THRIVENT VARIABLE LIFE ACCOUNT I

Statement of Additional Information

Dated April 30, 2016

Flexible Premium Variable Life Insurance Contract

Offered By:

THRIVENT FINANCIAL FOR LUTHERANS

Service Center:

4321 North Ballard Road
Appleton, WI 54919-0001
Telephone: 800-847-4836
E-mail: mail@thrivent.com

Corporate Office:

625 Fourth Avenue South
Minneapolis, MN 55415-1665
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This Statement of Additional Information (SAI) contains additional information about the flexible premium variable life insurance contract (contract) offered by Thrivent Financial for Lutherans (Thrivent Financial) to persons eligible for membership in Thrivent Financial. This SAI is not a prospectus and should be read together with the prospectus for the contract dated April 30, 2016. Terms used in this SAI that are not otherwise defined herein have the same meanings given to them in the prospectus that is incorporated by reference. A copy of the prospectus may be obtained at no charge by writing Thrivent Financial (attention: Thrivent Financial Service Center) at 4321 North Ballard Road, Appleton, WI 54919, by calling (800) 847-4836, or at www.thrivent.com.

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GENERAL INFORMATION AND HISTORY

Depositor

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

Registrant

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

SERVICES

Service Agreements and Other Service Providers

Assurance and audit services are currently provided by PricewaterhouseCoopers LLP, whose address is 225 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402. Assurance and audit services for years prior to 2014 were provided by Ernst & Young LLP, whose address is 220 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402.

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

PREMIUMS

Administrative Procedures

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

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

(1) to accept certain premiums;

(2) to refund premiums;

(3) to refund the earnings on premiums;

(4) to refund any necessary accumulated value; and

(5) to increase death benefit.

Automatic Premium Loans

The Contract does not provide for automatic premium loans.

ADDITIONAL INFORMATION ABOUT OPERATION OF CONTRACTS AND REGISTRANT

Incidental Benefits

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

Surrender and Withdrawal

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

Material Contracts Relating to the Registrant

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

PRINCIPAL UNDERWRITER

Identification

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

Offering and Commissions

The Contract is no longer being sold, however, additional premium payments and coverage increases are allowed pursuant to Contract terms. Offerings of units issued under the terms of the Contracts are continuous.

Duly licensed financial representatives of Thrivent Investment Management Inc. are also licensed by state insurance departments to sell Contracts as registered representatives. The Contracts have been offered in all states and the District of Columbia. Thrivent Investment Management Inc. will pay the financial representative commissions and other distribution compensation on the sale of the Contracts. This will not result in any charge to the Contract Owner in addition to the charges already described in the prospectus. In addition to direct compensation, financial representatives may be eligible to receive other benefits based on the amount of earned commissions. Compensation may be paid in the form of non-cash compensation, subject to applicable regulatory requirements. We intend to recoup commissions and other sales expenses through fees and charges imposed under the Contract. Commissions paid on the contract, including other incentives or payments, are not charged directly to the owners of Contracts.

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

2013	2014	2015
$336,939	$209,630	$164,660

ADDITIONAL INFORMATION ABOUT CHARGES

Sales Load

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

Special Purchase Plans

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

Underwriting Procedures

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

Increases in Face Amount

Subject to our underwriting guidelines and policies, the Contract Owner has the right to increase the Face Amount at any time before the Insured's 80th birthday. Increases in Face Amount will result in additional charges to cover the increased amount at risk. We compute charges at the existing rates at the time of increase. The cost of insurance rates for each increase will vary based on factors such as sex (in most states), risk class, age and the time elapsed since issue.

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

LAPSE AND REINSTATEMENT

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

LOANS

The prospectus provides a detailed discussion regarding loans.

STANDARD AND POOR'S DISCLAIMER

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-basis statements of assets, liabilities and surplus of Thrivent Financial as of December 31, 2015, as well as the related statutory-basis statements of operations, surplus and cash flows for the years ended December 31, 2015, and 2014 and the related 2015 financial statement schedules appearing in this SAI and Registration Statement, have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given on their authority of such firm as experts in accounting and auditing.

The statutory-basis statements of operations, surplus and cash flow for Thrivent Financial for the year ended December 31, 2013, and for the related supplementary schedules appearing in this SAI and Registration Statement, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports, and are included in reliance upon such reports given on their authority of such firm as experts in accounting and auditing.

The financial statements of Thrivent Variable Life Account I as of December 31, 2015, and for the periods indicated therein ended December 31, 2015 and December 31, 2014, appearing in this SAI and Registration Statement have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, and are included in reliance upon such reports given on their authority of such firm as experts in accounting and auditing.

The financial statements of Thrivent Financial included in this SAI and registration statement should be considered bearing only upon the ability of Thrivent Financial to meet its obligations under the contracts. The value of the interests of owners and beneficiaries under the contracts are affected primarily by the investment results of the subaccounts of the variable accounts.

Independent Auditor's Report

To the Board of Directors of Thrivent Financial for Lutherans:

We have audited the accompanying statutory financial statements of Thrivent Financial for Lutherans (the "Company"), which comprise the statutory-basis statement of assets, liabilities and surplus as of December 31, 2015 and 2014, and the related statutory basis statements of operations, surplus and cash flows for the years then ended.

Management's Responsibility for the Statutory Financial Statements

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

Auditor's 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 statutory financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statutory 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 statutory 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 statutory financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 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, 2015 and 2014, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the statutory financial statements referred to above present fairly, in all material respects, the financial position of Thrivent Financial for Lutherans at December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance described in Note 1.

Other Matter

The statutory basis statements of operations, surplus, and cash flow for the year ended December 31, 2013 were audited by other auditors whose report, dated February 18, 2014, expressed an adverse opinion as to presentation in accordance with U.S. Generally Accepted Accounting Principles and an unqualified opinion as to presentation in accordance with the statutory basis of accounting on those statements.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 16, 2016

Report of Independent Auditors

The Board of Directors
Thrivent Financial for Lutherans

We have audited the accompanying statutory-basis statements of operations, changes in capital and surplus, and cash flow for Thrivent Financial for Lutherans (Thrivent Financial) for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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 opinions.

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

As described in Note 1 to the financial statements, to meet the requirements of Wisconsin the financial statements have been prepared in conformity with accounting practices prescribed or permitted by the State of Wisconsin, Office of the Commissioner of Insurance, which practices differ from U.S. generally accepted accounting principles. The variances between such practices and U.S. generally accepted accounting principles and the effects on the accompanying financial statements are described in Note 1. The effects on the accompanying financial statements of these variances are not reasonably determinable but are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matter described in the preceding paragraph, the statutory-basis financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the results of operations or cash flow of Thrivent Financial for the year ended December 31, 2013.

Opinion on Statutory-Basis of Accounting

However, in our opinion, the statutory-basis financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Thrivent Financial for the year ended December 31, 2013

in conformity with accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance.

Ernst + Young LLP

Minneapolis, Minnesota
February 18, 2014

Thrivent Financial for Lutherans
Statutory-Basis Statements of Assets, Liabilities and Surplus
As of December 31, 2015 and 2014
(in millions)

	2015	2014
Admitted Assets		
Bonds	$40,508	$39,036
Stocks	1,461	1,339
Mortgage loans	7,558	7,378
Real estate	50	55
Cash, cash equivalents and short-term investments	1,808	1,503
Contract loans	1,172	1,192
Receivables for securities	39	22
Limited partnerships	2,684	2,639
Other invested assets	157	155
Total cash and invested assets	55,437	53,319
Accrued investment income	462	446
Due premiums and considerations	115	114
Other assets	36	36
Assets held in separate accounts	24,062	23,079
Total Admitted Assets	$80,112	$76,994
Liabilities		
Aggregate reserves for life, annuity and health contracts	$42,314	$41,059
Deposit liabilities	3,104	2,931
Contract claims	276	265
Dividends due in following calendar year	312	236
Interest maintenance reserve	423	428
Asset valuation reserve	1,000	972
Transfers due from separate account	(544)	(550)
Payable for securities	1,005	961
Securities lending obligation	385	411
Other liabilities	701	782
Liabilities related to separate accounts	24,009	23,006
Total Liabilities	72,985	70,501
Surplus		
Unassigned funds	7,126	6,492
Other surplus	1	1
Total Surplus	7,127	6,493
Total Liabilities and Surplus	$80,112	$76,994

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

Thrivent Financial for Lutherans
Statutory-Basis Statements of Operations
For the Years Ended December 31, 2015, 2014 and 2013
(in millions)

	2015	2014	2013
Revenues			
Premiums	$5,500	$5,426	$5,192
Considerations for supplementary contracts with life contingencies	66	114	140
Net investment income	2,805	2,686	2,575
Separate account fees	566	521	421
Amortization of interest maintenance reserve	128	145	151
Other revenues	56	47	45
Total Revenues	9,121	8,939	8,524
Benefits and Expenses			
Death benefits	969	919	874
Surrender benefits	1,833	1,760	1,619
Change in reserves	1,339	1,165	1,121
Other benefits	1,327	1,306	1,245
Total benefits	5,468	5,150	4,859
Commissions	295	293	283
General insurance expenses	587	546	529
Fraternal benefits and expenses	186	169	155
Transfers to (from) separate accounts, net	1,457	1,728	1,688
Total expenses and net transfers	2,525	2,736	2,655
Total Benefits and Expenses	7,993	7,886	7,514
Gain from Operations before Dividends and Capital Gains and Losses	1,128	1,053	1,010
Dividends	316	239	232
Gain from Operations before Capital Gains and Losses	812	814	778
Realized capital gains (losses), net	(42)	(49)	(78)
Net Income	$ 770	$ 765	$ 700

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

Thrivent Financial for Lutherans
Statutory-Basis Statements of Surplus
For the Years Ended December 31, 2015, 2014 and 2013
(in millions)

	2015	2014	2013
Surplus, Beginning of Year	$6,493	$5,798	$4,386
Net income	770	765	700
Change in unrealized investment gains and losses	(164)	108	69
Change in non-admitted assets	—	(5)	129
Change in asset valuation reserve	(28)	(32)	631
Change in surplus of separate account	(20)	(5)	(36)
Pension liability adjustment	76	(136)	(81)
Surplus, End of Year	$7,127	$6,493	$5,798

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

Thrivent Financial for Lutherans
Statutory-Basis Statements of Cash Flow
For the Years Ended December 31, 2015, 2014 and 2013
(in millions)

	2015	2014	2013
Cash from Operations			
Premiums	$ 5,569	$ 5,542	$ 5,333
Net investment income	2,303	2,326	2,357
Other revenues	616	560	457
	8,488	8,428	8,147
Benefit- and loss-related payments	(4,006)	(3,862)	(3,617)
Transfers to separate account, net	(1,446)	(1,777)	(1,802)
Commissions and expenses	(1,094)	(1,015)	(1,248)
Dividends	(239)	(235)	(251)
Net Cash from Operations	1,703	1,539	1,229
Cash from Investments			
Proceeds from investments sold, matured or repaid:			
Bonds	6,405	5,712	6,923
Stocks	753	721	936
Mortgage loans	921	865	923
Other	864	735	666
Total proceeds from investments sold, matured or repaid	8,943	8,033	9,448
Cost of investments acquired:			
Bonds	(7,950)	(7,133)	(10,601)
Stocks	(892)	(840)	(752)
Mortgage loans	(1,101)	(954)	(892)
Other	(486)	(517)	(543)
Total cost of investments acquired or originated:	(10,429)	(9,444)	(12,788)
Transactions under mortgage dollar roll program, net	83	(52)	2,165
Change in net amounts due to/from broker	27	(37)	(2,085)
Change in collateral held for securities lending	(26)	64	(75)
Change in contract loans	20	28	23
Net Cash from Investments	(1,382)	(1,408)	(3,312)
Cash from Financing and Miscellaneous Sources			
Net deposits (payments) on deposit-type contracts	(19)	(63)	(104)
Other	3	5	281
Net Cash from Financing and Miscellaneous Sources	(16)	(58)	177
Net Change in Cash, Cash Equivalents and Short-Term Investments	305	73	(1,906)
Cash, Cash Equivalents and Short-Term Investments, Beginning of Year	1,503	1,430	3,336
Cash, Cash Equivalents and Short-Term Investments, End of Year	$ 1,808	$ 1,503	$ 1,430
Supplemental information:			
Mortgage Loan Refinancing	$ 158		

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

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

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

Significant Accounting Policies

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

Use of Estimates

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

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

Investments

Bonds: Bonds are generally carried at amortized cost, depending on the nature of the security and as prescribed by National Association of Insurance Commissioners ("NAIC") guidelines. Discounts or premiums on bonds are amortized over the term of the securities using the modified scientific method. Discounts or premiums on loan-backed and structured securities are amortized over the term of the securities using the modified scientific method, adjusted to reflect anticipated pre-payment patterns. Pre-payment assumptions are consistent with current interest rates.

Thrivent Financial uses a mortgage dollar roll program to enhance the yield on its mortgage-backed security ("MBS") portfolio. MBS dollar rolls are transactions whereby Thrivent Financial sells an MBS to a counterparty and subsequently enters into a commitment to purchase another security at a later date. Thrivent Financial's mortgage dollar roll program generally includes a series of MBS dollar rolls extending for more than a year. Thrivent Financial had $814 million and $897 million in the mortgage dollar roll program as of December 31, 2015 and 2014, respectively.

Stocks: Preferred stocks are generally carried at amortized cost. Common stocks of unaffiliated companies are stated at market value. Common stocks of unconsolidated subsidiaries and affiliates are carried on the statutory equity basis.

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

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

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

Cash, cash equivalents and short-term investments: Cash and cash equivalents, 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.

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.

Limited partnerships: Limited partnerships consist primarily of equity limited partnerships, which are valued on the underlying audited U.S. generally accepted accounting principles ("GAAP") equity of the investee.

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

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

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

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

Unrealized investment gains and losses: Unrealized investment gains and losses include changes in fair value of bonds, unaffiliated stocks, affiliated common stocks, and other invested assets and are accounted for as a direct increase or decrease of surplus.

Realized capital gains and losses: Realized capital gains and losses on sales of investments are determined using an average cost method. Thrivent Financial 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 an other-than-temporary impairment. 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, Thrivent Financial's ability to collect all amounts due according to the contractual terms of the debt security and Thrivent Financial'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 that are 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, Thrivent Financial has the ability and intent to hold securities in an unrealized loss position for a period of time sufficient for the security to recover in value. Investments that are determined to be other-than-temporarily impaired are written down, and the write-down is included in realized capital gains and losses in the Statutory-Basis Statements of Operations. If, in response to changed conditions in the capital markets, Thrivent Financial decides to sell a security in an unrealized loss position, a realized loss is recognized in the period that the decision is made to sell that security.

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

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

Fair value of financial instruments: In estimating the fair values for financial instruments, the amount of observable and unobservable inputs used to determine fair value is taken into consideration. Each of the financial instruments has been classified into one of three categories based on 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.

