, except as indicated in Note 1, follows:

<u>Subaccount</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Aggressive Allocation					
Units (a).....	2,041,768	2,270,888	2,411,864	2,542,267	2,636,633
Unit value	\$ 19.21	\$ 17.64	\$ 17.91	\$ 17.08	\$ 13.59
Deathclaim units	2,019	2,627	2,082	—	—
Deathclaim unit value	\$ 18.19	\$ 16.67	\$ 16.91	\$ 16.10	\$ 12.79
Net assets.....	\$ 39,255,698	\$ 40,095,701	\$ 43,237,608	\$ 43,425,992	\$ 35,840,096
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.98%	1.06%	0.44%	1.23%	0.62%
Total return (d)	8.91-9.07%	(1.54)-(1.39)%	4.86-5.02%	25.66-25.85%	11.01-11.18%
Moderately Aggressive Allocation					
Units (a).....	8,448,049	9,685,169	10,196,741	10,676,008	11,205,855
Unit value	\$ 18.51	\$ 16.97	\$ 17.29	\$ 16.49	\$ 13.74
Deathclaim units	3,910	1,663	6,210	158	—
Deathclaim unit value	\$ 17.76	\$ 16.27	\$ 16.55	\$ 15.75	\$ 13.11
Net assets.....	\$156,424,036	\$ 164,435,049	\$176,425,111	\$176,007,343	\$153,982,226
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.44%	1.28%	0.85%	1.50%	1.18%
Total return (d)	9.03-9.19%	(1.83)-(1.69)%	4.89-5.05%	19.97-20.15%	11.62-11.79%
Moderate Allocation					
Units (a).....	13,581,363	15,292,052	16,332,883	16,833,547	17,800,171
Unit value	\$ 17.52	\$ 16.27	\$ 16.54	\$ 15.79	\$ 13.87
Deathclaim units	2,265	12,095	541	38,135	8,805
Deathclaim unit value	\$ 17.04	\$ 15.79	\$ 16.03	\$ 15.29	\$ 13.41
Net assets.....	\$237,954,063	\$ 248,931,634	\$270,124,414	\$266,568,108	\$247,004,579
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.70%	1.50%	1.13%	1.52%	1.57%
Total return (d)	7.70-7.86%	(1.65)-(1.50)%	4.72-4.88%	13.86-14.03%	10.50-10.66%

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2016	2015	2014	2013	2012
Moderately Conservative Allocation					
Units (a)	5,094,185	5,814,316	6,365,648	7,053,190	7,690,503
Unit value	\$ 15.93	\$ 15.02	\$ 15.26	\$ 14.65	\$ 13.58
Deathclaim units	921	3,231	8,645	20,365	3,788
Deathclaim unit value	\$ 15.67	\$ 14.75	\$ 14.96	\$ 14.34	\$ 13.28
Net assets	\$81,178,892	\$ 87,389,067	\$97,254,810	\$ 103,604,501	\$104,521,673
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	1.71%	1.75%	1.55%	1.52%	1.60%
Total return (d)	6.06-6.22%	(1.55)-(1.40)%	4.17-4.32%	7.83-7.99%	8.39-8.55%
Growth and Income Plus					
Units (a)	247,061	287,215	333,763	331,418	207,125
Unit value	\$ 12.56	\$ 11.91	\$ 12.14	\$ 12.01	\$ 10.01
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 12.72	\$ 12.05	\$ 12.26	\$ 12.11	\$ 10.08
Net assets	\$ 3,102,557	\$ 3,419,914	\$ 4,051,112	\$ 3,979,266	\$ 2,073,896
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	2.25%	2.07%	2.50%	1.93%	1.47%
Total return (d)	5.46-5.62%	(1.90)-(1.75)%	1.09-1.24%	19.91-20.09%	11.92-12.09%
Balanced Income Plus					
Units (a)	389,839	393,670	441,107	399,260	378,972
Unit value	\$ 19.61	\$ 18.52	\$ 18.75	\$ 17.87	\$ 15.32
Deathclaim units	406	—	—	—	—
Deathclaim unit value	\$ 17.42	\$ 16.42	\$ 16.60	\$ 15.80	\$ 13.53
Net assets	\$ 7,669,880	\$ 7,300,154	\$ 8,272,575	\$ 7,382,939	\$ 6,027,006
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	2.58%	2.09%	1.59%	1.78%	2.15%
Total return (d)	5.89-6.05%	(1.24)-(1.09)%	4.91-5.07%	16.66-16.83%	11.19-11.35%
Diversified Income Plus					
Units (a)	664,816	701,053	798,301	784,614	676,695
Unit value	\$ 23.12	\$ 21.83	\$ 22.06	\$ 21.39	\$ 19.45
Deathclaim units	1,699	1,456	479	5,910	—
Deathclaim unit value	\$ 17.79	\$ 16.77	\$ 16.92	\$ 16.38	\$ 14.88
Net assets	\$15,423,065	\$ 15,349,133	\$17,623,267	\$ 17,233,735	\$ 13,525,802
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	3.35%	3.32%	2.99%	2.48%	3.46%
Total return (d)	5.91-6.07%	(1.02)-(0.87)%	3.13-3.29%	9.96-10.12%	13.23-13.40%
Opportunity Income Plus					
Units (a)	128,271	124,984	122,929	119,925	147,170
Unit value	\$ 14.81	\$ 14.08	\$ 14.24	\$ 13.91	\$ 14.26
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 14.40	\$ 13.67	\$ 13.81	\$ 13.47	\$ 13.79
Net assets	\$ 1,895,555	\$ 1,761,477	\$ 1,751,369	\$ 1,686,314	\$ 2,120,165
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	3.39%	3.40%	3.43%	2.52%	1.56%
Total return (d)	5.21-5.37%	(1.13)-(0.98)%	2.35-2.51%	(2.47)-(2.32)%	4.83-4.99%

