

ANNUAL REPORT

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2020



FRANKLIN
TEMPLETON

Franklin Templeton Variable Insurance Products Trust Annual Report

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*Not part of the annual report. Retain for your records

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment return will fluctuate with market conditions, and you may have a gain or loss when you withdraw your money. Inception dates of the funds may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity, indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

Templeton Foreign VIP Fund

This annual report for Templeton Foreign VIP Fund covers the fiscal year ended December 31, 2020.

Class 2 Performance Summary as of December 31, 2020

Average annual total return of Class 2 shares* represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

Share Class	Average Annual Total Return
2	
1-Year	-1.16%
5-Year	+3.30%
10-Year	+2.42%

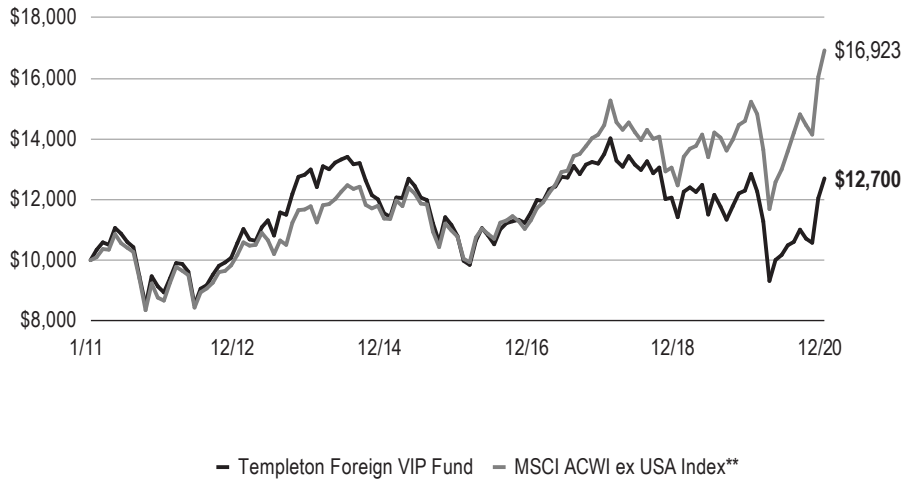
*The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/21. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

*Performance reflects the Fund's Class 2 operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.

Total Return Index Comparison for a Hypothetical \$10,000 Investment (1/1/11–12/31/20)

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance* is compared to the performance of the MSCI All Country World Index (ACWI) ex USA Index. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



**Source: Morningstar. Please see Index Descriptions following the Fund Summaries.

Templeton Foreign VIP Fund

Fund Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of issuers located outside the U.S., including those in emerging markets.

Fund Risks

All investments involve risks, including possible loss of principal. Unexpected events and their aftermaths, such as the spread of deadly diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in developing markets involve heightened risks related to the same factors. Currency rates may fluctuate significantly over short periods of time, and can reduce returns. Because the Fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Current political uncertainty concerning the economic consequences of the departure of the U.K. from the European Union may increase market volatility. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as enable gains) on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

Performance Overview

You can find the Fund's one-year total return in the Performance Summary. For comparison, the Fund's benchmark, the MSCI All Country World Index (ACWI) ex USA Index, posted a +11.13% total return for the period under review.¹

1. Source: Morningstar. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Please see Index Descriptions following the Fund Summaries.

2. Source: U.S. Bureau of Labor Statistics.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI).

Geographic Composition

12/31/20

	% of Total Net Assets
Asia	47.4%
Europe	39.5%
Latin America & Caribbean	1.7%
North America	1.3%
Short-Term Investments & Other Net Assets	10.1%

Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI ACWI (USD), posted a +16.82% total return for the 12 months ended December 31, 2020.¹ Stocks fell sharply in early 2020 as many investors sold equities amid fears of a global economic slowdown due to the novel coronavirus (COVID-19) pandemic. Global equities began to rebound in late March 2020 amid optimism about easing lockdown restrictions, vaccine and treatment development and economic stimulus measures. Despite declines in September and October due to geopolitical tensions and rising infection rates, markets rebounded in November and December, as positive sentiment about successful trials of COVID-19 vaccines, the beginning of vaccination programs in some countries and apparent resolution of political uncertainty supported markets.

In the U.S., pandemic-related restrictions caused stiff economic headwinds, including mass layoffs that drove the unemployment rate to 14.8% in April 2020.² According to the National Bureau of Economic Research, the longest U.S. economic expansion in history ended in February, and the country slipped into a deep recession. Equities began to rebound in the spring amid the government's fiscal and monetary stimulus, declining jobless claims, rising retail sales and optimism about treatments and potential vaccines for COVID-19. Following a record annualized decline in second-quarter gross domestic product (GDP), resilient consumer spending helped drive third-quarter GDP to expand at a record annualized rate, although growth slowed in the fourth quarter. Equities continued to rise during the summer but declined in the fall due to concerns about possible new restrictions amid rising COVID-19 infection rates and uncertainties about additional fiscal stimulus and the U.S. presidential election. Despite signs that the economic recovery was stalling as the unemployment rate remained relatively high (6.7% at period-end) and

consumer spending declined, stocks rallied in November and December, buoyed by the outcome of the U.S. presidential election, the start of COVID-19 vaccination programs and the passage of a new U.S. stimulus bill.²

In an effort to support the economy, the U.S. Federal Reserve (Fed) lowered the federal funds target rate to a range of 0.00%–0.25% in March 2020. The Fed also enacted quantitative easing measures aimed at ensuring credit flows to borrowers and supporting credit markets with open-ended bond purchasing. Furthermore, the Fed signaled that interest rates would potentially remain low, even if inflation moderately exceeded its 2% target.