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Separate Accounts

Separate account assets and liabilities reported in the accompanying Statutory-Basis Statements of Assets, Liabilities and Surplus represent funds that are separately administered for variable annuity and variable life contracts, and for which the contractholder, rather than Thrivent Financial, bears the investment risk. Fees charged on separate account contractholder deposits, which include mortality and expense charges, rider fees, and advisor fees, 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, Annuity and Health Contracts.

Aggregate Reserves for Life, Annuity and Health Contracts

Reserves for life insurance contracts are calculated using primarily the Commissioners' Reserve Valuation Method generally based upon the 1941, 1958, 1980 and 2001 Commissioners' Standard Ordinary and American Experience Mortality Tables with assumed interest rates ranging from 2.5% to 5.5%. Reserves for fixed annuities, supplementary contracts with life contingencies and other benefits are computed using recognized and accepted mortality tables and methods, which equal or exceed the minimum reserves calculated under the Commissioners' Annuity Reserve Valuation Method. Fixed indexed annuity reserves are calculated according to the Black-Scholes Projection Method described in Actuarial Guideline 35. Reserves for variable annuities are computed using the methods and assumptions specified in Actuarial Guideline 43, including assumptions for guaranteed minimum death benefits and living benefits. Accident and health contract reserves are generally calculated using the two-year preliminary term, one-year preliminary term and the net level premium methods based upon various morbidity tables. The reserve assumptions inherent in these approaches are designed to be sufficient to provide for all contractual benefits. Thrivent Financial waives deduction of deferred fractional premiums upon the death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

Changes in estimates for reserves are recognized in the Statutory-Basis Statements of Operations in the period of change, except for those changes in valuation bases as specified in SAP, which are recognized as direct adjustments of surplus.

Deposit Liabilities

Deposit liabilities have been established on certain annuity and supplemental contracts that do not subject Thrivent Financial 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.

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Asset Valuation Reserve

Thrivent Financial 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 Surplus.

Premiums

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

Fraternal Benefits and Expenses

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

Dividends to Members

Thrivent Financial's insurance products are participating in nature. Dividends on these policies to be paid to members in the subsequent 12 months are reflected in the Statutory-Basis Statements of Operations for the current year. The majority of life insurance contracts, except for universal life contracts, begin to receive dividends at the end of the second contract year. Dividends are not currently being paid on most interest-sensitive, health insurance and annuity contracts. Dividend scales are approved annually by Thrivent Financial's Board of Directors.

Income Taxes

Thrivent Financial, as a fraternal benefit society, qualifies as a tax-exempt organization under the Internal Revenue Code. Accordingly, income earned by Thrivent Financial is generally exempt from taxation; therefore, no provision for income taxes has been recorded.

New Accounting Guidance

In 2015, Thrivent Financial adopted Statement of Statutory Accounting Principle Working Group Interpretation 2014-30, *Classification of Mortgage Loans upon Foreclosure*, which provided clarity regarding the derecognition of mortgage loans and subsequent recognition of real estate when foreclosures occur. The additional disclosure was added to the mortgage loan section of footnote 2.

In 2015, Thrivent Financial adopted Statement of Statutory Accounting Principle 61R, *Life, Deposit-Type and Accident and Health Reinsurance*, which requires additional disclosure regarding compliance with Actuarial Guideline 48. The additional disclosure was added to footnote 6.

1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

New Accounting Guidance, continued

During 2013, Thrivent Financial adopted Statement of Statutory Accounting Principles No. 102, *Pensions* (SSAP 102) and No. 92, *Postretirement Benefits Other Than Pensions* (SSAP 92). The principles changed the method of determining the plan's funded status and the amount of obligation required to be recognized in the financial statements. As of January 1, 2013, the additional liability needing to be recognized totaled $125 million for Thrivent Financial's pension and other retirement plans.

Subsequent Events

Thrivent Financial evaluated events or transactions that may have occurred after the Statutory-Basis Statements of Assets, Liabilities and Surplus date for potential recognition or disclosure through February 16, 2016, the date the statutory-basis financial statements were available to be issued. There were no subsequent events or transactions which required recognition or disclosure.

2. Investments

Bonds

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

	Admitted Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2015				
U.S. government and agency securities	$ 2,351	$ 83	$ 4	$ 2,430
U.S. state and political subdivision securities	106	31	—	137
Securities issued by foreign governments	95	9	—	104
Corporate debt securities	28,902	1,688	728	29,862
Residential mortgage-backed securities	6,917	118	34	7,001
Commercial mortgage-backed securities	1,741	18	17	1,742
Collateralized debt obligations	3	7	—	10
Other debt obligations	393	4	4	393
Total bonds	$40,508	$1,958	$787	$41,679
December 31, 2014				
U.S. government and agency securities	$ 2,368	$ 120	$ 7	$ 2,481
U.S. state and political subdivision securities	140	39	—	179
Securities issued by foreign governments	101	12	—	113
Corporate debt securities	27,790	2,664	177	30,277
Residential mortgage-backed securities	6,531	175	14	6,692
Commercial mortgage-backed securities	1,706	58	3	1,761
Collateralized debt obligations	3	8	—	11
Other debt obligations	397	8	2	403
Total bonds	$39,036	$3,084	$203	$41,917

2. Investments, continued

Bonds, continued

The admitted value of corporate debt securities issued in foreign currencies was $131 million and $107 million as of December 31, 2015 and 2014, respectively.

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

	Admitted Value	Fair Value
December 31, 2015		
Due in one year or less	$ 1,262	$ 1,307
Due after one year through five years	8,310	8,721
Due after five years through ten years	12,408	12,424
Due after ten years	18,528	19,227
Total bonds	$40,508	$41,679

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

	Less than 12 Months			12 Months or More		
	Number of Securities	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
December 31, 2015						
U.S. government and agency securities	14	$ 587	$ 3	2	$ 28	$ 1
Corporate debt securities	1,134	8,234	479	164	987	249
Residential mortgage-backed securities	76	3,074	23	30	163	11
Commercial mortgage-backed securities	81	806	17	—	—	—
Collateralized debt obligations	—	—	—	2	—	—
Other debt obligations	72	296	3	7	25	1
Total bonds	1,377	$12,997	$525	205	$1,203	$262
December 31, 2014						
U.S. government and agency securities	4	$ 163	3	6	$ 183	$ 4
Corporate debt securities	407	2,859	102	240	1,876	75
Residential mortgage-backed securities	10	103	1	34	483	13
Commercial mortgage-backed securities	11	102	—	14	143	3
Collateralized debt obligations	—	—	—	2	—	—
Other debt obligations	41	163	—	8	49	2
Total bonds	473	$ 3,390	$106	304	$2,734	$ 97

Based on Thrivent Financial'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.

2. Investments, continued

Bonds, continued

As of December 31, 2015, Thrivent Financial held the following structured notes (in millions) as defined by the NAIC Securities Valuation Office. The structured notes below are included in U.S. government and agency securities. No investments held as of December 31, 2015 are considered mortgage-referenced securities.

CUSIP	Actual Cost	Fair Value	Book/Adjusted Carrying Value
912810QF8	$ 5	$ 6	$ 6
912828B25	25	25	28
912828HN3	16	18	17
912828JE1	64	74	71
912828NM8	26	29	29
912828QV5	79	80	82
912828UH1	27	26	27
	$242	$258	$258

Stocks

The cost and fair value of Thrivent Financial's investment in stocks as of December 31 are summarized as follows (in millions):

	2015	2014
Unaffiliated preferred stocks:		
Cost/statement value	$ 97	$ 112
Gross unrealized gains	6	15
Gross unrealized losses	(1)	—
Fair value	102	127
Unaffiliated common stocks:		
Cost	$ 896	$ 710
Gross unrealized gains	160	186
Gross unrealized losses	(42)	(16)
Fair value/statement value	$1,014	$ 880
Affiliated common stocks:		
Cost	$ 314	$ 295
Gross unrealized gains	38	53
Gross unrealized losses	(2)	(1)
Fair value/statement value	$ 350	$ 347
Total statement value	$1,461	$1,339

2. Investments, continued

Stocks, continued

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

	Less than 12 Months			12 Months or More		
	Number of Securities	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
December 31, 2015						
Stocks	324	$432	$45	—	$—	$—
December 31, 2014						
Stocks	204	$130	$17	—	$—	$—

Based on Thrivent Financial'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.

Mortgage Loans

Thrivent Financial invests in mortgage loans, principally involving commercial real estate. Such investments consist of first mortgage liens on completed income-producing properties. The carrying value of mortgage loans as of December 31, 2015 and 2014 was $7.6 billion and $7.4 billion, respectively. There was no allowance for credit losses as of December 31, 2015, 2014 or 2013.

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

The carrying values of mortgage loans by credit quality as of December 31 were as follows (in millions):

	2015	2014
In good standing	$7,476	$7,255
In good standing, with restructured terms	77	114
Delinquent	—	—
In process of foreclosure	5	9
Total mortgage loans	$7,558	$7,378

	2015	2014
Loans with interest rates reduced during the year:		
Weighted average interest rate reduction	1.3%	1.5%
Total principal (in millions)	168	134
Number of loans	177	112
Interest rates for loans issued during the year:		
Maximum	5.6%	6.1%
Minimum	2.9%	2.8%
Maximum loan-to-value ratio for loans issued during the year, exclusive of purchase money mortgages	75%	75%

2. Investments, continued

Mortgage Loans, continued

The age analysis of mortgage loans as of December 31 was as follows (in millions):

	2015	2014
Current	$7,548	$7,365
30 – 59 days past due	2	3
60 – 89 days past due	2	1
90 – 179 days past due	—	—
180+ days past due	6	9
Total mortgage loans	$7,558	$7,378
90 – 179 Days Past Due and Accruing Interest:		
Investment	$ —	$ —
Interest accrued	—	—
180+ Days Past Due and Accruing Interest:		
Investment	5	9
Interest accrued	1	1

The distribution of Thrivent Financial's mortgage loans among various geographic regions of the United States as of December 31 was as follows:

	2015	2014
Geographic Region		
Pacific	24%	24%
South Atlantic	17	16
East North Central	12	14
West North Central	14	14
Mountain	12	13
Mid-Atlantic	8	8
West South Central	8	7
Other	5	4
Total	100%	100%

The distribution of Thrivent Financial's mortgage loans among various property types as of December 31 was as follows:

	2015	2014
Property Type		
Industrial	29%	30%
Retail	23	23
Office	20	19
Church	12	12
Apartments	8	7
Other	8	9
Total	100%	100%

2. Investments, continued

Mortgage Loans, continued

Impaired loans

A loan is determined to be impaired when Thrivent Financial considers it probable that the principal and interest will not be collected according to the contractual terms of the loan agreement. As of December 31, 2015 and 2014, Thrivent Financial held impaired loans with a carrying value of $2 million and $7 million, respectively, and an unpaid principal balance of $4 million and $13 million, respectively, for which there was no related allowance for credit losses recorded.

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

After loans become 180 days delinquent on principal or interest payments, or if the loans have been determined to be impaired, any accrued but uncollectible interest on the mortgage loans is non-admitted and charged to surplus in the period in which the loans are determined to be impaired. Generally, only after the loans become less than 180 days delinquent from the contractual due date will accrued interest be returned to admitted status. The amount of impairments included in realized capital losses due to debt restructuring during the year was $0.5 million, $6 million and $5 million for the years ended December 31, 2015, 2014 and 2013, respectively. The average recorded investment in impaired mortgage loans held on December 31, 2015 and 2014 was $ 1 million and $2 million, respectively. Interest income recognized on impaired mortgage loans totaled $0.1 million, $0.1 million and $0.3 million during the years ended December 31, 2015, 2014 and 2013, respectively.

In certain circumstances, Thrivent Financial may modify the terms of a loan to maximize the collection of amounts due. During 2015, Thrivent Financial modified 2 loans totaling $2 million under these circumstances. As of December 31, 2015, Thrivent Financial held 2 mortgage loans totaling $2 million where loan modifications had occurred. During 2015, there were no modified mortgage loans with a payment default. During 2014, Thrivent Financial modified 6 loans totaling $14 million under these circumstances. As of December 31, 2014, Thrivent Financial held 4 mortgage loans totaling $2 million where loan modifications had occurred. During 2014, there were no modified mortgage loans with a payment default.

During 2015, there were no mortgage loans derecognized as a result of foreclosure.

Real Estate

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

	2015	2014
Home office properties	$ 170	$ 167
Held-for-sale	3	4
	173	171
Accumulated depreciation	(123)	(116)
Total real estate	$ 50	$ 55

2. Investments, continued

Derivative Financial Instruments

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

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

	Carrying Value	Notional Amount	Realized Gain/(Loss)
As of and for the year ended December 31, 2015			
Assets:			
Call spread options	$ 5	$ 98	$ (2)
Futures	—	—	(57)
Foreign currency swaps	21	153	—
Total assets	$ 26	$251	$ (59)
Liabilities:			
Call spread options	$ 3	$102	$ 1
Covered written call options	1	400	4
Foreign currency swaps	—	—	—
Total liabilities	$ 4	$502	$ 5
As of and for the year ended December 31, 2014			
Assets:			
Call spread options	$ 4	$ 45	$ —
Futures	—	—	(102)
Foreign currency swaps	6	112	—
Total assets	$ 10	$157	$(102)
Liabilities:			
Call spread options	$ 2	$ 47	$ —
Covered written call options	1	375	2
Foreign currency swaps	1	13	—
Total liabilities	$ 4	$435	$ 2

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

2. Investments, continued

Derivative Financial Instruments, continued

Call Spread Options

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

Covered Written Call Options

Thrivent Financial sells covered written call option contracts to enhance the return on residential mortgage-backed "to be announced" collateral that it owns. The premium received for these call options is recorded in other liabilities at book value at each reporting period. All positions in these contracts are settled at month end. Upon disposition of the options, the gains are recorded as a component of realized capital gains and losses. During the years ended December 31, 2015, 2014 and 2013, $12 million, $14 million and $6 million was received in call premium, respectively.

Futures

Thrivent Financial utilizes futures contracts to manage a portion of the risks associated with the guaranteed minimum accumulation benefit feature of its variable annuity products. Cash paid for the futures contracts is recorded in other invested assets. Contracts are settled on a daily basis and recognized in realized gains and losses. The futures contracts are valued at fair value at each reporting period, and the change in the fair value is recognized in unrealized gains and losses.

Foreign Currency Swaps

Thrivent Financial utilizes foreign currency swaps to manage the risk associated with changes in the exchange rate of foreign currency to U.S. dollar payments. The swaps are valued at fair value at each reporting period, and the change in the fair value is recognized in realized gains and losses. No cash is exchanged at the outset of the swaps, and interest payments received are recorded as a component of net investment income.

