

ANNUAL REPORT

FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND

A Series of Franklin Templeton Variable Insurance
Products Trust

December 31, 2023



FRANKLIN
TEMPLETON

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your insurance company or your financial intermediary (such as a broker-dealer or bank).

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Franklin U.S. Government Securities VIP Fund

This annual report for Franklin U.S. Government Securities VIP Fund covers the fiscal year ended December 31, 2023.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks income. Using our straightforward investment approach, we seek to produce current income with a high degree of credit safety from a conservatively managed portfolio of U.S. government securities. Analyzing securities using proprietary and nonproprietary research, we seek to identify attractive investment opportunities.

Q. What were the overall market conditions during the Fund's reporting period?

A. Fixed income markets experienced a high-volatility environment as yields changed rapidly in response to an evolving macroeconomic landscape and changing global monetary policies. Geopolitical risk remained an overhang to the market throughout the year as the war in Ukraine continued and a new conflict in the Middle East emerged, putting temporary pressure on global energy prices. Inflation increased through the summer months before the Consumer Price Index (CPI) moderated towards the end of the year. By November, the 12-month change dropped to 3.1%. The U.S. Federal Reserve (Fed) came into the year pursuing their monetary policy tightening policies by increasing the fed funds rate an additional 100 basis points (bps) before pausing at the September and subsequent meetings. As part of the Fed's Summary of Economic Projections released at their December meeting, participants' median projection for the fed funds rate penciled in a total of three potential rate cuts in 2024. Ten-year U.S. Treasury (UST) yields traded in a wide range, peaking at 5.0% in October before falling, ending the year at 3.88%.

Q. How did we respond to these changing market conditions?

A. The increasing, and volatile, rate environment impacted mortgage-backed securities (MBS) issuance, prepayment risk and duration extension. 2023 MBS supply was limited with low mortgage origination as mortgage rates increased to 20-year highs and housing affordability decreased to 40-year lows. Elevated rates also led prepayment risk to be negligible and MBS index duration to be near full extension. While this presented a fundamentally favorable backdrop

for fixed rate MBS, demand technicals were less supportive and market volatility led to significant spread movement for the sector. We found pockets of opportunity to trade tactically in MBS sectors but generally pared allocation in anticipation of expected spread widening as the Fed, the largest demand source, began its balance sheet normalization and their share of the market declined.

Performance Overview

You can find the Fund's one-year total return for all classes in the Performance Summary. In comparison, the Fund's benchmark, the Bloomberg U.S. Government - Intermediate Index, posted a +4.30% total return.¹

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. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

Portfolio Composition

12/31/23

	% of Total Net Assets
Mortgage-Backed Securities	76.0%
U.S. Government and Agency Securities	14.8%
Foreign Government and Agency Securities	1.9%
Corporate Bonds	1.1%
Short-Term Investments & Other Net Assets	6.2%

Q. What were the leading contributors to performance?

A. Our MBS allocation was a leading performance contributor.

Q. What were the leading detractors from performance?

A. Our yield-curve positioning hindered results, led by our short-duration positioning on the 2- and 5- portions of the curve as yields decreased.

Q. Were there any significant changes to the Fund during the reporting period?

A. While we pared allocation, we maintained our largest allocation in agency MBS and remained weighted in Ginnie Mae (GNMA) securities, primarily GNMA II securities (comprising of multiple issuer pools) over conventional MBS.

1. Source: Morningstar. The Bloomberg U.S. Government - Intermediate Index is the intermediate component of the Bloomberg U.S. Government Index, which includes U.S. dollar-denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government-owned or government-sponsored entities, and debt explicitly guaranteed by the U.S. government).

The index is unmanaged and includes reinvestment of any income or distributions. It does 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.

Important data provider notices and terms available at www.franklintempletondatasources.com

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

Thank you for your participation in Franklin U.S. Government Securities 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, 2023, 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, state, 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.

Performance Summary as of December 31, 2023¹

Average annual total return of each share class 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.

Average Annual Total Return	Class 1	Class 2
1-Year	+4.76%	+4.47%
5-Year	+0.47%	+0.22%
10-Year	+0.98%	+0.73%

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual fees may be higher and may impact portfolio returns.