In the eurozone, the economy contracted again in the fourth quarter of 2020, following quarter-on-quarter expansion in the third quarter and contractions in the first and second quarters. After several months of gains due to easing restrictions and robust stimulus measures, European developed market equities, as measured by the MSCI Europe Index (USD), declined in September and October as rising infection rates heightened investor concerns that the nascent economic revival could stall. Nevertheless, successful vaccine development and a Brexit resolution supported European developed market equities, as measured by the MSCI Europe Index (USD), to post a +5.93% total return for the period.¹

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index (USD), posted a +21.30% total return for the 12 months under review.¹ Although pandemic-related lockdowns derailed economic growth in early 2020, sharp market declines were followed by rebounds as China’s economy, a key driver of the region’s economic activity, recovered from the contraction in the first quarter and expanded during the rest of 2020. Asian stocks rose as the region’s economies reopened, aided by robust stimulus measures and optimism that economic revitalization would be further spurred by COVID-19 vaccines.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index (USD), posted a +18.69% total return for the period, despite steep pandemic-related declines in early 2020, benefiting from improving economic activity, stabilizing oil prices and U.S. dollar weakness.¹ In spite of higher COVID-19 cases in some countries, emerging market stocks rallied near the end of 2020, bolstered by easing political uncertainty, commencement of COVID-19 vaccinations and rising commodity prices.

Top 10 Holdings

12/31/20

Company Industry, Country	% of Total Net Assets
Samsung Electronics Co. Ltd. Technology Hardware, Storage & Peripherals, South Korea	5.2%
Taiwan Semiconductor Manufacturing Co. Ltd. Semiconductors & Semiconductor Equipment, Taiwan	3.8%
Takeda Pharmaceutical Co. Ltd. Pharmaceuticals, Japan	2.9%
NXP Semiconductors NV Semiconductors & Semiconductor Equipment, Netherlands	2.7%
Bayer AG Pharmaceuticals, Germany	2.5%
Hitachi Ltd. Electronic Equipment, Instruments & Components, Japan	2.4%
ArcelorMittal SA Metals & Mining, Luxembourg	2.3%
Sumitomo Metal Mining Co. Ltd. Metals & Mining, Japan	2.3%
AIA Group Ltd. Insurance, Hong Kong	2.3%
Housing Development Finance Corp. Ltd. Thriffs & Mortgage Finance, India	2.2%

Investment Strategy

Our investment philosophy is bottom up, value oriented and long term. When choosing investments for the Fund, we generally focus on the market price of a company’s securities relative to our evaluation of the company’s potential long-term earnings, asset value and cash flow. Our analysis includes an assessment of the potential impacts of material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company. We also consider a company’s price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The Fund may, from time to time, engage in currency-related derivatives to seek to hedge (protect) against currency risks. The Fund may also use a variety of equity-related derivatives for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways.

Manager’s Discussion

During the 12 months under review, significant detractors from the Fund’s performance relative to the MSCI ACWI ex USA Index included stock selection in the health care and financials sectors, as well as an overweighting in the energy sector.

Within health care, German pharmaceuticals and agricultural chemicals firm Bayer was the biggest detractor. The market has remained skeptical about the finality of Bayer's complex US\$12 billion settlement to resolve litigation stemming from its acquisition of Monsanto (not a Fund holding), manufacturer of the controversial weed-killer Roundup. Adding to the negative sentiment, at the end of 2020's third quarter, company management issued a profit warning for 2021.

In the financials sector, our positions in European banks Standard Chartered (U.K.), ING Groep (Netherlands), Bank of Ireland (not held at period-end) and BNP Paribas (France) (not held at period-end) hurt relative performance. Standard Chartered fell in early January 2020, as COVID-19 began to spread across parts of Asia and Europe. The uncertain operating environment brought on by the pandemic, combined with a low interest-rate environment, created a headwind for Standard Chartered operating profits in 2020. In addition, geopolitical tension between the U.S. and China, pertaining to the Hong Kong national security law passed at the end of June and supported by the business community, was a source of investor concern.

In the energy sector, our investment in U.K. integrated oil and gas company BP hampered relative results. BP began 2020 on a positive note by reporting positive fourth quarter results and increasing its dividend. However, the stock price slid during March 2020, due in part to cratering gasoline demand caused by reduced commuter and business travel as the COVID-19 pandemic significantly reduced travel, putting downward pressure on the price of oil. A pricing disagreement between Russia and Saudi Arabia exacerbated the issue. BP responded to the crisis by substantially reducing its capital expenditures, cutting jobs and decreasing its dividend distribution.

Other key relative detractors included our positions in Hong Kong-based industrial conglomerate CK Hutchison Holdings, Hong Kong-based property developer CK Asset Holdings and Hong Kong-based real estate management and development company Swire Pacific.

Conversely, key contributors to the Fund's relative performance included stock selection and overweightings in the information technology (IT) and materials sectors.