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2016	2015	2014	2013	2012
Partner Healthcare					
Units (a).....	271,769	367,852	260,646	195,880	136,641
Unit value	\$ 18.60	\$ 22.40	\$ 21.65	\$ 17.62	\$ 13.59
Deathclaim units	227	163	—	—	—
Deathclaim unit value	\$ 18.85	\$ 22.65	\$ 21.86	\$ 17.77	\$ 13.68
Net assets.....	\$ 5,060,115	\$ 8,241,696	\$ 5,641,862	\$ 3,450,735	\$ 1,856,506
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	4.27%	0.01%	0.00%	0.34%	0.27%
Total return (d)	(16.93)-(16.80)%	3.46-3.62%	22.87-23.06%	29.66-29.85%	19.35-19.53%
Partner Emerging Markets Equity					
Units (a).....	151,300	164,764	205,586	221,036	217,862
Unit value	\$ 11.19	\$ 10.14	\$ 11.86	\$ 12.27	\$ 13.39
Deathclaim units	228	—	—	—	—
Deathclaim unit value	\$ 11.33	\$ 10.25	\$ 11.98	\$ 12.38	\$ 13.49
Net assets.....	\$ 1,695,156	\$ 1,670,069	\$ 2,438,385	\$ 2,712,671	\$ 2,917,547
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.96%	1.21%	0.94%	1.04%	0.54%
Total return (d)	10.37-10.53%	(14.54)-(14.41)%	(3.36)-(3.21)%	(8.36)-(8.22)%	24.59-24.78%
Real Estate Securities					
Units (a).....	286,728	294,852	318,979	326,760	362,765
Unit value	\$ 37.32	\$ 35.10	\$ 34.54	\$ 26.69	\$ 26.41
Deathclaim units	719	783	—	1,424	1,498
Deathclaim unit value	\$ 20.79	\$ 19.53	\$ 19.19	\$ 14.81	\$ 14.63
Net assets.....	\$ 10,714,634	\$ 10,360,632	\$ 11,016,682	\$ 8,871,209	\$ 9,718,723
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.46%	1.44%	1.43%	1.49%	3.60%
Total return (d)	6.32-6.48%	1.62-1.77%	29.39-29.59%	1.06-1.22%	16.25-16.42%
Small Cap Stock					
Units (a).....	613,683	701,502	296,727	318,184	352,795
Unit value	\$ 24.72	\$ 19.85	\$ 20.71	\$ 19.99	\$ 14.87
Deathclaim units	—	528	14	77	135
Deathclaim unit value	\$ 19.21	\$ 15.40	\$ 16.05	\$ 15.47	\$ 11.49
Net assets.....	\$ 15,180,661	\$ 13,931,949	\$ 6,143,834	\$ 6,483,210	\$ 5,332,764
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.33%	0.29%	0.22%	0.36%	0.00%
Total return (d)	24.56-24.75%	(4.19)-(4.05)%	3.61-3.76%	34.41-34.62%	8.22-8.38%
Small Cap Index					
Units (a).....	288,365	281,586	283,429	308,456	310,316
Unit value	\$ 31.63	\$ 25.36	\$ 26.21	\$ 25.15	\$ 18.06
Deathclaim units	528	868	10	12	10
Deathclaim unit value	\$ 24.67	\$ 19.75	\$ 20.38	\$ 19.52	\$ 14.00
Net assets.....	\$ 9,137,709	\$ 7,159,089	\$ 7,428,440	\$ 7,802,135	\$ 5,638,907
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.00%	0.78%	0.77%	1.21%	0.67%
Total return (d)	24.74-24.93%	(3.24)-(3.10)%	4.21-4.37%	39.29-39.50%	14.67-14.85%