Securities Lending

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

	2015	2014
Loaned securities:		
Carrying value	$392	$394
Fair value	374	401
Cash collateral reinvested:		
Carrying value	$377	$403
Fair value	377	403
Aging of cash collateral liability:		
Open collateral positions	$385	$411

2. Investments, continued

Pledged and Restricted Assets

Thrivent Financial owns assets which are pledged to others as collateral or are otherwise restricted. Thrivent Financial had pledged and restricted assets of $424 million and $445 million as of December 31, 2015 and 2014, respectively. Total pledged and restricted assets, which include state deposits and collateral held under futures transactions and securities lending agreements, are less than 1% of total admitted assets.

Net Investment Income

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

	2015	2014	2013
Bonds	$1,702	$1,708	$1,679
Preferred Stock	6	7	6
Unaffiliated Common Stocks	17	14	13
Affiliated Common Stocks	34	65	98
Mortgage loans	411	413	427
Real estate	23	25	24
Contract loans	85	87	88
Cash, cash equivalents and short-term investments	5	(5)	(1)
Limited partnerships	557	405	268
Other invested assets	11	13	18
	2,851	2,732	2,620
Investment expenses	(39)	(39)	(38)
Depreciation on real estate	(7)	(7)	(7)
Net investment income	$2,805	$2,686	$2,575

Realized Capital Gains and Losses

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

	2015	2014	2013
Net gains (losses) on sales:			
Bonds:			
Gross gains	$ 186	$ 231	$ 250
Gross losses	(76)	(31)	(217)
Stocks:			
Gross gains	87	95	118
Gross losses	(37)	(20)	(16)
Futures	(57)	(102)	(173)
Other	(1)	10	17
Net (losses) gains on sales	102	183	(21)

2. Investments, continued

Realized Capital Gains and Losses, continued

	2015	2014	2013
Provisions for losses:			
Bonds	(19)	(7)	(3)
Stocks	—	(2)	—
Other	(2)	(5)	(5)
Total provisions for losses	(21)	(14)	(8)
Realized capital (losses) gains	81	169	(29)
Transfers to interest maintenance reserve	(123)	(218)	(49)
Realized capital losses, net	$ (42)	$ (49)	$ (78)

Proceeds from the sale of investments in bonds, net of mortgage dollar roll transactions, were $5.5 billion, $5.0 billion and $6.3 billion for the years ended December 31, 2015, 2014 and 2013, respectively.

Thrivent Financial recognized other-than-temporary impairments during the years ended December 31, 2015 and 2014 and 2013, 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 millions):

CUSIP	Book Value Before Impairment	Impairment Recognized	Amortized Cost After Impairment	Fair Value as of Date Impaired	Period Impaired
73316PGH7	$ 10	$—	$ 10	$ 9	1Q 2015
75970QAJ9	3	—	3	2	4Q 2015
07389QAA6	10	1	9	8	4Q 2015
Total	$ 23	$ 1	$ 22	$ 19	
05948KVV8	$ 14	$—	$ 14	$ 14	4Q 2014
05949AL99	3	—	3	3	4Q 2014
05949AMK3	4	—	4	4	4Q 2014
05949CFW1	3	—	3	3	4Q 2014
07389QAA6	12	—	12	12	4Q 2014
863576AC8	7	—	7	7	4Q 2014
02660YAX0	5	1	4	4	4Q 2014
759676AF6	5	—	5	4	4Q 2014
759676AJ8	4	1	3	3	4Q 2014
75971EAE6	4	1	3	3	4Q 2014
75971EAJ5	3	1	2	2	4Q 2014
78476YAA4	4	—	4	3	4Q 2014
78477AAA5	2	—	2	1	4Q 2014
Total	$ 70	$ 4	$ 66	$ 63	

2. Investments, continued

Realized Capital Gains and Losses, continued

CUSIP	Book Value Before Impairment	Impairment Recognized	Amortized Cost After Impairment	Fair Value as of Date Impaired	Period Impaired
03703FAJ9	$—	$—	$—	$—	1Q 2013
78476YAA4	6	1	5	5	2Q 2013
78477AAA5	3	—	3	3	2Q 2013
03703FAJ9	—	—	—	—	2Q 2013
12668BQA4	13	1	12	12	4Q 2013
75116FBH1	9	—	9	9	4Q 2013
863576AC8	9	—	9	9	4Q 2013
93934FBQ4	9	1	8	8	4Q 2013
45660LXA2	5	—	5	5	4Q 2013
43739ECN5	4	—	4	4	4Q 2013
Total	$ 58	$ 3	$ 55	$ 55	

3. Policyholder Liabilities

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

	General Account	Separate Account With Guarantees	Separate Account Without Guarantees	Total	% of Total
December 31, 2015					
Subject to discretionary withdrawal:					
With market value adjustment	$ —	$376	$ —	$ 376	1%
At book value less a surrender charge of 5% or more	4,433	—	—	4,433	11
At fair value	—	—	22,251	22,251	55
At book value without adjustment	12,148	—	—	12,148	30
Not subject to discretionary withdrawal	1,215	—	56	1,271	3
Total	$17,796	$376	$22,307	$40,479	100%

3. Policyholder Liabilities, continued

	General Account	Separate Account With Guarantees	Separate Account Without Guarantees	Total	% of Total
December 31, 2014					
Subject to discretionary withdrawal:					
With market value adjustment	$ —	$419	$ —	$ 419	1%
At book value less a surrender charge of 5% or more	4,008	—	—	4,008	10
At fair value	—	—	21,219	21,219	55
At book value without adjustment	11,883	—	—	11,883	31
Not subject to discretionary withdrawal	1,208	—	59	1,267	3
Total	$17,099	$419	$21,278	$38,796	100%

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

	2015	2014
Aggregate reserves for life, annuity and health contracts	$14,692	$14,168
Deposit liabilities	3,104	2,931
Liabilities related to separate accounts	22,683	21,697
Total	$40,479	$38,796

Thrivent Financial has insurance in force as of December 31, 2015 and 2014, totaling $12 billion and $11 billion, respectively, where the gross premiums are less than the net premiums according to the standard valuation requirements set by the State of Wisconsin. Reserves associated with these policies as of December 31, 2015 and 2014, totaled $60 million and $56 million, respectively.

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

	Gross	Net of Loading
December 31, 2015		
Ordinary new business	$ 4	$ 2
Ordinary renewal	57	111
Total	$61	$113
December 31, 2014		
Ordinary new business	$ 4	$ 2
Ordinary renewal	61	110
Total	$65	$112

4. Separate Accounts

Thrivent Financial administers and invests funds segregated into separate accounts for the exclusive benefit of variable annuity, variable immediate annuity and variable universal life contractholders. Variable life and variable annuity separate accounts of Thrivent Financial are nonguaranteed, while Thrivent Financial's multi-year guarantee separate account is a non-indexed guarantee account. Within the non-guaranteed separate account, all variable deferred annuity contracts contain guaranteed death benefits and some contain guaranteed living benefits. As of December 31, 2015 and 2014, the maximum amount of those guarantees was estimated at $441 million and $120 million, respectively. The following table presents the explicit risk charges paid by separate account contractholders for these guarantees and the amounts paid for guaranteed death benefits for the years ended December 31 (in millions):

	2015	2014	2013	2012	2011
Risk charge paid	$99	$86	$58	$42	$31
Payments for guaranteed benefits	4	3	3	4	5

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

	2015	2014
Equity funds	56%	54%
Bond funds	23	25
Balanced funds	19	19
Other	2	2
Total separate account assets	100%	100%

The following tables summarize information for the separate accounts as of and for the years ended December 31 (in millions):

	Non-Indexed Guarantee	Non-Guaranteed	Total
December 31, 2015			
Reserves:			
For accounts with assets at fair value	$376	$23,089	$23,465
By withdrawal characteristics:			
Subject to discretionary withdrawal:			
With market value adjustment	$376	$ —	$ 376
At fair value	—	23,033	23,033
Not subject to discretionary withdrawal	—	56	56
Total	$376	$23,089	$23,465

4. Separate Accounts, continued

	Non-Indexed Guarantee	Non-Guaranteed	Total
December 31, 2014			
Reserves:			
For accounts with assets at fair value	$419	$22,037	$22,456
By withdrawal characteristics:			
Subject to discretionary withdrawal:			
With market value adjustment	$419	$ —	$ 419
At fair value	—	21,978	21,978
Not subject to discretionary withdrawal	—	59	59
Total	$419	$22,037	$22,456

	2015	2014	2013
Premiums, considerations and deposits:			
Non-indexed guarantee	$ 2	$ 3	$ 5
Non-guaranteed	2,505	2,795	2,715
Total	$2,507	$2,798	$2,720

	2015	2014	2013
Transfers to separate accounts	$ 2,504	$ 2,796	$ 2,718
Transfers from separate accounts	(1,044)	(1,063)	(1,028)
Other items	(3)	(5)	(2)
Transfers to separate accounts, net	$ 1,457	$ 1,728	$ 1,688

5. Claims Liabilities

Activity in the liabilities for accident and health, long-term care and disability benefits, included in aggregate reserves and claims liabilities, is summarized below (in millions):

	2015	2014
Net balance at January 1	$ 935	$821
Incurred related to:		
Current year	403	356
Prior years	(13)	60
Total incurred	390	416
Paid related to:		
Current year	67	69
Prior years	252	233
Total paid	319	302
Net balance at December 31	$1,006	$935

5. Claims Liabilities, continued

Thrivent Financial uses estimates for determining its liability for accident and health, long-term care and disability benefits, which are based on historical claim payment patterns, and attempts to provide for potential adverse changes in claim patterns and severity. Thrivent Financial annually reviews the claim payment experience to evaluate the methodology and assumptions that are used in determining its estimate of ultimate claims experience. Differences between anticipated claims and actual claims can result in adjustments to liabilities in each year. Thrivent Financial increased its long term care insurance claim reserves in 2014 as a result of an updated claim experience study that evaluated claim termination rates and claim utilization rates.

6. Reinsurance

Thrivent Financial participates in reinsurance in order to limit its maximum losses and to diversify its exposures. Life and accident and health reinsurance is accomplished through various plans of reinsurance, primarily coinsurance and yearly renewable term. Generally, Thrivent Financial retains a maximum of $3 million of single or joint life coverage for any single mortality risk. Ceded balances would represent a liability of Thrivent Financial in the event the reinsurers were unable to meet their obligations under the terms of the reinsurance agreements.

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

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

	2015	2014	2013
Direct premiums	$5,612	$5,522	$5,282
Reinsurance ceded	(112)	(96)	(90)
Net premiums	$5,500	$5,426	$5,192
Reinsurance claims recovered	$ 38	$ 51	$ 40

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

	2015	2014
Life insurance	$620	$552
Accident and health	1	2
Total	$621	$554

Reinsurance contracts do not relieve an insurer from its primary obligation to policyholders.

6. Reinsurance, continued

Thrivent Financial periodically reviews the financial condition of its reinsurers and amounts recoverable in order to evaluate the financial strength of the companies supporting the recoverable balances. One reinsurer accounts for approximately 71% of the reinsurance recoverable as of December 31, 2015.

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

7. Surplus

Thrivent Financial 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. Thrivent Financial exceeds the RBC requirements as of December 31, 2015 and 2014.

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

	2015	2014
Unrealized gains and losses	$ 357	$ 521
Non-admitted assets	(98)	(98)
Separate account business	54	74
Asset valuation reserve	(1,000)	(972)

8. Fair Value of Financial Instruments

The financial instruments of Thrivent Financial 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 unaffiliated common stocks and short-term investments. Unaffiliated common stocks primarily are valued using quoted prices in active markets. Short-term investments consist of money market mutual funds whose fair value is based on the quoted daily net asset value of the invested fund.

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.

8. Fair Value of Financial Instruments, continued

Fair Value Descriptions, continued

Level 2 Financial Instruments

Level 2 financial instruments reported at fair value include certain unaffiliated common stocks, short-term investments and assets held in separate accounts. Unaffiliated common stocks are valued based on market quotes where stocks are not considered actively traded. Short-term investments are valued using significant observable inputs. 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, cash equivalents and short-term investments, other invested assets and liabilities related to separate accounts.

Bonds that are priced using a third party pricing vendor primarily include certain corporate debt securities and asset-backed securities. Pricing from a third party pricing vendor varies by asset class but generally includes inputs such as estimated cash flows, benchmark yields, reported trades, issuer spreads, bids, offers, credit quality, industry events and economic events. If Thrivent Financial is unable to obtain a price from a third party pricing vendor, management may obtain broker quotes or utilize an internal pricing model specific to the asset. The internal pricing models apply practices that are standard among the industry and utilize observable market data, where available. These investments primarily include private placement debt securities and other debt obligations. Fair values of unaffiliated preferred stocks are based on market quotes where these securities are not considered actively traded.

Cash, cash equivalents and short-term investments includes investments in commercial paper and agency notes. The carrying amounts for these investments approximate their fair values. Other invested assets include investments in surplus notes in which the fair values are based on quoted market prices. The carrying amounts of liabilities related to separate accounts reflect the amounts in the separate account assets and approximate their fair values.

Level 3 Financial Instruments

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

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

Level 3 bonds and stocks are valued using internal pricing models specific to the assets using unobservable inputs such as issuer spreads, estimated cash flows, internal credit ratings and volatility adjustments, and primarily include private placement debt securities. The fair values for mortgage loans are estimated using discounted cash flow analyses based on interest rates currently being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The carrying amounts for contract loans approximate their fair values.

8. Fair Value of Financial Instruments, continued

Fair Value Descriptions, continued

Level 3 Financial Instruments, continued

Limited partnerships include private equity investments. The fair values of these investments are estimated using internal valuation methodologies designed for specific asset classes utilizing both income- and market-based approaches where possible. The fair value of real estate held-for-sale is based on current market price assessments on the properties. Other invested assets primarily include real estate joint ventures. The fair values of real estate joint venture investments are derived using GAAP audited financial statements.

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

Financial Instruments Carried at Fair Value

The fair values of Thrivent Financial's financial instruments measured and reported at fair value were as follows (in millions):

	Level 1	Level 2	Level 3	Total
December 31, 2015				
Assets				
Unaffiliated common stocks:				
Large-cap	$384	$ 11	$—	$ 395
Mid-cap	153	—	—	153
International	—	39	—	39
REITs	76	—	—	76
Other	318	33	—	351
Short-term investments	64	—	—	64
Other invested assets	—	21	5	26
Assets held in separate accounts	—	24,062	—	24,062
Total	$995	$24,166	$ 5	$25,166
Liabilities				
Other liabilities	$—	$ —	$ 3	$ 3

8. Fair Value of Financial Instruments, continued

Financial Instruments Carried at Fair Value, continued

	Level 1	Level 2	Level 3	Total
December 31, 2014				
Assets				
Unaffiliated common stocks:				
Large-cap	$319	$ 9	$—	$ 328
Mid-cap	98	—	—	98
International	—	39	—	39
REITs	77	—	—	77
Other	304	34	—	338
Short-term investments	115	—	—	115
Other invested assets	—	6	4	10
Assets held in separate accounts	—	23,079	—	23,079
Total	$913	$23,167	$ 4	$24,084
Liabilities				
Other liabilities	$—	$ 1	$ 2	$ 3

Additional Information on Level 3 Financial Instruments carried at Fair Value

There were no gains or losses recognized in net income during 2015, 2014 or 2013 attributable to the change in unrealized gains and losses related to Level 3 assets still held at December 31, 2015, 2014 or 2013.