Within IT, South Korean semiconductor, electronics and computer peripherals manufacturer Samsung Electronics, integrated circuits and wafer semiconductor devices maker Taiwan Semiconductor Manufacturing, German semiconductor and system solutions provider Infineon Technologies and Netherlands-based semiconductor

solutions provider NXP Semiconductors benefited relative performance. Samsung Electronics' shares overcame the initial supply chain concerns amid the onset of the COVID-19 pandemic and rose amid an improving outlook for the memory chip market and expectations for the company to raise its dividends. New foundry orders from high-profile clients lifted market confidence in its chip-making business. Furthermore, many investors became optimistic about potential market share gains for the company across the semiconductor, smartphone, and 5G network equipment industries amid escalating U.S. restrictions against Chinese technology-related companies.

In the materials sector, Canada-based mining firms Wheaton Precious Metals, which has operations in Brazil, and Alamos Gold; Netherlands-based steelmaking and mining company ArcelorMittal; and Japan-based mining company Sumitomo Metal Mining aided relative results. Wheaton Precious Metals and Alamos Gold benefited from higher gold prices amid investor concerns about excess debt, economic turmoil and the potentially inflationary impact of extreme monetary accommodation.

Elsewhere, China-based internet search and online marketing solutions provider Baidu helped relative performance. Baidu's shares recovered from the heightened market volatility in early 2020, as declining costs helped the company post better-than-expected first-quarter 2020 profits. Despite subpar advertising revenues during the summer months, second-quarter 2020 earnings results were positive, due in part to tight cost controls during those three months. As China's advertising market rebounded in the fall, the company's advertising revenues also recovered, turning core business revenues positive. Third-quarter 2020 earnings beat market expectations, and along with news of an acquisition, provided fuel for a share price rally that lasted for the remainder of the 2020.

From a geographic perspective, significant detractors from the Fund's relative performance included stock selection in Asia ex Japan, particularly in Hong Kong and China; stock selection in the eurozone, especially in the Netherlands and Ireland; and stock selection in the U.K. and Japan. Conversely, key contributors to relative results included stock selection and an underweighting in Canada, as well as a lack of exposure to Latin America and the Caribbean.

It is important to recognize the effect of currency movements on the Fund's performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can have a negative effect on Fund performance. Conversely,

when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the 12 months ended December 31, 2020, the U.S. dollar declined in value relative to most currencies. As a result, the Fund's performance was positively affected by the portfolio's investment predominantly in securities with non-U.S. currency exposure. However, one cannot expect the same result in future periods.

Thank you for your participation in Templeton Foreign VIP Fund. We look forward to serving your future investment needs.

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2020, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Class 2 Fund Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.

Share Class	Beginning Account Value 7/1/20	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/20	Fund-Level Expenses Paid During Period 7/1/20–12/31/20 ^{1,2}	Ending Account Value 12/31/20	Fund-Level Expenses Paid During Period 7/1/20–12/31/20 ^{1,2}	
2	\$1,000	\$1,210.60	\$6.13	\$1,019.59	\$5.60	1.10%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

Financial Highlights

Templeton Foreign VIP Fund

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.23	\$13.01	\$15.80	\$13.89	\$13.46
Income from investment operations ^a :					
Net investment income ^b	0.32 ^c	0.44	0.29	0.30	0.33
Net realized and unrealized gains (losses)	(0.54)	1.19	(2.64)	2.03	0.62
Total from investment operations	(0.22)	1.63	(2.35)	2.33	0.95
Less distributions from:					
Net investment income	(0.44)	(0.27)	(0.44)	(0.42)	(0.29)
Net realized gains	—	(0.14)	—	—	(0.23)
Total distributions	(0.44)	(0.41)	(0.44)	(0.42)	(0.52)
Net asset value, end of year	\$13.57	\$14.23	\$13.01	\$15.80	\$13.89
Total return ^d	(0.92)%	12.84%	(15.27)%	17.02%	7.49%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.86%	0.85%	0.83%	0.82%	0.80%
Expenses net of waiver and payments by affiliates	0.84%	0.83%	0.81%	0.81% ^e	0.78%
Net investment income	2.68% ^c	3.25%	1.96%	1.99%	2.38%
Supplemental data					
Net assets, end of year (000's)	\$113,317	\$121,948	\$114,784	\$152,684	\$133,218
Portfolio turnover rate	40.07%	28.52%	21.38%	26.81%	20.93%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.14 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.54%.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Templeton Foreign VIP Fund (continued)

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$13.93	\$12.74	\$15.47	\$13.61	\$13.20
Income from investment operations ^a :					
Net investment income ^b	0.28 ^c	0.40	0.25	0.26	0.28
Net realized and unrealized gains (losses)	(0.53)	1.16	(2.58)	1.98	0.62
Total from investment operations	(0.25)	1.56	(2.33)	2.24	0.90
Less distributions from:					
Net investment income	(0.40)	(0.23)	(0.40)	(0.38)	(0.26)
Net realized gains	—	(0.14)	—	—	(0.23)
Total distributions	(0.40)	(0.37)	(0.40)	(0.38)	(0.49)
Net asset value, end of year	\$13.28	\$13.93	\$12.74	\$15.47	\$13.61
Total return ^d	(1.16)%	12.53%	(15.44)%	16.69%	7.18%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.11%	1.10%	1.08%	1.07%	1.05%
Expenses net of waiver and payments by affiliates	1.09%	1.08%	1.06%	1.06% ^e	1.03%
Net investment income	2.42% ^c	3.00%	1.71%	1.74%	2.13%
Supplemental data					
Net assets, end of year (000's)	\$1,084,789	\$1,117,813	\$1,060,101	\$1,394,475	\$1,436,518
Portfolio turnover rate	40.07%	28.52%	21.38%	26.81%	20.93%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.28%.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Templeton Foreign VIP Fund (continued)