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2016	2015	2014	2013	2012
Mid Cap Stock					
Units (a).....	2,833,311	3,131,781	361,069	385,619	417,417
Unit value	\$ 32.44	\$ 25.48	\$ 25.75	\$ 23.26	\$ 17.35
Deathclaim units	5,131	1,729	7	731	7
Deathclaim unit value	\$ 24.80	\$ 19.45	\$ 19.62	\$ 17.70	\$ 13.19
Net assets.....	\$ 92,182,470	\$ 79,897,105	\$ 9,289,690	\$ 9,244,853	\$ 7,439,401
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.38%	0.15%	0.32%	0.37%	0.25%
Total return (d)	27.31-27.50%	(1.01)-(0.86)%	10.70-10.87%	34.02-34.22%	13.03-13.20%
Mid Cap Index					
Units (a).....	323,644	311,205	306,352	316,782	329,675
Unit value	\$ 30.49	\$ 25.60	\$ 26.55	\$ 24.57	\$ 18.69
Deathclaim units	748	343	7	10	7
Deathclaim unit value	\$ 24.23	\$ 20.31	\$ 21.04	\$ 19.44	\$ 14.76
Net assets.....	\$ 9,890,602	\$ 7,974,895	\$ 8,134,099	\$ 7,855,971	\$ 6,227,332
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.89%	0.71%	0.77%	0.90%	0.77%
Total return (d)	19.12-19.29%	(3.59)-(3.44)%	8.08-8.24%	31.47-31.67%	16.08-16.26%
Partner Worldwide Allocation					
Units (a).....	3,065,076	3,423,605	3,752,215	4,019,422	4,444,341
Unit value	\$ 9.73	\$ 9.52	\$ 9.70	\$ 10.37	\$ 9.01
Deathclaim units	3,628	6,444	991	3,299	817
Deathclaim unit value	\$ 9.86	\$ 9.63	\$ 9.80	\$ 10.45	\$ 9.07
Net assets.....	\$ 29,913,419	\$ 32,680,633	\$ 36,414,670	\$ 42,870,560	\$ 41,227,407
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	2.21%	2.50%	2.05%	0.03%	2.86%
Total return (d)	2.22-2.37%	(1.87)-(1.72)%	(6.39)-(6.25)%	15.04-15.21%	17.35-17.53%
Partner All Cap					
Units (a).....	369,062	422,993	412,728	457,579	508,969
Unit value	\$ 18.69	\$ 17.86	\$ 17.66	\$ 15.91	\$ 12.11
Deathclaim units	375	231	—	—	—
Deathclaim unit value	\$ 20.16	\$ 19.24	\$ 18.99	\$ 17.08	\$ 12.98
Net assets.....	\$ 6,911,918	\$ 7,564,442	\$ 7,290,522	\$ 7,393,781	\$ 6,257,448
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.27%	0.34%	0.62%	0.76%	0.45%
Total return (d)	4.62-4.78%	1.14-1.29%	11.03-11.20%	31.40-31.60%	13.47-13.65%
Large Cap Growth					
Units (a).....	2,724,144	3,043,396	3,324,663	3,558,618	3,967,595
Unit value	\$ 96.67	\$ 99.21	\$ 90.79	\$ 82.71	\$ 61.42
Deathclaim units	23,772	26,712	23,559	35,049	18,838
Deathclaim unit value	\$ 19.78	\$ 20.27	\$ 18.52	\$ 16.85	\$ 12.49
Net assets.....	\$ 264,391,038	\$ 302,815,162	\$ 302,333,721	\$ 305,123,889	\$ 252,837,814
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.53%	0.40%	0.61%	0.64%	1.11%
Total return (d)	(2.56)-(2.41)%	9.27-9.43%	9.78-9.94%	34.65-34.85%	17.86-18.04%