The following table shows the changes in fair values for the investments categorized as Level 3 (in millions):

	2015	2014
Assets:		
Balance, January 1	$ 4	$ —
Purchases	1	3
Unrealized gains and losses	—	1
Balance, December 31	$ 5	$ 4
Liabilities:		
Balance, January 1	$ 2	$—
Purchases	1	2
Unrealized gains and losses	—	—
Balance, December 31	$ 3	$ 2

Transfers

During 2015, Thrivent Financial had transfers of $51 million into Level 2 from Level 3 and transfers of $2 million into Level 3 from Level 2 for bonds which are not held at fair value. There were no transfers into or out of Level 1 or Level 2 fair value measurements during 2014 that required disclosures. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

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

Fair Value of All Financial Instruments

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

	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
December 31, 2015					
Financial assets:					
Bonds	$40,508	$2,188	$32,748	$ 6,743	$41,679
Unaffiliated preferred stocks	97	—	102	—	102
Unaffiliated common stocks:					
Large-cap	395	384	11	—	395
Mid-cap	153	153	—	—	153
International	39	—	39	—	39
REITs	76	76	—	—	76
Other	351	318	33	—	351
Mortgage loans	7,558	—	—	7,873	7,873
Contract loans	1,172	—	—	1,172	1,172
Cash, cash equivalents and short-term investments	1,808	227	1,571	10	1,808
Limited partnerships	2,684	—	—	2,696	2,696
Real estate — held-for-sale	3	—	—	5	5
Assets held in separate accounts	24,062	—	24,062	—	24,062
Other invested assets	130	—	105	53	158
Financial liabilities:					
Deferred annuities	12,351	—	—	11,667	11,667
Other deposit contracts	3,104	—	—	3,104	3,104
Other liabilities	3	—	—	3	3
Liabilities related to separate accounts	24,009	—	24,009	—	24,009

8. Fair Value of Financial Instruments, continued

Fair Value of All Financial Instruments, continued

	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
December 31, 2014					
Financial assets:					
Bonds	$39,036	$2,032	$33,378	$ 6,507	$41,917
Unaffiliated preferred stocks	112	—	127	—	127
Unaffiliated common stocks:					
Large-cap	328	319	9	—	328
Mid-cap	98	98	—	—	98
International	39	—	39	—	39
REITs	77	77	—	—	77
Other	338	304	34	—	338
Mortgage loans	7,378	—	—	7,841	7,841
Contract loans	1,192	—	—	1,192	1,192
Cash, cash equivalents and short-term investments	1,503	172	1,332	—	1,504
Limited partnerships	2,639	—	—	2,645	2,645
Real estate — held-for-sale	4	—	—	5	5
Assets held in separate accounts	23,079	—	23,079	—	24,079
Other invested assets	155	—	118	74	192
Financial liabilities:					
Deferred annuities	11,630	—	—	11,563	11,563
Other deposit contracts	2,931	—	—	2,931	2,931
Other liabilities	4	—	1	3	4
Liabilities related to separate accounts	23,006	—	23,006	—	23,006

9. Benefit Plans

Pension and Other Postretirement Benefits

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

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

	Retirement Plan			Other Plans		
	2015	2014	2013	2015	2014	2013
Service cost	$ 23	$ 20	$ 22	$ 2	$ 2	$ 3
Interest cost	48	49	42	5	6	6
Expected return on plan assets	(69)	(65)	(56)	—	—	—
Other	32	19	31	7	7	9
Net periodic cost	$ 34	$ 23	$ 39	$ 14	$ 15	$ 18

9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

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

	Retirement Plan		Other Plans	
	2015	2014	2015	2014
Change in projected benefit obligation:				
Benefit obligation, beginning of year	$1,170	$ 988	$123	$121
Service cost	23	20	2	2
Interest cost	48	49	5	6
Actuarial (gain) loss	(89)	154	(14)	—
Transfers from Defined Contribution Plan	1	—	—	—
Inclusion of non-vested benefit obligation	—	—	—	—
Benefits paid	(42)	(41)	(6)	(6)
Benefit obligation, end of year	$1,111	$1,170	$110	$123
Change in plan assets:				
Fair value of plan assets, beginning of year	$ 871	$ 817	$—	$—
Actual return on plan assets	2	56	—	—
Employer contribution	60	39	6	6
Transfers from Defined Contribution Plan	1	—	—	—
Benefits paid	(42)	(41)	(6)	(6)
Fair value of plan assets, end of year	$ 892	$ 871	$—	$—

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

	Retirement Plan		Other Plans	
	2015	2014	2015	2014
Funded status:				
Accrued benefit costs	$ —	$ —	$(115)	$(108)
Liability for pension benefits	(219)	(299)	6	(15)
Total unfunded liabilities	(219)	(299)	(109)	(123)
Items not yet recognized:				
Net losses (gains)	384	439	(25)	(11)
Net prior service cost	(2)	(3)	19	26
Accumulated amounts recognized in periodic pension expenses	$ 163	$ 137	$(115)	$(108)
Accumulated benefit obligation	$1,061	$1,111	$ 109	$ 123

The unfunded liabilities for the retirement plan and other postretirement plans at December 31, 2015 and 2014, are included in other liabilities in the Statutory-Basis Statement of Assets, Liabilities and Surplus.

9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

A summary of the amounts yet to be recognized in the Statutory-Basis Statement of Operations as of December 31 is as follows (in millions):

	Retirement Plan			Other Plans		
	Net Prior Service Cost	Net Recognized (Gains) Losses	Total	Net Prior Service Cost	Net Recognized (Gains) Losses	Total
Items not yet recognized, January 1, 2014	$ (4)	$296	$292	$ 33	$ (11)	$ 22
Net prior service cost arising during the period	—	—	—	—	—	—
Net prior service cost recognized	1	—	1	(7)	—	(7)
Net (gain) loss arising during the period	—	163	163	—	(1)	(1)
Net gain (loss) recognized	—	(20)	(20)	—	1	1
Items not yet recognized, December 31, 2014	$ (3)	$439	$436	$ 26	$ (11)	$ 15
Net prior service cost arising during the period	—	—	—	—	—	—
Net prior service cost recognized	1	—	1	(7)	—	(7)
Net (gain) loss arising during the period	—	(23)	(23)	—	(14)	(14)
Net gain (loss) recognized	—	(32)	(32)	—	—	—
Items not yet recognized, December 31, 2015	$ (2)	$384	$382	$ 19	$ (25)	$ (6)

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

	Retirement Plan		Other Plans	
	2015	2014	2015	2014
Net prior service cost	$ (1)	$ (1)	$ 7	$ 7
Net recognized gains/(losses)	27	32	(1)	—

Pension and Other Postretirement Benefit Factors

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

	Retirement Plan		Other Plans	
	2015	2014	2015	2014
Weighted average assumptions:				
Discount rate	4.60%	4.20%	4.60%	4.20%
Expected return on plan assets	8.00	8.00	N/A	N/A
Rate of compensation increase	3.00	3.00	N/A	N/A

9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

Pension and Other Postretirement Benefit Factors, continued

The assumed health care cost trend rate used in measuring the postretirement health care benefit obligation was 7.00% in 2015 trending down to 5.00% in 2025. The assumed health care cost trend rates can have a significant impact on the amounts reported. For example, a one-percentage point increase or decrease in the rate would change the 2015 total service and interest cost by $1 million and the postretirement health care benefit obligation by $12 million. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 includes a federal subsidy to sponsors of retirement health care plans that provide a prescription benefit that is at least actuarially equivalent to Medicare Part D. Thrivent's Medicare prescription plan is fully insured and therefore the plan's insurer receives the federal subsidy.

Estimated pension benefit payments for the next ten years are as follows: 2016 — $48 million; 2017 — $51 million; 2018 — $53 million; 2019 — $56 million; 2020 — $59 million; and 2021 to 2025 — $341 million.

Estimated other post-retirement benefit payments for the next ten years are as follows: 2016 — $6 million; 2017 — $7 million; 2018 — $7 million; 2019 — $8 million; 2020 — $8 million; and 2021 to 2025 — $42 million.

The minimum pension contribution required for 2015 under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") guidelines will be determined in the first quarter of 2016.

Pension Assets

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

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

	Target Allocation	Actual Allocation	
		2015	2014
Equity securities	60%	61%	61%
Fixed income and other securities	40	39	39
Total	100%	100%	100%

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

9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

Pension Assets, continued

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

	Level 1	Level 2	Level 3	Total
December 31, 2015				
Fixed maturity securities:				
U.S. government and agency securities	$ 73	$ 1	$—	$ 74
Securities issued by foreign governments	—	—	—	—
Corporate debt securities	—	172	—	172
Residential mortgage-backed securities	—	83	—	83
Commercial mortgage-backed securities	—	7	—	7
Other debt obligations	—	3	—	3
Common stocks:				
Large-cap	237	12	—	249
Mid-cap	55	—	—	55
Small-cap	62	2	—	64
Other	28	1	—	29
Preferred stock	—	1	—	1
Affiliated mutual funds — equity funds	—	64	—	64
Short-term investments	15	123	—	138
Limited partnerships	—	—	19	19
Derivatives	—	1	—	1
Total	$470	$470	$ 19	$959
December 31, 2014				
Fixed maturity securities:				
U.S. government and agency securities	$ 61	$ 1	$—	$ 62
Securities issued by foreign governments	—	—	—	—
Corporate debt securities	—	208	1	209
Residential mortgage-backed securities	—	50	—	50
Commercial mortgage-backed securities	—	2	—	2
Other debt obligations	—	7	—	7
Common stocks:				
Large-cap	226	8	—	234
Mid-cap	21	—	—	21
Small-cap	31	2	—	33
Other	79	1	—	80
Preferred stock	—	1	—	1
Affiliated mutual funds — equity funds	98	—	—	98
Short-term investments	25	72	—	97
Limited partnerships	—	—	11	11
Derivatives	—	3	—	3
Total	$541	$355	$ 12	$908

9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

Pension Assets, continued

The fair value of defined benefit plan assets as presented in the table above does not include net accrued liabilities in the amount of $67 million and $37 million as of December 31, 2015 and 2014, respectively.

There were no significant transfers of defined benefit plan Level 1 and Level 2 fair value measurements during 2015 or 2014. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

The following table shows the changes in fair values of defined benefit plan assets categorized as Level 3 (in millions):

	Corporate debt securities	Residential mortgage-backed securities	Limited Partnerships	Total
Balance, January 1, 2014	$ 1	$—	$ 6	$ 7
Purchases	—	—	11	11
Sales	(1)	—	(6)	(7)
Transfers out of Level 3	1	—	—	1
Balance, December 31, 2014	1	$—	$ 11	$ 12
Purchases	—	—	11	11
Sales	(1)	—	(3)	(4)
Transfers into Level 3	—	—	—	—
Balance, December 31, 2015	$—	$—	$ 19	$ 19

Defined Contribution Plans

Thrivent Financial also provides contributory and noncontributory defined contribution retirement benefits that cover substantially all home office and field employees. Eligible participants in the 401(k) plan may elect to contribute a percentage of their eligible earnings, and Thrivent Financial will match participant contributions up to 6% of eligible earnings. In addition, Thrivent Financial will contribute a percentage of eligible earnings for participants in a noncontributory plan for field employees. For the years ended December 31, 2015, 2014 and 2013, Thrivent Financial contributed $32 million, $32 million and $30 million, respectively, to these plans.

As of December 31, 2015 and 2014, $93 million and $96 million, respectively, of the assets of the defined contribution plans were invested in a deposit administration contract issued by Thrivent Financial.

10. Commitments and Contingent Liabilities

Litigation and Other Proceedings

Thrivent Financial is involved in various lawsuits, contractual matters and other contingencies that have arisen from the normal course of business. Thrivent Financial assesses its exposure to these matters periodically and adjusts its provision accordingly. As of December 31, 2015, Thrivent Financial believes adequate provision has been made for any losses that may result from these matters.

10. Commitments and Contingent Liabilities, continued

Financial Instruments

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

Commitments to Extend Credit

Thrivent Financial has commitments to extend credit for mortgage loans and other lines of credit of $83 million and $215 million as of December 31, 2015 and 2014, respectively. Commitments to purchase limited partnerships, private placement bonds and other invested assets were $2.0 billion and $1.4 billion as of December 31, 2015 and 2014, respectively.

Financial Guarantees

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

Thrivent Financial has guaranteed that it will maintain the capital and surplus of its insurance affiliate and its trust affiliate above certain levels required by the primary regulator of each company.

Leases

Thrivent Financial has operating leases for certain office equipment and real estate. Rental expense for these items totaled $12 million, $11 million and $11 million for each of the years ended December 31, 2015, 2014 and 2013 respectively. Future minimum rental commitments, in aggregate, as of December 31, 2015 were $10 million for operating leases. The future minimum rental payments for the five succeeding years were as follows: 2016 — $4 million; 2017 — $3 million; 2018 — $2 million; 2019 and thereafter — $1 million.

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

11. Related Party Transactions

The following information describes investments Thrivent Financial has made in related parties as of December 31, 2015 and 2014, respectively.

11. Related Party Transactions, continued

Thrivent Financial's directly-owned subsidiary, Thrivent Financial Holdings, Inc. (Holdings), is valued in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities*. As of December 31, 2015 and 2014, the gross and admitted values were $232 million and $225 million, respectively. Of those amounts, $149 million and $160 million, as of December 31, 2015 and 2014, respectively, related to Holdings' ownership of an insurance entity. The remaining $83 million and $65 million as of December 31, 2015 and 2014, respectively, reflects Holdings' ownership interest in non-insurance entities. Annually, Thrivent Financial files a "Form Sub-2" with the NAIC in support of the valuation of Holdings. The filing in support of the December 31, 2014 values was completed on May 20, 2015 and Thrivent Financial received a response from the NAIC that did not disallow the valuation method. The annual filing for the December 31, 2015 valuation will be completed prior to its due date of May 31, 2016.

In addition, Thrivent Financial has direct ownership interests in limited partnerships valued in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*. The admitted asset values for these partnerships as of December 31, 2015 and 2014, respectively, are as follows: White Rose Funds - $1.6 billion and $1.5 billion; Pacific Street Funds — $0.7 billion and $0.7 billion; and Gold Ring Holdings, LLC — $21.5 million and $36.6 million.

Thrivent Financial also has invested $118 million and $122 million in mutual funds that are part of the Thrivent Financial mutual fund family as of December 31, 2015 and 2014, respectively.

Thrivent Financial provides administrative services on behalf of its subsidiaries in accordance with intercompany service agreements. The net amount of expenses allocated under these agreements totaled $92 million, $79 million and $79 million for the years ended December 31, 2015, 2014 and 2013, respectively. The net receivables due from affiliates for the years ended December 31, 2015 and 2014, were $11 million and $8 million, respectively.