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.20	\$12.96	\$15.71	\$13.71	\$13.29
Income from investment operations ^a :					
Net investment income ^b	0.28 ^c	0.39	0.24	0.23	0.26
Net realized and unrealized gains (losses)	(0.55)	1.20	(2.63)	2.03	0.63
Total from investment operations	(0.27)	1.59	(2.39)	2.26	0.89
Less distributions from:					
Net investment income	(0.39)	(0.21)	(0.36)	(0.26)	(0.24)
Net realized gains	—	(0.14)	—	—	(0.23)
Total distributions	(0.39)	(0.35)	(0.36)	(0.26)	(0.47)
Net asset value, end of year	\$13.54	\$14.20	\$12.96	\$15.71	\$13.71
Total return ^d	(1.34)%	12.49%	(15.54)%	16.62%	7.09%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.21%	1.20%	1.18%	1.17%	1.15%
Expenses net of waiver and payments by affiliates	1.19%	1.18%	1.16%	1.16% ^e	1.13%
Net investment income	2.33% ^c	2.90%	1.61%	1.64%	2.03%
Supplemental data					
Net assets, end of year (000's)	\$106,224	\$113,681	\$125,265	\$159,944	\$484,763
Portfolio turnover rate	40.07%	28.52%	21.38%	26.81%	20.93%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.19%.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, December 31, 2020

Templeton Foreign VIP Fund

	Country	Shares	Value
Common Stocks 89.9%			
Aerospace & Defense 2.2%			
BAE Systems plc	United Kingdom	2,629,361	\$17,535,896
^a Dassault Aviation SA	France	10,152	11,055,208
			28,591,104
Airlines 1.1%			
^a International Consolidated Airlines Group SA	United Kingdom	6,519,183	14,186,772
Auto Components 3.0%			
Cie Generale des Etablissements Michelin SCA	France	155,752	20,054,955
Toyota Industries Corp.	Japan	247,600	19,672,098
			39,727,053
Automobiles 4.1%			
Bayerische Motoren Werke AG	Germany	235,253	20,763,479
Honda Motor Co. Ltd.	Japan	517,600	14,604,756
Isuzu Motors Ltd.	Japan	1,906,500	18,149,188
			53,517,423
Banks 8.4%			
^a ING Groep NV	Netherlands	1,660,582	15,440,466
Kasikornbank PCL	Thailand	1,860,000	7,003,791
KB Financial Group, Inc., ADR	South Korea	596,606	23,625,598
Shinhan Financial Group Co. Ltd.	South Korea	619,076	18,342,111
^a Standard Chartered plc	United Kingdom	4,207,691	26,720,550
Sumitomo Mitsui Financial Group, Inc.	Japan	606,500	18,800,380
			109,932,896
Beverages 1.5%			
Kirin Holdings Co. Ltd.	Japan	836,100	19,742,826
Biotechnology 0.3%			
^a Galapagos NV	Belgium	44,734	4,427,700
Chemicals 1.7%			
^b Covestro AG, 144A, Reg S	Germany	216,793	13,357,910
Tosoh Corp.	Japan	574,100	8,969,835
			22,327,745
Construction & Engineering 1.3%			
Sinopec Engineering Group Co. Ltd., H.	China	11,734,000	5,066,299
Taisei Corp.	Japan	352,700	12,167,634
			17,233,933
Electronic Equipment, Instruments & Components 3.1%			
Hitachi Ltd.	Japan	796,900	31,453,096
^a Landis+Gyr Group AG	Switzerland	120,834	9,492,746
			40,945,842
Energy Equipment & Services 1.4%			
SBM Offshore NV	Netherlands	960,511	18,146,596
Food & Staples Retailing 2.4%			
Matsumotokiyoshi Holdings Co. Ltd.	Japan	387,600	16,532,156
Sundrug Co. Ltd.	Japan	366,100	14,631,888
			31,164,044
Health Care Providers & Services 2.2%			
Fresenius Medical Care AG & Co. KGaA	Germany	265,350	22,127,749