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2016	2015	2014	2013	2012
Partner Growth Stock					
Units (a).....	319,171	375,898	368,389	380,704	421,140
Unit value	\$ 23.91	\$ 23.85	\$ 21.79	\$ 20.30	\$ 14.78
Deathclaim units	568	2,365	—	—	7
Deathclaim unit value	\$ 22.39	\$ 22.30	\$ 20.35	\$ 18.93	\$ 13.76
Net assets.....	\$ 7,644,744	\$ 9,015,902	\$ 8,022,768	\$ 7,834,620	\$ 6,311,724
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	0.00%	0.00%	0.00%	0.03%	0.00%
Total return (d)	0.24-0.39%	9.44-9.61%	7.33-7.49%	37.33-37.53%	17.35-17.53%
Large Cap Value					
Units (a).....	1,216,550	1,331,552	1,508,483	1,644,843	1,772,633
Unit value	\$ 21.25	\$ 18.30	\$ 19.18	\$ 17.78	\$ 13.64
Deathclaim units	2,145	3,462	83	3,648	584
Deathclaim unit value	\$ 19.54	\$ 16.80	\$ 17.58	\$ 16.28	\$ 12.47
Net assets.....	\$ 25,902,108	\$ 24,432,092	\$ 28,929,108	\$ 29,934,494	\$ 24,758,366
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.37%	1.29%	1.24%	1.51%	1.72%
Total return (d)	16.16-16.33%	(4.59)-(4.44)%	7.84-8.00%	30.38-30.58%	16.28-16.45%
Large Cap Stock					
Units (a).....	698,911	804,684	819,538	868,701	856,981
Unit value	\$ 16.65	\$ 15.97	\$ 15.66	\$ 15.04	\$ 11.73
Deathclaim units	826	2,166	—	1,584	811
Deathclaim unit value	\$ 16.16	\$ 15.47	\$ 15.15	\$ 14.53	\$ 11.32
Net assets.....	\$ 11,653,992	\$ 12,882,658	\$ 12,831,505	\$ 13,475,626	\$ 10,380,914
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.28%	1.12%	0.88%	1.12%	1.03%
Total return (d)	4.27-4.43%	1.99-2.14%	4.14-4.29%	28.18-28.38%	13.64-13.81%
Large Cap Index					
Units (a).....	718,694	715,245	679,516	676,191	716,180
Unit value	\$ 22.84	\$ 20.68	\$ 20.67	\$ 18.46	\$ 14.16
Deathclaim units	—	2,665	26	436	429
Deathclaim unit value	\$ 20.53	\$ 18.56	\$ 18.53	\$ 16.51	\$ 12.65
Net assets.....	\$ 16,428,734	\$ 14,845,126	\$ 14,049,225	\$ 12,634,434	\$ 10,275,106
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	1.90%	1.37%	1.43%	1.65%	1.67%
Total return (d)	10.46-10.63%	0.01-0.16%	12.01-12.18%	30.36-30.56%	14.27-14.44%
High Yield					
Units (a).....	1,692,238	1,887,953	2,123,902	2,296,461	2,597,127
Unit value	\$ 53.35	\$ 47.83	\$ 49.70	\$ 49.28	\$ 46.61
Deathclaim units	6,403	10,701	4,872	10,209	7,763
Deathclaim unit value	\$ 19.59	\$ 17.54	\$ 18.20	\$ 18.02	\$ 17.01
Net assets.....	\$ 90,635,351	\$ 90,593,356	\$105,632,101	\$117,786,969	\$126,018,439
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c) .	5.69%	5.74%	5.89%	6.38%	7.11%
Total return (d)	11.53-11.70%	(3.76)-(3.61)%	0.85-1.00%	5.74-5.90%	15.03-15.20%