Thrivent Financial 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 $111 million, $111 million and $126 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Thrivent Financial is the investment advisor for the Thrivent Series Portfolios in which the separate accounts assets are invested. Advisor fees in the amount of $150 million, $143 million and $114 million for the years ended December 31, 2015, 2014 and 2013, respectively, were included in separate account fees in the Statutory Statement of Operations.

12. Basis of Presentation

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

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

12. Basis of Presentation, continued

Fixed Maturity Securities

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

Acquisition Costs

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

Contract Liabilities

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

Non-Admitted Assets

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

Interest Maintenance Reserve

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

Asset Valuation Reserve

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

Premiums

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

Consolidation

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

Differences between consolidated GAAP financial statements and statutory-basis financial statements as of December 31, 2015 and 2014 and for the three years ended December 31, 2015, have not been quantified but are presumed to be material.

Independent Auditor's Report on Supplementary Information

To The Board of Directors of Thrivent Financial for Lutherans

We have audited the statutory-basis financial statements of Thrivent Financial for Lutherans (the "Company") as of December 31, 2015 and 2014 for the years then ended and our report thereon appears on page F-1 of this document. That audit was conducted for the purpose of forming an opinion on the statutory-basis financial statements taken as a whole. The supplemental Supplementary Insurance Information contained in the accompanying Schedules I, III and IV (collectively, the "supplemental schedules") of the Company as of December 31, 2015 and 2014 for the years then ended are presented for additional analysis and are not required disclosures for the statutory-basis financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory-basis financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory-basis financial statements or to the statutory-basis financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the statutory-basis financial statements taken as a whole.

The Supplementary Insurance Information contained in the accompanying Schedules I, III and IV as of December 31, 2013 and for the year then ended was audited by other auditors whose report, dated April 24, 2014 expressed an unqualified opinion.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
April 29, 2016

Report of Independent Auditors

The Board of Directors
Thrivent Financial for Lutherans

We have audited the statutory-basis statements of operations, changes in capital and surplus, and cash flow of Thrivent Financial for Lutherans (Thrivent Financial) for the year ended December 31, 2013 and have issued our report thereon dated February 18, 2014 (included elsewhere in this Registration Statement). Our audits also included the financial statement supplementary information listed in Schedules III, and IV of this Registration Statement. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these schedules based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

Ernst + Young LLP

Minneapolis, Minnesota
April 24, 2014

Thrivent Financial for Lutherans
Supplementary Insurance Information
Schedule I — Summary of Investments
As of December 31, 2015
(in millions)

Type of Investment	Amortized Cost	Fair Value	Amount Shown on Balance Sheet
Bonds:			
U.S. government and agency securities	$ 2,351	$ 2,430	$ 2,351
U.S. state and political subdivision securities	106	137	106
Securities issued by foreign governments	95	104	95
Corporate debt securities	28,902	29,862	28,902
Residential mortgage-backed securities	6,917	7,001	6,917
Commercial mortgage-backed securities	1,741	1,742	1,741
Collateralized debt obligations	3	10	3
Other debt obligations	393	393	393
Total bonds	40,508	41,679	40,508
Stocks:			
Preferred stocks	97	102	97
Unaffiliated common stocks	896	1,014	1014
Affiliated common stocks	314	350	350
Total stocks	1,307	1,466	1,461
Mortgage loans	7,558	xxxxx	7,558
Cash, cash equivalents and short term investments	1,808	xxxxx	1,808
Contract loans	1,172	xxxxx	1,172
Limited partnerships	2,684	xxxxx	2,684
Other	246	xxxxx	246
Total cash and invested assets	$55,283		$55,437

Thrivent Financial for Lutherans

Schedule III — Supplementary Insurance Information

As of and For the Years Ended December 31, 2015, 2014 and 2013

(in millions)

As of December 31, 2015:

	Aggregate Reserves	Deposit Liabilities	Contract Claims
Life	$22,318	$ 72	$141
Annuity	14,691	3,032	95
Health	5,305	—	40
	$42,314	$3,104	$276

For the year ended December 31, 2015:

	Premiums and Considerations	Net Investment Income	Separate Account Fees and Other	Benefits, Claims, etc.	Commissions and Other Expenses
Life	$1,420	$1,263	$ 92	$1,969	$ 694
Annuity	3,828	870	572	4,399	632
Health	316	297	3	557	33
Other	—	375	83	—	25
	$5,564	$2,805	$750	$6,925	$1,384

As of December 31, 2014:

	Aggregate Reserves	Deposit Liabilities	Contract Claims
Life	$21,818	$ 75	$132
Annuity	14,168	2,856	100
Health	5,073	—	33
	$41,059	$2,931	$265

For the year ended December 31, 2014:

	Premiums and Considerations	Net Investment Income	Separate Account Fees and Other	Benefits, Claims, etc.	Commissions and Other Expenses
Life	$1,396	$1,237	$ 89	$1,853	$ 656
Annuity	3,830	890	532	4,344	624
Health	314	285	3	681	8
Other	—	274	89	—	(41)
	$5,540	$2,686	$713	$6,878	$1,247

Thrivent Financial for Lutherans

Schedule III — Supplementary Insurance Information, continued

As of and For the Years Ended December 31, 2015, 2014 and 2013

(in millions)

As of December 31, 2013:

	Aggregate Reserves	Deposit Liabilities	Contract Claims
Life	$21,361	$ 76	$128
Annuity	13,836	2,811	85
Health	4,697	—	31
	$39,894	$2,887	$244

For the year ended December 31, 2013:

	Premiums and Considerations	Net Investment Income	Separate Account Fees and Other	Benefits, Claims, etc.	Commissions and Other Expenses
Life	$1,483	$1,202	$ 98	$1,956	$ 637
Annuity	3,538	852	447	4,028	551
Health	311	274	2	563	47
Other	—	247	70	—	(36)
	$5,332	$2,575	$617	$6,547	$1,199

Thrivent Financial for Lutherans
Schedule IV — Reinsurance
As of December 31, 2015, 2014 and 2013
(in millions)

As of December 31, 2015:

	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Life insurance in-force	$187,363	$55,278	$—	$132,085	—
Premiums:					
Life	1,532	112	—	1,420	—
Annuity	3,764	—	—	3,764	—
Health	316	—	—	316	—
	$ 5,612	$ 112	$—	$ 5,500	—

As of December 31, 2014:

	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Life insurance in-force	$182,527	$50,926	$—	$131,601	—-
Premiums:					
Life	1,491	95	—	1,396	—
Annuity	3,716	—	—	3,716	—
Health	315	1	—	314	—
	$ 5,522	$ 96	$—	$ 5,426	—

As of December 31, 2013:

	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Life insurance in-force	$178,306	$46,685	$—	$131,620	—
Premiums:					
Life	1,572	89	—	1,483	—
Annuity	3,398	—	—	3,398	—
Health	312	1	—	311	—
	$ 5,282	$ 90	$—	$ 5,192	—

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Contractholders of Thrivent Financial for Lutherans

In our opinion, the accompanying statements of assets and liabilities and the related statements of operations and of changes of net assets present fairly, in all material respects, the financial position of each of the subaccounts of Thrivent Variable Life Account I (the Variable Account) sponsored by Thrivent Financial for Lutherans, referred to in Note 1, at December 31, 2015, the results of their operations for year then ended, and the changes in their net assets for the years ended December 31, 2015 and 2014, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the management of Thrivent Financial for Lutherans; our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the subaccounts of the Variable Account, including the financial highlights which appear in the footnotes, for the periods ended December 31, 2013 and prior were audited by another independent registered public accounting firm whose report dated April 24, 2014 expressed an unqualified opinion. 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 at December 31, 2015 by correspondence with Thrivent Series Fund, Inc., provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

April 29, 2016

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2008, 2003, 1997)
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2015

Subaccount	Investments at fair value	Net Assets	Series funds, at cost	Series funds shares owned
Aggressive Allocation	$ 97,036,915	$ 97,036,915	$ 87,436,353	6,838,786
Moderately Aggressive Allocation	$174,736,140	$174,736,140	$157,885,778	12,687,598
Moderate Allocation	$ 72,731,915	$ 72,731,915	$ 67,462,789	5,556,679
Moderately Conservative Allocation	$ 9,632,935	$ 9,632,935	$ 9,305,277	785,259
Growth and Income Plus	$ 490,760	$ 490,760	$ 506,244	49,210
Balanced Income Plus	$ 10,001,935	$ 10,001,935	$ 10,513,616	713,130
Diversified Income Plus	$ 5,557,060	$ 5,557,060	$ 5,252,749	738,156
Opportunity Income Plus	$ 1,441,144	$ 1,441,144	$ 1,483,909	146,933
Partner Healthcare	$ 3,362,708	$ 3,362,708	$ 3,148,080	172,858
Partner Emerging Markets Equity	$ 1,447,517	$ 1,447,517	$ 1,648,558	140,368
Real Estate Securities	$ 5,283,574	$ 5,283,574	$ 4,216,741	239,999
Small Cap Stock	$ 15,225,436	$ 15,225,436	$ 14,360,653	980,622
Small Cap Index	$ 23,724,251	$ 23,724,251	$ 21,831,951	1,504,105
Mid Cap Stock	$ 20,685,729	$ 20,685,729	$ 17,890,685	1,236,557
Mid Cap Index	$ 10,808,130	$ 10,808,130	$ 9,880,774	714,852
Partner Worldwide Allocation	$ 16,542,851	$ 16,542,851	$ 15,199,421	1,837,319
Partner All Cap	$ 2,913,444	$ 2,913,444	$ 2,427,138	225,139
Large Cap Growth	$ 19,136,357	$ 19,136,357	$ 12,489,999	619,339
Partner Growth Stock	$ 4,350,692	$ 4,350,692	$ 3,266,245	233,076
Large Cap Value	$ 8,670,321	$ 8,670,321	$ 6,718,099	558,745
Large Cap Stock	$ 20,079,301	$ 20,079,301	$ 16,455,013	1,726,939
Large Cap Index	$ 44,927,146	$ 44,927,146	$ 33,911,782	1,574,276
High Yield	$ 4,204,674	$ 4,204,674	$ 4,567,466	938,983
Income	$ 3,493,618	$ 3,493,618	$ 3,584,661	355,382
Bond Index	$ 5,128,864	$ 5,128,864	$ 5,007,990	470,905
Limited Maturity Bond	$ 3,995,919	$ 3,995,919	$ 4,034,013	410,971
Money Market	$ 3,124,866	$ 3,124,866	$ 3,124,866	3,124,866

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

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2008, 2003, 1997)
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Investment Income		Realized and unrealized gain (loss) on investments				
Subaccount	Dividends	Net investment income (loss)	Net realized gain (loss) on sale of investments	Capital gain distributions	Change in unrealized appreciation (depreciation) of investments	Net gain (loss) on investments	Net increase (decrease) in net assets resulting from operations
Aggressive Allocation	$1,016,638	$1,016,638	$ 847,676	$6,523,561	$ (9,006,502)	$(1,635,265)	$ (618,627)
Moderately Aggressive Allocation	$2,220,439	$2,220,439	$1,418,581	$7,757,388	$(12,917,081)	$(3,741,112)	$(1,520,673)
Moderate Allocation	$1,101,991	$1,101,991	$ 512,640	$2,843,234	$ (4,897,155)	$(1,541,281)	$ (439,290)
Moderately Conservative Allocation	$ 168,295	$ 168,295	$ 120,059	$ 256,684	$ (586,123)	$ (209,380)	$ (41,085)
Growth and Income Plus	$ 9,812	$ 9,812	$ 12,145	$ 18,673	$ (40,581)	$ (9,763)	$ 49
Balanced Income Plus	$ 219,335	$ 219,335	$ (6,394)	$ 350,289	$ (577,736)	$ (233,841)	$ (14,506)
Diversified Income Plus	$ 182,161	$ 182,161	$ 60,177	$ 108,632	$ (343,366)	$ (174,557)	$ 7,604
Opportunity Income Plus	$ 43,890	$ 43,890	$ 320	$ —	$ (46,825)	$ (46,505)	$ (2,615)
Partner Healthcare	$ 155	$ 155	$ 27,354	$ 155,591	$ (170,233)	$ 12,712	$ 12,867
Partner Emerging Markets Equity	$ 18,067	$ 18,067	$ (4,315)	$ —	$ (237,171)	$ (241,486)	$ (223,419)
Real Estate Securities	$ 72,248	$ 72,248	$ 173,114	$ 208,545	$ (326,255)	$ 55,404	$ 127,652
Small Cap Stock	$ 40,596	$ 40,596	$ 207,323	$1,179,431	$ (1,970,292)	$ (583,538)	$ (542,942)
Small Cap Index	$ 187,375	$ 187,375	$ 228,501	$1,664,558	$ (2,621,589)	$ (728,530)	$ (541,155)
Mid Cap Stock	$ 57,939	$ 57,939	$ 259,295	$1,053,883	$ (951,785)	$ 361,393	$ 419,332
Mid Cap Index	$ 72,051	$ 72,051	$ 147,749	$ 454,087	$ (982,399)	$ (380,563)	$ (308,512)
Partner Worldwide Allocation	$ 418,373	$ 418,373	$ 106,044	$ —	$ (666,967)	$ (560,923)	$ (142,550)
Partner All Cap	$ 9,098	$ 9,098	$ 61,044	$ 282,810	$ (294,505)	$ 49,349	$ 58,447
Large Cap Growth	$ 75,911	$ 75,911	$ 512,256	$ —	$ 1,162,185	$ 1,674,441	$ 1,750,352
Partner Growth Stock	$ —	$ —	$ 83,729	$ 376,539	$ (74,160)	$ 386,108	$ 386,108
Large Cap Value	$ 116,852	$ 116,852	$ 191,392	$ 268,877	$ (886,042)	$ (425,773)	$ (308,921)
Large Cap Stock	$ 226,037	$ 226,037	$ 391,899	$1,441,568	$ (1,424,110)	$ 409,357	$ 635,394
Large Cap Index	$ 584,628	$ 584,628	$ 625,310	$ 201,974	$ (927,694)	$ (100,410)	$ 484,218
High Yield	$ 251,133	$ 251,133	$ (3,887)	$ —	$ (364,507)	$ (368,394)	$ (117,261)
Income	$ 135,990	$ 135,990	$ 2,933	$ 82,602	$ (246,709)	$ (161,174)	$ (25,184)
Bond Index	$ 89,363	$ 89,363	$ 13,289	$ —	$ (63,577)	$ (50,288)	$ 39,075
Limited Maturity Bond	$ 66,127	$ 66,127	$ 289	$ —	$ (36,218)	$ (35,929)	$ 30,198
Money Market	$ —	$ —	$ —	$ —	$ —	$ —	$ —

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

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2008, 2003, 1997)