Templeton Foreign VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Health Care Providers & Services (continued)			
Sinopharm Group Co. Ltd., H	China	2,794,800	\$6,779,697
			28,907,446
Household Durables 1.9%			
Sony Corp.	Japan	248,300	25,020,716
Industrial Conglomerates 2.6%			
CK Hutchison Holdings Ltd.	United Kingdom	3,873,500	27,044,137
Siemens AG	Germany	46,925	6,759,658
			33,803,795
Insurance 2.3%			
AIA Group Ltd.	Hong Kong	2,416,800	29,451,420
Interactive Media & Services 2.0%			
^a Baidu, Inc., ADR	China	122,130	26,409,391
Internet & Direct Marketing Retail 1.2%			
^a Alibaba Group Holding Ltd.	China	516,700	15,027,977
IT Services 0.6%			
Amadeus IT Group SA	Spain	104,548	7,717,763
Machinery 1.4%			
Komatsu Ltd.	Japan	655,000	18,076,879
Media 1.6%			
^a Informa plc	United Kingdom	1,217,196	9,102,085
Nippon Television Holdings, Inc.	Japan	338,900	3,694,637
TBS Holdings, Inc.	Japan	441,700	7,768,482
			20,565,204
Metals & Mining 7.1%			
Alamos Gold, Inc., A	Canada	1,135,752	9,937,830
^a ArcelorMittal SA	Luxembourg	1,334,255	30,515,598
Sumitomo Metal Mining Co. Ltd.	Japan	670,600	29,828,960
Wheaton Precious Metals Corp.	Brazil	544,400	22,750,023
			93,032,411
Multi-Utilities 1.7%			
E.ON SE.	Germany	1,972,849	21,846,728
Oil, Gas & Consumable Fuels 4.7%			
BP plc.	United Kingdom	6,025,868	20,795,241
Equinor ASA	Norway	1,303,205	21,994,164
Galp Energia SGPS SA, B	Portugal	1,139,637	12,076,541
Husky Energy, Inc.	Canada	1,163,600	5,762,660
			60,628,606
Pharmaceuticals 8.4%			
Bayer AG	Germany	552,576	32,554,246
Novartis AG	Switzerland	71,856	6,765,814
Roche Holding AG	Switzerland	54,982	19,150,152
Sanofi.	France	130,382	12,637,533
Takeda Pharmaceutical Co. Ltd.	Japan	1,053,394	38,121,669
			109,229,414
Real Estate Management & Development 3.4%			
CK Asset Holdings Ltd.	Hong Kong	3,560,500	18,218,720
Mitsui Fudosan Co. Ltd.	Japan	811,000	16,981,991

Templeton Foreign VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Real Estate Management & Development (continued)			
Swire Pacific Ltd., A	Hong Kong	1,628,500	\$8,970,442
			44,171,153
Semiconductors & Semiconductor Equipment 8.2%			
Infineon Technologies AG	Germany	590,665	22,557,604
NXP Semiconductors NV	Netherlands	221,300	35,188,913
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	2,587,000	48,927,313
			106,673,830
Technology Hardware, Storage & Peripherals 5.2%			
Samsung Electronics Co. Ltd.	South Korea	909,188	67,791,429
Thriffs & Mortgage Finance 2.2%			
Housing Development Finance Corp. Ltd.	India	822,605	28,825,898
Tobacco 1.8%			
Imperial Brands plc	United Kingdom	1,122,761	23,551,167
Wireless Telecommunication Services 0.9%			
Vodafone Group plc, ADR	United Kingdom	700,303	11,540,994
Total Common Stocks (Cost \$959,821,356)			1,172,216,155
Short Term Investments 9.2%			
	Country	Shares	Value
Money Market Funds 9.2%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 0%	United States	120,292,539	120,292,539
Total Money Market Funds (Cost \$120,292,539)			120,292,539
Total Short Term Investments (Cost \$120,292,539)			120,292,539
Total Investments (Cost \$1,080,113,895) 99.1%			\$1,292,508,694
Other Assets, less Liabilities 0.9%			11,821,511
Net Assets 100.0%			\$1,304,330,205

See Abbreviations on page TF-26.

^a Non-income producing.

^b Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2020, the value of this security was \$13,357,910, representing 1.0% of net assets.

^c See Note 3(e) regarding investments in affiliated management investment companies.

^d The rate shown is the annualized seven-day effective yield at period end.

Statement of Assets and Liabilities

December 31, 2020

	Templeton Foreign VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$959,821,356
Cost - Non-controlled affiliates (Note 3e)	120,292,539
Value - Unaffiliated issuers	\$1,172,216,155
Value - Non-controlled affiliates (Note 3e)	120,292,539
Receivables:	
Investment securities sold	60,245
Capital shares sold	116,182
Dividends	3,984,448
European Union tax reclaims (Note 1d)	13,602,471
Other assets	155
Total assets	<u>1,310,272,195</u>
Liabilities:	
Payables:	
Capital shares redeemed	2,851,915
Management fees	874,668
Distribution fees	260,329
Deferred tax	1,509,784
Accrued contingent fees	90,131
Accrued expenses and other liabilities	355,163
Total liabilities	<u>5,941,990</u>
Net assets, at value	<u>\$1,304,330,205</u>
Net assets consist of:	
Paid-in capital	\$1,202,123,551
Total distributable earnings (losses)	102,206,654
Net assets, at value	<u>\$1,304,330,205</u>
	Templeton Foreign VIP Fund
Class 1:	
Net assets, at value	\$113,316,913
Shares outstanding	8,350,806
Net asset value and maximum offering price per share	<u>\$13.57</u>
Class 2:	
Net assets, at value	\$1,084,789,093
Shares outstanding	81,677,642
Net asset value and maximum offering price per share	<u>\$13.28</u>
Class 4:	
Net assets, at value	\$106,224,199
Shares outstanding	7,842,727
Net asset value and maximum offering price per share	<u>\$13.54</u>