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2016	2015	2014	2013	2012
Income					
Units (a)	1,647,906	1,845,011	2,099,414	2,309,225	2,667,545
Unit value	\$ 46.08	\$ 43.92	\$ 44.71	\$ 42.37	\$ 42.87
Deathclaim units	9,989	8,988	5,805	12,868	15,258
Deathclaim unit value	\$ 15.81	\$ 15.05	\$ 15.29	\$ 14.47	\$ 14.62
Net assets	\$ 76,315,340	\$ 81,286,495	\$ 93,966,718	\$ 101,874,184	\$ 119,138,164
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	3.44%	3.67%	3.76%	3.82%	3.83%
Total return (d)	4.92-5.08%	(1.76)-(1.62)%	5.52-5.67%	(1.16)-(1.01)%	9.77-9.94%
Bond Index					
Units (a)	264,787	268,136	358,282	420,448	506,231
Unit value	\$ 15.75	\$ 15.69	\$ 15.74	\$ 14.94	\$ 15.49
Deathclaim units	1,257	16	16	1,419	16
Deathclaim unit value	\$ 14.13	\$ 14.06	\$ 14.08	\$ 13.34	\$ 13.81
Net assets	\$ 4,191,350	\$ 4,208,974	\$ 5,638,829	\$ 6,425,872	\$ 7,987,005
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	1.68%	1.78%	2.22%	1.96%	2.03%
Total return (d)	0.38-0.53%	(0.31)-(0.16)%	5.36-5.52%	(3.53)-(3.39)%	3.80-3.96%
Limited Maturity Bond					
Units (a)	706,719	767,942	898,737	1,010,561	1,187,538
Unit value	\$ 13.14	\$ 12.92	\$ 12.97	\$ 12.90	\$ 12.98
Deathclaim units	22	6,006	32	1,153	275
Deathclaim unit value	\$ 12.29	\$ 12.06	\$ 12.09	\$ 12.00	\$ 12.06
Net assets	\$ 9,288,493	\$ 10,015,119	\$ 11,663,891	\$ 13,627,704	\$ 16,066,558
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	1.94%	1.67%	1.71%	1.54%	1.66%
Total return (d)	1.71-1.86%	(0.37)-(0.22)%	0.57-0.72%	(0.64)-(0.50)%	3.17-3.33%
Money Market					
Units (a)	4,003,794	3,831,573	4,535,177	5,425,817	5,848,450
Unit value	\$ 1.86	\$ 1.88	\$ 1.90	\$ 1.92	\$ 1.94
Deathclaim units	2,692	16,464	450	8,965	718
Deathclaim unit value	\$ 1.03	\$ 1.04	\$ 1.05	\$ 1.06	\$ 1.07
Net assets	\$ 7,453,489	\$ 7,218,280	\$ 8,608,520	\$ 10,796,735	\$ 11,816,319
Ratio of expenses to net assets (b)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (c)	0.00%	0.00%	0.00%	0.00%	0.00%
Total return (d)	(1.09)-(0.95)%	(1.10)-(0.94)%	(1.09)-(0.95)%	(1.09)-(0.95)%	(1.10)-(0.95)%

- (a) For 2014, 2015 and 2016, the units represent units for contracts in accumulation and payout and the unit values represent the unit values for contracts in accumulation. For 2012 and 2013, the units and unit values presented are for contracts in accumulation.
- (b) These amounts represent the annualized contract expenses of the separate account, consisting primarily of mortality and expense charges, for each period indicated. The ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund have been excluded.
- (c) 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

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(6) FINANCIAL HIGHLIGHTS - continued

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.

- (d) These amounts represent the total return for periods indicated, including changes in the value of the underlying fund, and expenses assessed through the reduction of unit values. These ratios do not include any expenses assessed through the redemption of units. Investment options with a date notation in Note 1 indicate the effective date of the investment option in the Variable Account. The total return is calculated using accumulation unit values.

(7) SUBACCOUNT MERGERS

A Special Meeting of shareholders of the Thrivent Partner Partner Small Cap Growth Portfolio, Thrivent Partner Small Cap Value Portfolio, Thrivent Mid Cap Growth Portfolio, Thrivent Partner Mid Cap Value Portfolio, Thrivent Natural Resources Portfolio, and Thrivent Partner Technology (the “Target Portfolios”) each of which is a separate series of Thrivent Series Fund, Inc. (“the Fund”), was held on August 14, 2015. The Contractholders of each Subaccount voted in favor of merging the Target Portfolios into the Portfolios shown below (“the Acquiring Portfolios”) effective August 21, 2015.