STATEMENTS OF CHANGES OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Increase (decrease) in net assets from operations				Increase (decrease) in net assets from contract related transactions									
Subaccount	Net investment income (loss)	Net realized gain (loss) on investments and capital gain distributions	Change in net unrealized appreciation (depreciation) on investments	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Cost of insurance and administrative charges	Transfers between subaccounts	Mortality and expense risk charges	Asset based risk charge	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets	Net Assets Beginning of Year	Net Assets End of Year
Aggressive Allocation	$1,016,638	$7,371,237	$ (9,006,502)	$ (618,627)	$15,321,302	$(2,766,799)	$(4,466,716)	$ (920,827)	$(514,633)	$(151,385)	$ 6,500,942	$ 5,882,315	$ 91,154,600	$ 97,036,915
Moderately Aggressive Allocation	$2,220,439	$9,175,969	$(12,917,081)	$(1,520,673)	$28,093,599	$(6,196,198)	$(8,073,501)	$ (1,830,175)	$(910,122)	$(272,624)	$10,810,979	$ 9,290,306	$165,445,834	$174,736,140
Moderate Allocation	$1,101,991	$3,355,874	$ (4,897,155)	$ (439,290)	$ 8,710,874	$(2,097,780)	$(3,622,811)	$ 13,201	$(373,870)	$(111,980)	$ 2,517,634	$ 2,078,344	$ 70,653,571	$ 72,731,915
Moderately Conservative Allocation	$ 168,295	$ 376,743	$ (586,123)	$ (41,085)	$ 809,101	$ (401,591)	$ (490,974)	$ 73,174	$ (54,246)	$ (6,847)	$ (71,383)	$ (112,468)	$ 9,745,403	$ 9,632,935
Growth and Income Plus	$ 9,812	$ 30,818	$ (40,581)	$ 49	$ 135,553	$ (60,344)	$ (22,934)	$ (200,577)	$ (1,868)	$ (693)	$ (150,863)	$ (150,814)	$ 641,574	$ 490,760
Balanced Income Plus	$ 219,335	$ 343,895	$ (577,736)	$ (14,506)	$ 713,095	$ (379,367)	$ (455,611)	$ (29,100)	$ (50,355)	$ (1,237)	$ (202,575)	$ (217,081)	$ 10,219,016	$ 10,001,935
Diversified Income Plus	$ 182,161	$ 168,809	$ (343,366)	$ 7,604	$ 495,149	$ (213,266)	$ (264,020)	$ (35,010)	$ (30,798)	$ (3,713)	$ (51,658)	$ (44,054)	$ 5,601,114	$ 5,557,060
Opportunity Income Plus	$ 43,890	$ 320	$ (46,825)	$ (2,615)	$ 291,682	$ (14,259)	$ (69,506)	$ 49,475	$ (8,066)	$ (3,401)	$ 245,925	$ 243,310	$ 1,197,834	$ 1,441,144
Partner Healthcare	$ 155	$ 182,945	$ (170,233)	$ 12,867	$ 873,505	$ (27,595)	$ (131,030)	$ 832,678	$ (9,770)	$ (6,368)	$ 1,531,420	$ 1,544,287	$ 1,818,421	$ 3,362,708
Partner Emerging Markets Equity	$ 18,067	$ (4,315)	$ (237,171)	$ (223,419)	$ 298,552	$ (41,670)	$ (71,200)	$ 78,034	$ (5,575)	$ (3,221)	$ 254,920	$ 31,501	$ 1,416,016	$ 1,447,517
Real Estate Securities	$ 72,248	$ 381,659	$ (326,255)	$ 127,652	$ 581,740	$ (242,295)	$ (214,103)	$ 260,372	$ (26,404)	$ (4,155)	$ 355,155	$ 482,807	$ 4,800,767	$ 5,283,574
Small Cap Stock	$ 40,596	$1,386,754	$ (1,970,292)	$ (542,942)	$ 1,004,589	$ (403,308)	$ (451,911)	$ 6,623,477	$ (68,859)	$ (2,832)	$ 6,701,156	$ 6,158,214	$ 9,067,222	$ 15,225,436
Small Cap Index	$ 187,375	$1,893,059	$ (2,621,589)	$ (541,155)	$ 2,488,769	$ (909,411)	$ (886,754)	$ 251,936	$(115,881)	$ (10,793)	$ 817,866	$ 276,711	$ 23,447,540	$ 23,724,251
Mid Cap Stock	$ 57,939	$1,313,178	$ (951,785)	$ 419,332	$ 1,097,495	$ (425,975)	$ (511,439)	$10,280,455	$ (78,274)	$ (4,963)	$10,357,299	$10,776,631	$ 9,909,098	$ 20,685,729
Mid Cap Index	$ 72,051	$ 601,836	$ (982,399)	$ (308,512)	$ 2,323,747	$ (418,055)	$ (404,492)	$ 684,183	$ (50,006)	$ (14,728)	$ 2,120,649	$ 1,812,137	$ 8,995,993	$ 10,808,130
Partner Worldwide Allocation	$ 418,373	$ 106,044	$ (666,967)	$ (142,550)	$ 1,689,803	$ (522,303)	$ (682,933)	$ 325,978	$ (87,661)	$ (7,058)	$ 715,826	$ 573,276	$ 15,969,575	$ 16,542,851
Partner All Cap	$ 9,098	$ 343,854	$ (294,505)	$ 58,447	$ 280,734	$ (21,194)	$ (105,980)	$ 162,196	$ (15,413)	$ (1,721)	$ 298,622	$ 357,069	$ 2,556,375	$ 2,913,444
Large Cap Growth	$ 75,911	$ 512,256	$ 1,162,185	$ 1,750,352	$ 1,214,067	$ (489,745)	$ (643,058)	$ 4,513,241	$ (90,251)	$ (3,892)	$ 4,500,362	$ 6,250,714	$ 12,885,643	$ 19,136,357
Partner Growth Stock	$ —	$ 460,268	$ (74,160)	$ 386,108	$ 247,553	$ (102,560)	$ (130,512)	$ 374,070	$ (17,865)	$ (4,028)	$ 366,658	$ 752,766	$ 3,597,926	$ 4,350,692
Large Cap Value	$ 116,852	$ 460,269	$ (886,042)	$ (308,921)	$ 644,475	$ (294,768)	$ (318,033)	$ 65,140	$ (48,448)	$ (5,970)	$ 42,396	$ (266,525)	$ 8,936,846	$ 8,670,321
Large Cap Stock	$ 226,037	$1,833,467	$ (1,424,110)	$ 635,394	$ 1,502,654	$ (814,736)	$ (735,994)	$ 269,981	$(118,779)	$ (3,581)	$ 99,545	$ 734,939	$ 19,344,362	$ 20,079,301
Large Cap Index	$ 584,628	$ 827,284	$ (927,694)	$ 484,218	$ 5,480,759	$(1,363,705)	$(1,738,623)	$ 850,373	$(191,139)	$ (23,096)	$ 3,014,569	$ 3,498,787	$ 41,428,359	$ 44,927,146
High Yield	$ 251,133	$ (3,887)	$ (364,507)	$ (117,261)	$ 408,029	$ (175,393)	$ (203,604)	$ 61,613	$ (23,686)	$ (4,377)	$ 62,582	$ (54,679)	$ 4,259,353	$ 4,204,674
Income	$ 135,990	$ 85,535	$ (246,709)	$ (25,184)	$ 371,728	$ (185,850)	$ (175,923)	$ (142,916)	$ (22,572)	$ (1,873)	$ (157,406)	$ (182,590)	$ 3,676,208	$ 3,493,618
Bond Index	$ 89,363	$ 13,289	$ (63,577)	$ 39,075	$ 527,817	$ (196,281)	$ (216,271)	$ 149,092	$ (29,166)	$ (2,032)	$ 233,159	$ 272,234	$ 4,856,630	$ 5,128,864
Limited Maturity Bond	$ 66,127	$ 289	$ (36,218)	$ 30,198	$ 329,620	$ (253,089)	$ (236,574)	$ 7,698	$ (26,525)	$ (2,861)	$ (181,731)	$ (151,533)	$ 4,147,452	$ 3,995,919
Money Market	$ —	$ —	$ —	$ —	$ 493,296	$ (128,320)	$ (223,181)	$ 307,557	$ (21,631)	$ (7,207)	$ 420,514	$ 420,514	$ 2,704,352	$ 3,124,866

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

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2008, 2003, 1997)

STATEMENTS OF CHANGES OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Increase (decrease) in net assets from operations					Increase (decrease) in net assets from contract related transactions								
Subaccount	Net investment income (loss)	Net realized gain (loss) on investments and capital gain distributions	Change in net unrealized appreciation (depreciation) on investments	Net Change in Net Assets from Operations	Proceeds from units issued	Transfers for contract benefits and terminations	Cost of insurance and administrative charges	Transfers between subaccounts	Mortality and expense risk charges	Asset based risk charge	Net Change in Net Assets from Unit Transactions	Net Change in Net Assets	Net Assets Beginning of Year	Net Assets End of Year
Aggressive Allocation	$ 370,081	$3,347,964	$ 1,252,119	$4,970,164	$13,230,067	$(4,145,189)	$(4,020,796)	$ 2,393,680	$(514,740)	$(112,831)	$ 6,830,191	$11,800,355	$ 79,354,245	$ 91,154,600
Moderately Aggressive Allocation	$1,325,683	$5,938,878	$ 1,885,605	$9,150,166	$24,673,420	$(5,418,323)	$(7,323,029)	$ (565,012)	$(939,614)	$(203,064)	$10,224,378	$19,374,543	$146,071,290	$165,445,834
Moderate Allocation	$ 753,920	$2,347,982	$ 711,703	$3,813,605	$ 9,112,601	$(2,322,335)	$(3,233,154)	$ 1,073,500	$(390,763)	$ (88,537)	$ 4,151,312	$ 7,964,917	$ 62,688,654	$ 70,653,571
Moderately Conservative Allocation	$ 143,325	$ 336,876	$ (808)	$ 479,393	$ 805,917	$ (424,589)	$ (499,230)	$ 464,694	$ (62,195)	$ (5,496)	$ 279,101	$ 758,495	$ 8,986,909	$ 9,745,403
Growth and Income Plus	$ 22,367	$ 85,140	$ (84,124)	$ 23,383	$ 90,256	$ (22,634)	$ (28,602)	$ (165,019)	$ (3,650)	$ (998)	$ (130,647)	$ (107,263)	$ 748,838	$ 641,574
Balanced Income Plus	$ 162,891	$1,897,508	$(1,453,544)	$ 606,855	$ 756,358	$ (658,890)	$ (468,558)	$ (356,743)	$ (64,160)	$ (960)	$ (792,953)	$ (186,097)	$ 10,405,114	$ 10,219,016
Diversified Income Plus	$ 159,934	$ 51,956	$ 8,693	$ 220,583	$ 542,631	$ (38,262)	$ (245,944)	$ 71,997	$ (33,302)	$ (2,976)	$ 294,144	$ 514,728	$ 5,086,387	$ 5,601,114
Opportunity Income Plus	$ 39,975	$ 2,962	$ (3,967)	$ 38,970	$ 267,275	$ (54,047)	$ (58,619)	$ 58,188	$ (9,110)	$ (2,439)	$ 201,248	$ 240,219	$ 957,616	$ 1,197,834
Partner Healthcare	$ —	$ 135,646	$ 165,193	$ 300,839	$ 255,737	$ (164,341)	$ (62,700)	$ 432,286	$ (6,028)	$ (2,254)	$ 452,700	$ 753,540	$ 1,064,882	$ 1,818,421
Partner Emerging Markets Equity	$ 13,754	$ 15,513	$ (61,015)	$ (31,748)	$ 345,055	$ (77,806)	$ (67,525)	$ 30,949	$ (6,572)	$ (2,678)	$ 221,423	$ 189,676	$ 1,226,341	$ 1,416,016
Real Estate Securities	$ 63,663	$ 195,484	$ 899,984	$1,159,131	$ 399,141	$ (336,541)	$ (184,255)	$ (37,449)	$ (29,187)	$ (2,226)	$ (190,517)	$ 968,615	$ 3,832,153	$ 4,800,767
Small Cap Stock	$ 19,008	$ 274,949	$ 112,824	$ 406,781	$ 690,076	$ (309,296)	$ (343,831)	$ (64,468)	$ (61,655)	$ (301)	$ (89,475)	$ 317,307	$ 8,749,916	$ 9,067,222
Small Cap Index	$ 164,976	$1,821,541	$ (787,367)	$1,199,150	$ 1,915,413	$ (949,633)	$ (821,618)	$ (199,287)	$(141,982)	$ (4,504)	$ (201,611)	$ 997,540	$ 22,450,001	$ 23,447,540
Mid Cap Stock	$ 29,394	$ 658,280	$ 369,222	$1,056,896	$ 713,719	$ (360,934)	$ (354,107)	$ 24,804	$ (65,928)	$ (982)	$ (43,428)	$ 1,013,469	$ 8,895,630	$ 9,909,098
Mid Cap Index	$ 59,853	$ 512,661	$ 167,078	$ 739,592	$ 1,390,247	$ (230,423)	$ (299,791)	$ (128,293)	$ (52,060)	$ (5,230)	$ 674,450	$ 1,414,043	$ 7,581,951	$ 8,995,993
Partner Worldwide Allocation	$ 341,414	$ 191,329	$(1,417,289)	$ (884,546)	$ 1,785,881	$ (680,166)	$ (685,877)	$ (10,443)	$(112,672)	$ (5,578)	$ 291,145	$ (593,401)	$ 16,562,976	$ 15,969,575
Partner All Cap	$ 14,706	$ 101,922	$ 170,882	$ 287,510	$ 234,676	$ (125,533)	$ (100,993)	$ (74,892)	$ (17,136)	$ (1,329)	$ (85,207)	$ 202,304	$ 2,354,072	$ 2,556,375
Large Cap Growth	$ 78,425	$ 410,663	$ 797,206	$1,286,294	$ 948,705	$ (518,777)	$ (521,963)	$ (210,377)	$ (88,445)	$ (1,845)	$ (392,702)	$ 893,592	$ 11,992,051	$ 12,885,643
Partner Growth Stock	$ —	$ 428,805	$ (130,092)	$ 298,713	$ 409,451	$ (88,477)	$ (118,795)	$ (166,150)	$ (19,367)	$ (3,299)	$ 13,363	$ 312,076	$ 3,285,850	$ 3,597,926
Large Cap Value	$ 104,955	$ 187,042	$ 454,817	$ 746,814	$ 779,283	$ (384,559)	$ (311,414)	$ (44,700)	$ (55,580)	$ (4,420)	$ (21,390)	$ 725,424	$ 8,211,422	$ 8,936,846
Large Cap Stock	$ 167,592	$ 316,608	$ 504,164	$ 988,364	$ 1,693,541	$ (514,152)	$ (728,558)	$ (511,990)	$(132,131)	$ (2,814)	$ (196,104)	$ 792,261	$ 18,552,102	$ 19,344,362
Large Cap Index	$ 532,424	$ 654,116	$ 3,592,472	$4,779,012	$ 4,061,822	$(1,515,810)	$(1,525,051)	$ (202,911)	$(234,769)	$ (7,408)	$ 575,873	$ 5,354,885	$ 36,073,474	$ 41,428,359
High Yield	$ 255,026	$ 20,002	$ (194,514)	$ 80,514	$ 463,899	$ (140,489)	$ (196,808)	$ (2,376)	$ (31,099)	$ (3,210)	$ 89,917	$ 170,431	$ 4,088,922	$ 4,259,353
Income	$ 133,775	$ 59,836	$ 32,002	$ 225,613	$ 301,322	$ (132,942)	$ (177,500)	$ 114,959	$ (26,805)	$ (1,133)	$ 77,901	$ 303,514	$ 3,372,694	$ 3,676,208
Bond Index	$ 103,244	$ 11,406	$ 179,166	$ 293,816	$ 462,499	$ (197,229)	$ (217,552)	$ 35,983	$ (33,593)	$ (1,167)	$ 48,941	$ 342,757	$ 4,513,873	$ 4,856,630
Limited Maturity Bond	$ 67,616	$ 2,291	$ (3,925)	$ 65,982	$ 444,585	$ (107,418)	$ (240,731)	$ (796)	$ (32,820)	$ (2,984)	$ 59,836	$ 125,818	$ 4,021,634	$ 4,147,452
Money Market	$ —	$ —	$ —	$ —	$ 1,078,036	$ (76,889)	$ (234,057)	$(1,166,884)	$ (27,326)	$ (2,741)	$ (429,861)	$ (429,861)	$ 3,134,213	$ 2,704,352

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

THRIVENT VARIABLE LIFE ACCOUNT I (SERIES 2008, 2003, 1997)
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015

(1) ORGANIZATION

The Thrivent Variable Life Account I (the Variable Account) is a unit investment trust registered under the Investment Company Act of 1940 and is a separate account of Thrivent Financial for Lutherans (Thrivent Financial). The Variable Account has 27 subaccounts, each of which invests in a corresponding portfolio of the Thrivent Series Fund, Inc. (each a Fund and collectively the Funds), as follows:

Subaccount	Series
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
(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.