Statement of Operations

for the year ended December 31, 2020

**Templeton
Foreign VIP
Fund**

Investment income:	
Dividends: (net of foreign taxes of \$1,717,098)	
Unaffiliated issuers	\$27,135,753
Non-controlled affiliates (Note 3e)	185,345
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	126,544
Non-controlled affiliates (Note 3e)	15,612
Other income (Note 1d)	13,270,885
Total investment income	<u>40,734,139</u>
Expenses:	
Management fees (Note 3a)	9,395,009
Distribution fees: (Note 3c)	
Class 2	2,397,954
Class 4	340,716
Custodian fees (Note 4)	112,001
Reports to shareholders	283,634
Professional fees	124,651
Trustees' fees and expenses	6,787
Other	97,024
Total expenses	<u>12,757,776</u>
Expenses waived/paid by affiliates (Note 3e)	(271,371)
Net expenses	<u>12,486,405</u>
Net investment income	<u>28,247,734</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(90,535,276)
Foreign currency transactions	(1,214,424)
Net realized gain (loss)	<u>(91,749,700)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	51,886,450
Translation of other assets and liabilities denominated in foreign currencies	711,362
Change in deferred taxes on unrealized appreciation	(1,487,265)
Net change in unrealized appreciation (depreciation)	<u>51,110,547</u>
Net realized and unrealized gain (loss)	<u>(40,639,153)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(12,391,419)</u>

Statements of Changes in Net Assets

	Templeton Foreign VIP Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$28,247,734	\$39,750,754
Net realized gain (loss)	(91,749,700)	(42,940,121)
Net change in unrealized appreciation (depreciation)	51,110,547	161,044,541
Net increase (decrease) in net assets resulting from operations	(12,391,419)	157,855,174
Distributions to shareholders:		
Class 1	(3,651,171)	(3,542,825)
Class 2	(32,735,824)	(29,727,357)
Class 4	(3,189,135)	(2,819,837)
Total distributions to shareholders	(39,576,130)	(36,090,019)
Capital share transactions: (Note 2)		
Class 1	(3,329,454)	(3,622,678)
Class 2	9,474,525	(41,982,881)
Class 4	(3,288,883)	(22,867,835)
Total capital share transactions	2,856,188	(68,473,394)
Net increase (decrease) in net assets	(49,111,361)	53,291,761
Net assets:		
Beginning of year	1,353,441,566	1,300,149,805
End of year	\$1,304,330,205	\$1,353,441,566

Notes to Financial Statements

Templeton Foreign VIP Fund

1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Templeton Foreign VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued

according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At December 31, 2020, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy. See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day

Templeton Foreign VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund, and/or a joint repurchase agreement. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities agent and/or third party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At December 31, 2020, the Fund has no securities on loan.

d. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

Templeton Foreign VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**d. Income and Deferred Taxes** (continued)

As a result of several court cases, in certain countries across the European Union, the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). These additional filings are subject to various administrative proceedings by the local jurisdictions' tax authorities within the European Union, as well as a number of related judicial proceedings. Income recognized, if any, for EU reclaims is reflected as other income in the Statement of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, when EU reclaims are received by the Fund and the Fund previously passed foreign tax credit on to its shareholders, the Fund will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Fund's shareholders.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2020, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

e. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date.

Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

f. Accounting Estimates

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

g. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

Templeton Foreign VIP Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2020, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	806,359	\$9,224,666	315,303	\$4,277,207
Shares issued in reinvestment of distributions	325,707	3,651,171	273,789	3,542,825
Shares redeemed	(1,349,400)	(16,205,291)	(844,252)	(11,442,710)
Net increase (decrease)	(217,334)	\$(3,329,454)	(255,160)	\$(3,622,678)
Class 2 Shares:				
Shares sold	11,015,042	\$124,442,450	7,564,257	\$99,786,234
Shares issued in reinvestment of distributions	2,981,404	32,735,824	2,342,581	29,727,357
Shares redeemed	(12,535,323)	(147,703,749)	(12,910,655)	(171,496,472)
Net increase (decrease)	1,461,123	\$9,474,525	(3,003,817)	\$(41,982,881)
Class 4 Shares:				
Shares sold	1,219,556	\$13,736,529	784,963	\$10,500,046
Shares issued in reinvestment of distributions	284,490	3,189,135	218,085	2,819,837
Shares redeemed	(1,669,364)	(20,214,547)	(2,661,084)	(36,187,718)
Net increase (decrease)	(165,318)	\$(3,288,883)	(1,658,036)	\$(22,867,835)

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Templeton Investment Counsel, LLC (TIC)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Templeton Foreign VIP Fund (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees**

The Fund pays an investment management fee to TIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.900%	Up to and including \$200 million
0.810%	Over \$200 million, up to and including \$700 million
0.775%	Over \$700 million, up to and including \$1.2 billion
0.750%	Over \$1.2 billion, up to and including \$1.3 billion
0.675%	Over \$1.3 billion, up to and including \$10 billion
0.655%	Over \$10 billion, up to and including \$15 billion
0.635%	Over \$15 billion, up to and including \$20 billion
0.615%	In excess of \$20 billion

For the year ended December 31, 2020, the gross effective investment management fee rate was 0.811% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with TIC, FT Services provides administrative services to the Fund. The fee is paid by TIC based on the Fund's average daily net assets, and is not an additional expense of the Fund.

c. Distribution Fees

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.25% and 0.35% per year of its average daily net assets of Class 2 and Class 4, respectively. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

d. Transfer Agent Fees

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

Templeton Foreign VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2020, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Templeton Foreign VIP Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 0%	\$70,825,763	\$283,203,116	\$(233,736,340)	\$—	\$—	\$120,292,539	120,292,539	\$185,345
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 0%	\$—	\$260,204,128	\$(260,204,128)	\$—	\$—	\$— ^a	—	\$15,612
Total Affiliated Securities	\$70,825,763	\$543,407,244	\$(493,940,468)	\$—	\$—	\$120,292,539		\$200,957

^aAs of December 31, 2020, no longer held by the fund.