	The Target Portfolio		The Acquiring Portfolio
Merger 1	Thrivent Partner Small Cap Growth	→	Thrivent Small Cap Stock
Merger 2	Thrivent Partner Small Cap Value	→	Thrivent Small Cap Stock
Merger 3	Thrivent Mid Cap Growth	→	Thrivent Mid Cap Stock
Merger 4	Thrivent Partner Mid Cap Value	→	Thrivent Mid Cap Stock
Merger 5	Thrivent Natural Resources	→	Thrivent Large Cap Stock
Merger 6	Thrivent Partner Technology	→	Thrivent Large Cap Growth

The mergers were accomplished by tax free exchanges as detailed below:

	Net Assets as of August 21, 2015	Shares as of August 21, 2015
Merger 1 and 2		
Acquiring Portfolio	\$ 6,024,528	365,582
Target Portfolio (Merger 1)	\$ 3,448,564	219,140
Target Portfolio (Merger 2)	\$ 6,037,537	272,386
After Acquisition	\$15,510,629	857,108
Merger 3 and 4		
Acquiring Portfolio	\$ 9,200,172	557,306
Target Portfolio (Merger 3)	\$72,338,120	3,225,881
Target Portfolio (Merger 4)	\$ 2,366,935	172,730
After Acquisition	\$83,905,227	3,955,917
Merger 5		
Acquiring Portfolio	\$12,306,284	1,066,504
Target Portfolio	\$ 1,451,705	283,752
After Acquisition	\$13,757,989	1,350,256

TLIC VARIABLE ANNUITY ACCOUNT A
NOTES TO FINANCIAL STATEMENTS (continued)

(7) SUBACCOUNT MERGERS - continued

<u>Merger 6</u>	<u>Net Assets as of August 21, 2015</u>	<u>Shares as of August 21, 2015</u>
Acquiring Portfolio	\$300,443,329	10,115,324
Target Portfolio	\$ 2,781,626	269,097
After Acquisition	\$303,224,955	10,384,421

The target portfolios had the following unrealized appreciation/depreciation, accumulated net realized gains/losses and net investment income as of August 20, 2015.

<u>Portfolio</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Net Investment Income (loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>
Thrivent Partner Small Cap Growth	\$ (743,423)	\$ (25,407)	\$ 957,882
Thrivent Partner Small Cap Value	\$ (2,488,121)	\$ 202,804	\$ 2,019,964
Thrivent Mid Cap Growth	\$(27,243,588)	\$(302,658)	\$27,755,560
Thrivent Partner Mid Cap Value	\$ (597,764)	\$ 4,671	\$ 429,787
Thrivent Natural Resources	\$ 517,245	\$ 1,572	\$ (852,314)
Thrivent Partner Technology	\$ (799,055)	\$ (19,481)	\$ 800,012

Assuming the acquisition had been completed on January 1, 2015 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, 2015, would have been as follows:

<u>Portfolio</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Net Investment Income (loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>
Thrivent Small Cap Stock	\$ (4,727,914)	\$ 102,261	\$ 3,928,258
Thrivent Mid Cap Stock	\$(26,633,733)	\$ (631,787)	\$29,666,752
Thrivent Large Cap Stock	\$ (715,024)	\$ 4,537	\$ 696,829
Thrivent Large Cap Growth	\$ 14,653,879	\$(2,159,978)	\$14,852,601

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 August 21, 2015.

Assuming the acquisition had been completed on January 1, 2014 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, 2014, would have been as follows:

<u>Portfolio</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Net Investment Income (loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>
Thrivent Small Cap Stock	\$ (1,314,739)	\$ (158,580)	\$ 1,772,583
Thrivent Mid Cap Stock	\$ (4,173,826)	\$ (725,054)	\$12,096,333
Thrivent Large Cap Stock	\$ (329,581)	\$ (42,007)	\$ 512,529
Thrivent Large Cap Growth	\$18,609,770	\$(1,513,231)	\$11,472,112