(1) ORGANIZATION - continued

(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 open-end, diversified management investment companies. The Funds are managed by Thrivent Investment Management, Inc. which is an affiliate of Thrivent Financial.

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

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

(2) SIGNIFICANT ACCOUNTING POLICIES

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

Valuation of Investments

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

Federal Income Taxes

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

(2) SIGNIFICANT ACCOUNTING POLICIES - continued

Estimates

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

Fair Value of Financial Instruments

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

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

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

Subsequent Events

Management has evaluated Variable Account related events and transactions that occurred during the period from the date of the Statement of Assets and Liabilities through the date of issuance of the Variable Account's financial statements. 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 AND OTHER TRANSACTIONS WITH AFFILIATES

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

- Thrivent Variable Life 2008 Series – annual rate is based on the subaccount accumulated value and is guaranteed not to exceed 0.45% for all contract years.
- Thrivent Variable Life 2003 Series – annual rate is based on subaccount accumulated value and is guaranteed not to exceed 1.10% during the first 10 contract years and guaranteed not to exceed 0.90% thereafter.
- Thrivent Variable Life 1997 Series – annual rate is based on the subaccount cash value and is guaranteed not to exceed 0.90% during the first 15 years and guaranteed not to exceed 0.40% thereafter.

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

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

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

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

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

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

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

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

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

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

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

Additionally, during the year ended December 31, 2015, management fees were paid indirectly to Thrivent Financial in its capacity as advisor to the Fund. Additional details of these net asset based charges paid by the Funds can be found in the Fund's annual report.

(4) UNIT ACTIVITY

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

Subaccount	Units Outstanding at January 1, 2014	Units Issued	Units Redeemed	Units Outstanding at December 31, 2014	Units Issued	Units Issued as a result of merger	Units Redeemed	Units Outstanding at December 31, 2015
Aggressive Allocation	4,558,954	1,087,053	(647,368)	4,998,639	1,107,463		(656,279)	5,449,823
Moderately Aggressive Allocation	8,630,741	1,998,606	(1,265,058)	9,364,289	2,030,681		(1,286,832)	10,108,138
Moderate Allocation	3,828,988	780,984	(482,141)	4,127,831	695,636		(510,796)	4,312,671
Moderately Conservative Allocation	571,234	126,704	(108,646)	589,292	118,088		(116,886)	590,494
Growth and Income Plus	58,593	21,169	(30,646)	49,116	14,192		(25,432)	37,876
Balanced Income Plus	480,295	46,352	(81,125)	445,522	42,133		(49,652)	438,003
Diversified Income Plus	251,293	54,494	(37,490)	268,297	44,332		(46,063)	266,566
Opportunity Income Plus	64,194	30,657	(15,561)	79,290	33,835		(16,261)	96,864
Partner Healthcare	56,790	36,211	(14,938)	78,063	78,629		(18,694)	137,998
Partner Emerging Markets Equity	93,877	38,554	(21,497)	110,934	39,706		(19,398)	131,242
Real Estate Securities	168,779	30,545	(33,354)	165,970	63,443		(42,259)	187,154
Small Cap Stock	375,797	45,462	(48,299)	372,960	66,931	320,460	(71,425)	688,926
Small Cap Index	642,052	95,881	(80,041)	657,892	145,303		(86,488)	716,707
Mid Cap Stock	362,706	45,309	(43,495)	364,520	59,621	434,853	(68,761)	790,233
Mid Cap Index	285,318	84,499	(39,998)	329,819	167,536		(56,239)	441,116
Partner Worldwide Allocation	1,501,202	223,451	(195,396)	1,529,257	249,210		(181,796)	1,596,671
Partner All Cap	103,056	19,287	(21,553)	100,790	28,633		(13,339)	116,084
Large Cap Growth	560,860	69,342	(83,749)	546,453	80,839	195,042	(92,388)	729,946
Partner Growth Stock	143,366	31,499	(26,851)	148,014	32,510		(17,091)	163,433
Large Cap Value	392,455	61,608	(55,905)	398,158	61,183		(54,272)	405,069
Large Cap Stock	1,185,284	128,225	(136,745)	1,176,764	110,334	55,235	(156,557)	1,185,776
Large Cap Index	1,731,139	259,369	(207,777)	1,782,731	405,627		(216,918)	1,971,440
High Yield	179,238	41,817	(33,117)	187,938	41,560		(35,525)	193,973
Income	198,475	38,751	(33,922)	203,304	44,144		(52,235)	195,213
Bond Index	248,650	45,986	(42,413)	252,223	53,955		(34,432)	271,746
Limited Maturity Bond	296,453	72,789	(66,468)	302,774	69,025		(83,237)	288,562
Money Market	2,672,808	1,364,743	(1,704,160)	2,333,391	1,499,860		(1,105,779)	2,727,472

(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, 2015 were as follows:

Subaccount	Purchases	Sales
Aggressive Allocation	$19,016,997	$4,975,854
Moderately Aggressive Allocation	29,186,985	8,398,179
Moderate Allocation	10,755,370	4,292,511
Moderately Conservative Allocation	1,901,172	1,547,575
Growth and Income Plus	189,752	312,130
Balanced Income Plus	1,026,907	659,859
Diversified Income Plus	846,836	607,701
Opportunity Income Plus	478,389	188,573
Partner Healthcare	1,954,437	267,272
Partner Emerging Markets Equity	410,482	137,496
Real Estate Securities	1,405,456	769,508
Small Cap Stock	8,993,255	1,072,070
Small Cap Index	4,229,448	1,559,649
Mid Cap Stock	12,596,045	1,126,925
Mid Cap Index	3,464,861	818,074
Partner Worldwide Allocation	1,955,922	821,724
Partner All Cap	833,491	242,962
Large Cap Growth	5,854,983	1,278,710
Partner Growth Stock	1,022,441	279,244
Large Cap Value	1,146,109	717,984
Large Cap Stock	3,414,115	1,646,964
Large Cap Index	6,233,948	2,432,778
High Yield	861,822	548,105
Income	740,724	679,538
Bond Index	694,633	372,112
Limited Maturity Bond	716,578	832,182
Money Market	1,404,899	984,385

(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, 2015, except as indicated in Note 1, follows:

Subaccount	2015	2014	2013	2012	2011
Aggressive Allocation					
Units	5,449,823	4,998,639	4,558,954	4,257,869	3,838,712
Unit value	$14.64-$19.84	$14.70-$19.93	$13.87-$18.79	$10.91-$14.79	$ 9.72-$13.18
Net assets	$ 97,036,915	$ 91,154,600	$ 79,354,245	$ 59,117,383	$ 48,223,084
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.05%	0.44%	1.25%	0.62%	1.30%
Total return (c)	(0.45)%	6.02%	27.05%	12.25%	(3.93)%
Moderately Aggressive Allocation					
Units	10,108,138	9,364,289	8,630,741	7,868,814	7,435,674
Unit value	$14.47-$19.09	$14.58-$19.23	$13.75-$18.14	$11.34-$14.95	$10.04-$13.25
Net assets	$ 174,736,140	$ 165,445,834	$ 146,071,289	$ 111,040,675	$ 93,838,330
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.28%	0.85%	1.49%	1.16%	1.98%
Total return (c)	(0.75)%	6.05%	21.30%	12.87%	(2.86)%
Moderate Allocation					
Units	4,312,671	4,127,831	3,828,988	3,562,266	3,290,892
Unit value	$14.31-$18.29	$14.39-$18.40	$13.59-$17.37	$11.81-$15.09	$10.57-$13.51
Net assets	$ 72,731,915	$ 70,653,571	$ 62,688,654	$ 51,334,577	$ 42,692,985
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.50%	1.13%	1.51%	1.55%	2.22%
Total return (c)	(0.56)%	5.88%	15.12%	11.72%	(1.03)%
Moderately Conservative Allocation					
Units	590,494	589,292	571,234	624,768	512,832
Unit value	$13.80-$16.89	$13.86-$16.97	$13.16-$16.11	$12.08-$14.78	$11.02-$13.49
Net assets	$ 9,632,935	$ 9,745,403	$ 8,986,908	$ 9,051,716	$ 6,794,784
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.73%	1.53%	1.55%	1.58%	2.16%
Total return (c)	(0.46)%	5.32%	9.02%	9.59%	0.20%
Growth and Income Plus					
Units	37,876	49,116	58,593	42,624	37,117
Unit value	$ 12.96	$ 13.06	$ 12.78	$ 10.54	$ 9.32
Net assets	$ 490,760	$ 641,574	$ 748,839	$ 449,312	$ 345,741
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.00%	2.85%	1.98%	1.50%	0.32%
Total return (c)	(0.81)%	2.21%	21.24%	13.16%	(2.45)%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2015	2014	2013	2012	2011
Balanced Income Plus					
Units	438,003	445,522	480,295	488,483	498,078
Unit value	$15.40-$24.39	$15.42-$24.43	$14.54-$23.03	$12.33-$19.52	$10.96-$17.37
Net assets	$ 10,001,935	$ 10,219,016	$ 10,405,114	$ 9,045,619	$ 8,231,574
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.13%	1.59%	1.84%	2.14%	2.18%
Total return (c)	(0.14)%	6.07%	17.95%	12.42%	4.18%
Diversified Income Plus					
Units	266,566	268,297	251,293	216,356	175,848
Unit value	$16.05-$23.34	$16.04-$23.32	$15.38-$22.37	$13.83-$20.12	$12.08-$17.57
Net assets	$ 5,557,060	$ 5,601,114	$ 5,086,386	$ 3,997,762	$ 2,874,346
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	3.25%	2.98%	2.48%	3.42%	4.93%
Total return (c)	0.08%	4.27%	11.17%	14.49%	2.31%
Opportunity Income Plus					
Units	96,864	79,290	64,194	48,571	48,896
Unit value	$13.53-$16.18	$13.53-$16.19	$13.08-$15.64	$13.26-$15.86	$12.51-$14.96
Net assets	$ 1,441,144	$ 1,197,834	$ 957,617	$ 757,125	$ 721,534
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	3.39%	3.43%	2.56%	1.56%	2.84%
Total return (c)	(0.03)%	3.48%	(1.39)%	6.00%	4.52%
Partner Healthcare					
Units	137,998	78,063	56,790	32,388	29,311
Unit value	$ 24.37	$ 23.29	$ 18.75	$ 14.30	$ 11.85
Net assets	$ 3,362,708	$ 1,818,421	$ 1,064,882	$ 463,284	$ 347,412
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.01%	0.00%	0.35%	0.27%	0.00%
Total return (c)	4.61%	24.23%	31.09%	20.68%	(3.79)%
Partner Emerging Markets Equity					
Units	131,242	110,934	93,877	78,214	68,356
Unit value	$ 11.03	$ 12.76	$ 13.06	$ 14.10	$ 11.19
Net assets	$ 1,447,517	$ 1,416,016	$ 1,226,341	$ 1,102,700	$ 764,999
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.20%	0.96%	1.05%	0.53%	1.06%
Total return (c)	(13.59)%	(2.29)%	(7.34)%	25.98%	(10.82)%
Real Estate Securities					
Units	187,154	165,970	168,779	164,770	163,988
Unit value	$16.82-$40.35	$16.37-$39.27	$12.51-$30.02	$12.25-$29.38	$10.42-$24.99
Net assets	$ 5,283,574	$ 4,800,767	$ 3,832,155	$ 3,762,833	$ 3,264,637
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.43%	1.46%	1.43%	3.67%	0.00%
Total return (c)	2.75%	30.82%	2.18%	17.54%	8.83%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2015	2014	2013	2012	2011
Small Cap Stock					
Units	688,926	372,960	375,797	382,383	395,671
Unit value	$14.61-$25.84	$15.08-$26.68	$14.40-$25.47	$10.59-$18.74	$ 9.68-$17.13
Net assets	$ 15,225,436	$ 9,067,222	$ 8,749,916	$ 6,549,278	$ 6,205,152
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.35%	0.22%	0.36%	0.00%	0.00%
Total return (c)	(3.13)%	4.76%	35.90%	9.42%	(5.31)%
Small Cap Index					
Units	716,707	657,892	642,052	657,205	683,879
Unit value	$19.13-$38.97	$19.56-$39.83	$18.56-$37.81	$13.18-$26.85	$11.37-$23.15
Net assets	$ 23,724,251	$ 23,447,540	$ 22,450,002	$ 16,506,005	$ 14,866,077
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.78%	0.74%	1.23%	0.67%	0.83%
Total return (c)	(2.17)%	5.36%	40.83%	15.95%	0.54%
Mid Cap Stock					
Units	790,233	364,520	362,706	364,763	381,574
Unit value	$18.03-$27.76	$18.02-$27.74	$16.10-$24.78	$11.88-$18.29	$10.39-$16.00
Net assets	$ 20,685,729	$ 9,909,098	$ 8,895,630	$ 6,616,380	$ 6,062,963
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.42%	0.31%	0.37%	0.25%	0.04%
Total return (c)	0.08%	11.93%	35.50%	14.29%	(6.28)%
Mid Cap Index					
Units	441,116	329,819	285,318	267,750	271,327
Unit value	$18.16-$32.19	$18.63-$33.02	$17.05-$30.22	$12.83-$22.74	$10.93-$19.37
Net assets	$ 10,808,130	$ 8,995,993	$ 7,581,950	$ 5,485,253	$ 4,761,781
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.70%	0.74%	0.89%	0.77%	0.81%
Total return (c)	(2.52)%	9.28%	32.92%	17.37%	(2.23)%
Partner Worldwide Allocation					
Units	1,596,671	1,529,257	1,501,202	1,515,120	144,252
Unit value	$ 10.36	$ 10.44	$ 11.03	$ 9.49	$ 7.99
Net assets	$ 16,542,851	$ 15,969,575	$ 16,562,976	$ 14,371,961	$ 1,153,199
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	2.48%	2.04%	0.03%	3.04%	2.20%
Total return (c)	(0.78)%	(5.35)%	16.31%	18.66%	(12.12)%
Partner All Cap					
Units	116,084	100,790	103,056	104,210	106,874
Unit value	$15.42-$32.43	$15.08-$31.71	$13.43-$28.25	$10.11-$21.26	$ 8.81-$18.53
Net assets	$ 2,913,444	$ 2,556,375	$ 2,354,073	$ 1,819,461	$ 1,627,514
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.34%	0.60%	0.75%	0.46%	0.63%
Total return (c)	2.26%	12.26%	32.85%	14.74%	(4.82)%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2015	2014	2013	2012	2011
Large Cap Growth					
Units	729,946	546,453	560,860	582,641	588,902
Unit value	$18.40-$31.20	$16.66-$28.24	$15.01-$25.45	$11.02-$18.69	$ 9.25-$15.68
Net assets	$ 19,136,357	$ 12,885,643	$ 11,992,051	$ 9,185,156	$ 7,828,779
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.49%	0.64%	0.65%	1.20%	0.55%
Total return (c)	10.48%	10.99%	36.14%	19.17%	(5.27)%
Partner Growth Stock					
Units	163,433	148,014	143,366	146,787	152,637
Unit value	$20.09-$35.28	$18.15-$31.88	$16.73-$29.38	$12.05-$21.16	$10.15-$17.83
Net assets	$ 4,350,692	$ 3,597,926	$ 3,285,850	$ 2,440,590	$ 2,139,860
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.00%	0.00%	0.03%	0.00%	0.00%
Total return (c)	10.65%	8.52%	38.84%	18.66%	(1.48)%
Large Cap Value					
Units	405,069	398,158	392,455	381,758	404,100
Unit value	$14.63-$27.08	$15.17-$28.07	$13.91-$25.75	$10.55-$19.53	$ 8.98-$16.61
Net assets	$ 8,670,321	$ 8,936,846	$ 8,211,422	$ 6,209,875	$ 5,605,008
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.30%	1.23%	1.47%	1.72%	0.02%
Total return (c)	(3.53)%	9.03%	31.82%	17.57%	(3.08)%
Large Cap Stock					
Units	1,185,776	1,176,764	1,185,284	1,044,613	1,096,442
Unit value	$14.34-$18.70	$13.90-$18.14	$13.21-$17.23	$10.19-$13.29	$ 8.87-$11.57
Net assets	$ 20,079,301	$ 19,344,362	$ 18,552,104	$ 12,479,827	$ 11,410,034
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.14%	0.88%	1.08%	1.03%	0.01%
Total return (c)	3.11%	5.29%	29.60%	14.90%	(4.57)%
Large Cap Index					
Units	1,971,440	1,782,731	1,731,139	1,740,141	1,784,491
Unit value	$17.01-$24.35	$16.82-$24.08	$14.85-$21.27	$11.27-$16.13	$ 9.75-$13.96
Net assets	$ 44,927,146	$ 41,428,359	$ 36,073,475	$ 27,680,804	$ 24,577,360
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.35%	1.40%	1.66%	1.68%	1.62%
Total return (c)	1.12%	13.25%	31.81%	15.54%	1.71%
High Yield					
Units	193,973	187,938	179,238	183,786	163,711
Unit value	$16.52-$29.46	$16.98-$30.28	$16.65-$29.70	$15.57-$27.78	$13.39-$23.88
Net assets	$ 4,204,674	$ 4,259,353	$ 4,088,923	$ 4,023,380	$ 3,078,547
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	5.73%	5.89%	6.29%	7.08%	7.76%
Total return (c)	(2.69)%	1.96%	6.91%	16.31%	4.70%