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2020, there were no credits earned.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2020, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term	\$13,644,309
Long term	121,820,664
Total capital loss carryforwards	\$135,464,973

Templeton Foreign VIP Fund (continued)**5. Income Taxes** (continued)

The tax character of distributions paid during the years ended December 31, 2020 and 2019, was as follows:

	2020	2019
Distributions paid from:		
Ordinary income	\$39,576,130	\$24,584,858
Long term capital gain	—	11,505,161
	<u>\$39,576,130</u>	<u>\$36,090,019</u>

At December 31, 2020, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	<u>\$1,089,077,125</u>
Unrealized appreciation.	\$316,464,790
Unrealized depreciation.	(113,033,221)
Net unrealized appreciation (depreciation).	<u>\$203,431,569</u>
Distributable earnings:	
Undistributed ordinary income.	<u>\$22,035,070</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales, EU reclaims, corporate actions, passive foreign investment company shares and foreign capital gain taxes.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2020, aggregated \$413,400,119 and \$477,319,270, respectively.

7. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in securities in Europe. In addition, certain foreign securities may not be as liquid as U.S. securities.

8. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

Templeton Foreign VIP Fund (continued)

9. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matured on February 5, 2021. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 5, 2021, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 4, 2022, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2020, the Fund did not use the Global Credit Facility.

10. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

Templeton Foreign VIP Fund (continued)

10. Fair Value Measurements (continued)

A summary of inputs used as of December 31, 2020, in valuing the Fund's investments in financial instruments carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton Foreign VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$—	\$28,591,104	\$—	\$28,591,104
Airlines	—	14,186,772	—	14,186,772
Auto Components	—	39,727,053	—	39,727,053
Automobiles	—	53,517,423	—	53,517,423
Banks	23,625,598	86,307,298	—	109,932,896
Beverages	—	19,742,826	—	19,742,826
Biotechnology	—	4,427,700	—	4,427,700
Chemicals	—	22,327,745	—	22,327,745
Construction & Engineering	—	17,233,933	—	17,233,933
Electronic Equipment, Instruments & Components	—	40,945,842	—	40,945,842
Energy Equipment & Services	—	18,146,596	—	18,146,596
Food & Staples Retailing	—	31,164,044	—	31,164,044
Health Care Providers & Services	—	28,907,446	—	28,907,446
Household Durables	—	25,020,716	—	25,020,716
Industrial Conglomerates	—	33,803,795	—	33,803,795
Insurance	—	29,451,420	—	29,451,420
Interactive Media & Services	26,409,391	—	—	26,409,391
Internet & Direct Marketing Retail	—	15,027,977	—	15,027,977
IT Services	—	7,717,763	—	7,717,763
Machinery	—	18,076,879	—	18,076,879
Media	—	20,565,204	—	20,565,204
Metals & Mining	32,687,853	60,344,558	—	93,032,411
Multi-Utilities	—	21,846,728	—	21,846,728
Oil, Gas & Consumable Fuels	5,762,660	54,865,946	—	60,628,606
Pharmaceuticals	—	109,229,414	—	109,229,414
Real Estate Management & Development	—	44,171,153	—	44,171,153
Semiconductors & Semiconductor Equipment	35,188,913	71,484,917	—	106,673,830
Technology Hardware, Storage & Peripherals	—	67,791,429	—	67,791,429
Thrifts & Mortgage Finance	—	28,825,898	—	28,825,898
Tobacco	—	23,551,167	—	23,551,167
Wireless Telecommunication Services	11,540,994	—	—	11,540,994
Short Term Investments	120,292,539	—	—	120,292,539
Total Investments in Securities	\$255,507,948	\$1,037,000,746	\$—	\$1,292,508,694

11. New Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in the ASU provides optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

Templeton Foreign VIP Fund (continued)

12. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

Abbreviations

Selected Portfolio

ADR American Depositary Receipt

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Templeton Foreign VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton Foreign VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California

February 19, 2021

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax Information (unaudited)

Templeton Foreign VIP Fund

At December 31, 2020, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the 2021 distribution date, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

For Russell Indexes: Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

See www.franklintempletondatasources.com for additional data provider information.

Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months.

Bloomberg Barclays U.S. Aggregate Bond Index measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market with index components for government and corporate, mortgage pass-through and asset-backed securities. All issues included are SEC registered, taxable, dollar denominated and nonconvertible, must have at least one year to final maturity and must be rated investment grade (Baa3/ BBB-/BBB- or higher) using the middle rating of Moody's, Standard & Poor's and Fitch, respectively.

Bloomberg Barclays U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and Standard & Poor's is Ba1/BB+/BB+ or below.

Bloomberg Barclays U.S. Corporate Investment Grade Index is a broad-based benchmark that measures the investment-grade, fixed-rate, taxable corporate bond market.

Bloomberg Barclays U.S. Government Index - Intermediate Index is the intermediate component of the Barclays U.S. Government Index, which includes public obligations of the U.S. Treasury with at least one year to

final maturity and publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

Bloomberg Barclays U.S. High Yield Very Liquid Index is a component of the U.S. Corporate High Yield Index that is designed to track a more liquid component of the U.S. dollar-denominated, high-yield fixed-rate corporate bond market.

Bloomberg Barclays U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity.

FTSE® EPRA®/NAREIT® Developed Index is a free float-adjusted index designed to measure the performance of publicly traded real estate securities in the North American, European and Asian real estate markets.

FTSE World Government Bond Index measures the performance of investment-grade world government bond markets.

J.P. Morgan (JPM) Global Government Bond Index (GGBI) tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally.

Lipper Multi-Sector Income Funds Classification Average is calculated by averaging the total returns of all funds within the Lipper Multi-Sector Income Funds Classification in the Lipper Open-End underlying funds universe. Lipper Multi-Sector Income Funds are defined as funds that seek current income by allocation of assets among different fixed income securities sectors (not primarily in one sector except for defensive purposes), including U.S. and foreign governments, with a significant portion rated below investment grade. For the 12-month period ended 12/31/20, there were 351 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

Lipper VIP General U.S. Government Funds Classification Average is an equally weighted average calculation of performance figures for all funds within the Lipper General U.S. Government Funds classification in the Lipper VIP underlying funds universe. Lipper General U.S. Government Funds invest primarily in U.S. government and agency issues. For the 12-month period ended 12/31/20,

there were 24 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

MSCI All Country Asia Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in developed and emerging markets in Asia.

MSCI All Country World Index (ACWI) is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed and emerging markets.

MSCI All Country World Index (ACWI) ex USA Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed and emerging markets, excluding the U.S.

MSCI Europe Index is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed markets in Europe.

MSCI Europe, Australasia, Far East (EAFE) Index is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

MSCI Emerging Markets (EM) Index (and MSCI Emerging Markets (EM) Index-NR) is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global emerging markets.

MSCI USA High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks. The index is designed to reflect the performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

MSCI World ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed markets, excluding the U.S.

MSCI World Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed markets.

MSCI World Value Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure performance of securities exhibiting overall value style characteristics in global developed markets.

Russell 1000® Growth Index is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Index is market capitalization weighted and measures performance of the largest companies in the Russell 3000® Index, which represents the majority of the U.S. market's total capitalization.

Russell 1000® Value Index is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index is market capitalization weighted and measures performance of the 2,000 smallest companies in the Russell 3000® Index, which represent a small amount of the total market capitalization of the Russell 3000® Index.

Russell 2000® Value Index is market capitalization weighted and measures performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth values.

Russell 2500™ Index is market capitalization weighted and measures performance of the smallest companies in the Russell 3000® Index, which represent a modest amount of the Russell 3000® Index's total market capitalization.

Russell 3000® Index is market capitalization weighted and represents the majority of the U.S. market's total capitalization.

Russell 3000® Growth Index is market capitalization weighted and measures performance of those Russell 3000® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Growth Index is market capitalization weighted and measures performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Index is market capitalization weighted and measures performance of the smallest companies in the Russell 1000® Index, which represents a modest amount of the Russell 1000® Index's total market capitalization.

Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	125	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	106	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	125	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-May 2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	125	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).				
J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	125	Boeing Capital Corporation (aircraft financing) (2006-2010).
Principal Occupation During at Least the Past 5 Years: Private investor; and formerly , Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (May 2019-January 1, 2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).				
Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	125	Graham Holdings Company (education and media organization) (2011-present); and formerly , The Southern Company (energy company) (2014-May 2020; previously 2010-2012), Cbeyond, Inc. (business communications provider) (2010-2012).
Principal Occupation During at Least the Past 5 Years: Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and formerly , Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-September 2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2013	136	None
Principal Occupation During at Least the Past 5 Years: Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 39 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and formerly , Chief Executive Officer (2013-2020) and President (1994-2015), Franklin Resources, Inc.				
**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2013 and Trustee since 1988	125	None
Principal Occupation During at Least the Past 5 Years: Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 37 of the investment companies in Franklin Templeton.				
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.				
Breda M. Beckerle (1958) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since October 2020	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Advisory Services, LLC, Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 41 of the investment companies in Franklin Templeton; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Robert G. Kubilis (1973) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since December 2020	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Treasurer, U.S. Fund Administration & Reporting and officer of 39 of the investment companies in Franklin Templeton.

Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 41 of the investment companies in Franklin Templeton.

Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

President and Director, Franklin Advisers, Inc.; and officer of eight of the investment companies in Franklin Templeton (since December 2018).

Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Associate General Counsel and officer of 41 of the investment companies in Franklin Templeton.

Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.

Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since 2019	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 41 of the investment companies in Franklin Templeton.

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007-May 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's

Interested Board Members and Officers (continued)

Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Trust files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

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Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**FRANKLIN
TEMPLETON**

**Annual Report
Franklin Templeton Variable Insurance Products Trust**

Investment Managers

Franklin Advisers, Inc.
Franklin Mutual Advisers,
LLC
Franklin Templeton
Institutional, LLC
Templeton Asset
Management Ltd.
Templeton Global Advisors
Limited
Templeton Investment
Counsel, LLC

Fund Administrator

Franklin Templeton Services, LLC

Distributor

Franklin Templeton
Distributors, Inc.