(6) FINANCIAL HIGHLIGHTS - continued

Subaccount	2015	2014	2013	2012	2011
Income					
Units	195,213	203,304	198,475	204,422	185,919
Unit value	$14.99-$19.64	$15.09-$19.77	$14.15-$18.53	$14.16-$18.55	$12.75-$16.71
Net assets	$ 3,493,618	$ 3,676,208	$ 3,372,693	$ 3,482,488	$ 2,851,116
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	3.67%	3.76%	3.77%	3.81%	4.42%
Total return (c)	(0.68)%	6.68%	(0.07)%	10.99%	5.94%
Bond Index					
Units	271,746	252,223	248,650	256,761	253,779
Unit value	$13.88-$23.48	$13.77-$23.30	$12.93-$21.87	$13.25-$22.42	$12.63-$21.36
Net assets	$ 5,128,864	$ 4,856,630	$ 4,513,874	$ 4,795,760	$ 4,531,287
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.78%	2.22%	1.95%	2.02%	2.82%
Total return (c)	0.80%	6.52%	(2.47)%	4.95%	8.21%
Limited Maturity Bond					
Units	288,562	302,774	296,453	295,960	266,662
Unit value	$12.20-$14.52	$12.11-$14.41	$11.91-$14.18	$11.86-$14.11	$11.37-$13.53
Net assets	$ 3,995,919	$ 4,147,452	$ 4,021,635	$ 3,986,454	$ 3,446,879
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	1.67%	1.71%	1.52%	1.65%	2.20%
Total return (c)	0.73%	1.68%	0.45%	4.32%	0.90%
Money Market					
Units	2,727,472	2,333,391	2,672,808	2,565,287	2,382,216
Unit value	$ 1.02-$1.19	$ 1.02-$1.19	$ 1.02-$1.19	$ 1.02-$1.19	$ 1.02-$1.19
Net assets	$ 3,124,866	$ 2,704,352	$ 3,134,213	$ 3,015,187	$ 2,802,168
Ratio of expenses to net assets (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income ratio (b)	0.00%	0.00%	0.00%	0.00%	0.00%
Total return (c)	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

(c) These amounts represent the total return for periods indicated, including changes in the value of the underlying fund, and expenses assessed through the reduction of unit values. Investment options with a date notation in Note 1 indicate the effective date of the investment option in the Variable Account.

(7) UNIT FAIR VALUE

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

Year Ended December 31, 2015	Units	Unit Value	Assets in Accumulation Period
Thrivent Flexible Premium Variable Life Insurance – 2008			
Aggressive Allocation	2,128,570	$14.64	$ 31,156,505
Moderately Aggressive Allocation	3,951,327	$14.47	57,195,166
Moderate Allocation	1,547,099	$14.31	22,141,241
Moderately Conservative Allocation	110,934	$13.80	1,531,059
Growth and Income Plus	14,357	$12.96	186,024
Balanced Income Plus	17,693	$15.40	272,475
Diversified Income Plus	45,266	$16.05	726,400
Opportunity Income Plus	43,548	$13.53	589,229
Partner Healthcare	71,061	$24.37	1,731,601
Partner Emerging Markets Equity	63,897	$11.03	704,742
Real Estate Securities	55,562	$16.82	934,574
Small Cap Stock	84,700	$14.61	1,237,491
Small Cap Index	139,809	$19.13	2,675,007
Mid Cap Stock	119,413	$18.03	2,153,070
Mid Cap Index	192,609	$18.16	3,497,889
Partner Worldwide Allocation	164,125	$10.36	1,700,477
Partner All Cap	27,578	$15.42	425,169
Large Cap Growth	57,962	$18.40	1,066,692
Partner Growth Stock	44,692	$20.09	897,804
Large Cap Value	78,094	$14.63	1,142,550
Large Cap Stock	65,435	$14.34	938,172
Large Cap Index	356,565	$17.01	6,064,786
High Yield	51,740	$16.52	854,770
Income	15,308	$14.99	229,466
Bond Index	35,596	$13.88	494,111
Limited Maturity Bond	16,847	$12.20	205,550
Money Market	661,429	$ 1.02	675,409
			$141,427,429

(7) UNIT FAIR VALUE - continued

Year Ended December 31, 2015	Units	Unit Value	Assets in Accumulation Period
Thrivent Flexible Premium Variable Life Insurance – 2003			
Aggressive Allocation	2,748,527	$19.84	$ 54,519,552
Moderately Aggressive Allocation	4,986,533	$19.09	95,198,649
Moderate Allocation	2,052,599	$18.29	37,548,171
Moderately Conservative Allocation	373,827	$16.89	6,315,526
Growth and Income Plus	18,818	$12.96	243,821
Balanced Income Plus	111,420	$19.70	2,194,613
Diversified Income Plus	111,926	$20.35	2,277,559
Opportunity Income Plus	36,884	$15.89	586,016
Partner Healthcare	47,330	$24.37	1,153,338
Partner Emerging Markets Equity	45,996	$11.03	507,308
Real Estate Securities	103,108	$31.03	3,199,818
Small Cap Stock	348,991	$21.18	7,391,827
Small Cap Index	124,714	$27.52	3,431,574
Mid Cap Stock	372,928	$27.52	10,262,363
Mid Cap Index	143,365	$27.38	3,925,386
Partner Worldwide Allocation	750,967	$10.36	7,780,669
Partner All Cap	65,111	$26.56	1,729,616
Large Cap Growth	436,976	$24.57	10,736,726
Partner Growth Stock	91,395	$27.22	2,488,193
Large Cap Value	236,969	$21.48	5,090,199
Large Cap Stock	429,062	$18.70	8,025,220
Large Cap Index	274,321	$22.67	6,219,010
High Yield	109,200	$21.76	2,376,607
Income	132,566	$17.61	2,334,404
Bond Index	127,015	$16.31	2,072,078
Limited Maturity Bond	197,439	$13.74	2,711,941
Money Market	1,540,210	$ 1.18	1,823,577
			$282,143,761

(7) UNIT FAIR VALUE - continued

Year Ended December 31, 2015	Units	Unit Value	Assets in Accumulation Period
AAL Variable Universal Life – 1997			
Aggressive Allocation	572,726	$19.84	$ 11,360,858
Moderately Aggressive Allocation	1,170,278	$19.09	22,342,325
Moderate Allocation	712,973	$18.29	13,042,503
Moderately Conservative Allocation	105,733	$16.89	1,786,350
Growth and Income Plus	4,701	$12.96	60,915
Balanced Income Plus	308,890	$24.39	7,534,847
Diversified Income Plus	109,374	$23.34	2,553,101
Opportunity Income Plus	16,432	$16.18	265,899
Partner Healthcare	19,607	$24.37	477,769
Partner Emerging Markets Equity	21,349	$11.03	235,467
Real Estate Securities	28,484	$40.35	1,149,182
Small Cap Stock	255,235	$25.84	6,596,118
Small Cap Index	452,184	$38.97	17,617,670
Mid Cap Stock	297,892	$27.76	8,270,296
Mid Cap Index	105,142	$32.19	3,384,855
Partner Worldwide Allocation	681,579	$10.36	7,061,705
Partner All Cap	23,395	$32.43	758,659
Large Cap Growth	235,008	$31.20	7,332,939
Partner Growth Stock	27,346	$35.28	964,695
Large Cap Value	90,006	$27.08	2,437,572
Large Cap Stock	691,279	$16.08	11,115,909
Large Cap Index	1,340,554	$24.35	32,643,350
High Yield	33,033	$29.46	973,297
Income	47,339	$19.64	929,748
Bond Index	109,135	$23.48	2,562,675
Limited Maturity Bond	74,276	$14.52	1,078,428
Money Market	525,833	$ 1.19	625,880
			$165,163,012

(8) 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

(8) SUBACCOUNT MERGERS - continued

	The Target Portfolio		The Acquiring Portfolio
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:

Merger 1 and 2	Net Assets as of August 21, 2015	Shares as of August 21, 2015
Acquiring Portfolio	$ 9,152,167	555,374
Target Portfolio (Merger 1)	$ 2,720,466	172,873
Target Portfolio (Merger 2)	$ 4,395,394	198,300
After Acquisition	$16,268,027	926,547

Merger 3 and 4	Net Assets as of August 21, 2015	Shares as of August 21, 2015
Acquiring Portfolio	$ 9,579,196	580,265
Target Portfolio (Merger 3)	$ 9,631,848	429,527
Target Portfolio (Merger 4)	$ 1,328,182	96,926
After Acquisition	$20,539,226	1,106,718

Merger 5	Net Assets as of August 21, 2015	Shares as of August 21, 2015
Acquiring Portfolio	$19,005,189	1,647,054
Target Portfolio	$ 886,829	173,341
After Acquisition	$19,892,018	1,820,395

Merger 6	Net Assets as of August 21, 2015	Shares as of August 21, 2015
Acquiring Portfolio	$13,325,960	448,658
Target Portfolio	$ 5,074,155	490,878
After Acquisition	$18,400,115	939,536

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

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Partner Small Cap Growth	$ (633,424)	$ -	$ 785,767
Thrivent Partner Small Cap Value	$(1,591,797)	$180,471	$1,252,678
Thrivent Mid Cap Growth	$(2,998,666)	$ 29,860	$3,052,614
Thrivent Partner Mid Cap Value	$ (286,513)	$ 13,255	$ 186,955
Thrivent Natural Resources	$ 224,564	$ 8,394	$ (432,161)
Thrivent Partner Technology	$(2,451,257)	$ -	$2,475,616

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:

(8) SUBACCOUNT MERGERS - continued

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Small Cap Stock	$(4,195,513)	$221,067	$3,425,199
Thrivent Mid Cap Stock	$(4,236,964)	$101,055	$4,552,747
Thrivent Large Cap Stock	$(1,199,547)	$234,431	$1,401,306
Thrivent Large Cap Growth	$(1,289,072)	$ 75,911	$2,987,872

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:

Portfolio	Unrealized Appreciation (Depreciation)	Net Investment Income (loss)	Accumulated Net Realized Gain (Loss)
Thrivent Small Cap Stock	$ (288,374)	$ 28,897	$ 863,543
Thrivent Mid Cap Stock	$ 195,705	$ 56,908	$1,829,485
Thrivent Large Cap Stock	$ 303,159	$172,372	$ 311,813
Thrivent Large Cap Growth	$1,163,597	$ 78,425	$ 510,171