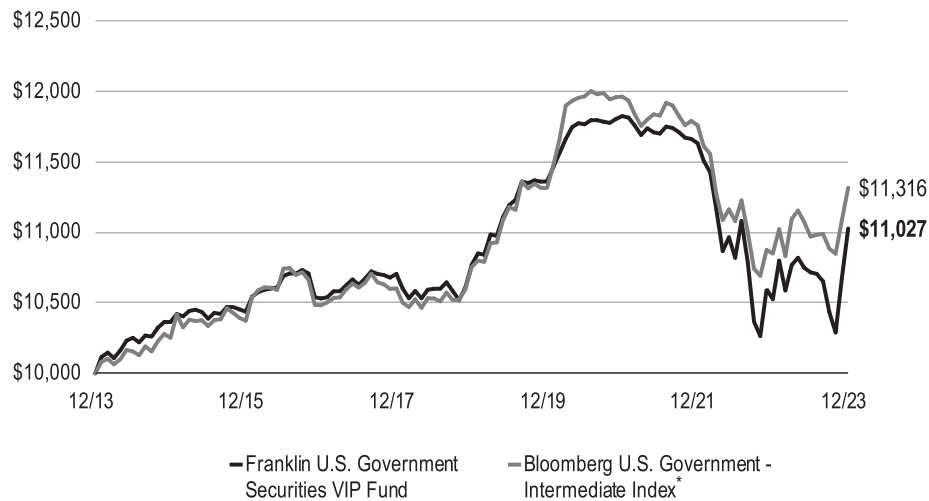
Performance reflects the Fund's class operating expenses, but does not include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and 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. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

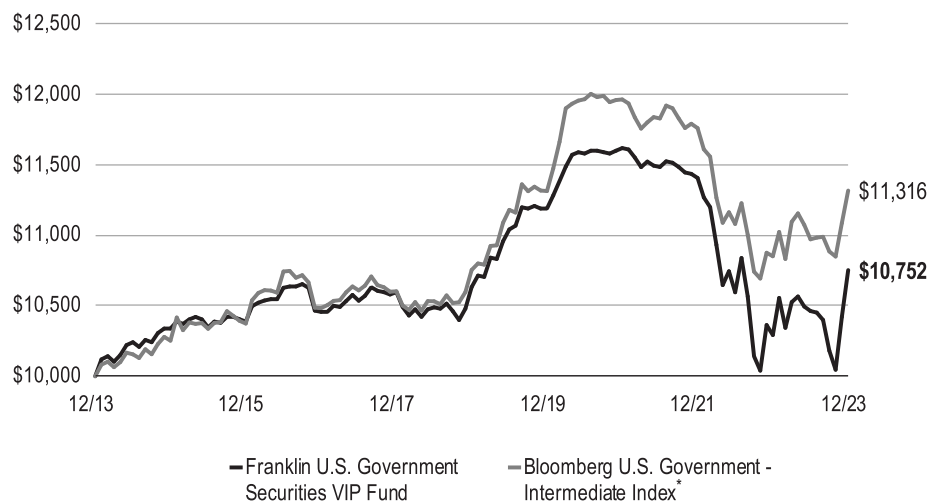
Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/13–12/31/23)¹

The graphs below show the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and include reinvestment of any income or distributions. The Fund's performance is compared to the performance of the Bloomberg U.S. Government - Intermediate Index. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Class 1 (12/31/13–12/31/23)



Class 2 (12/31/13–12/31/23)



*Source: FactSet

Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Asset-backed, mortgage-backed or mortgage-related securities** are subject to prepayment and extension risks. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

Your Fund's 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 Mutual 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 7/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	
1	\$1,000	\$1,029.10	\$2.65	\$1,022.59	\$2.64	0.52%
2	\$1,000	\$1,027.80	\$3.93	\$1,021.33	\$3.92	0.77%

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 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Financial Highlights

Franklin U.S. Government Securities VIP Fund

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.44	\$11.85	\$12.37	\$12.34	\$12.07
Income from investment operations ^a :					
Net investment income ^b	0.28	0.20	0.12	0.22	0.27
Net realized and unrealized gains (losses)	0.21	(1.32)	(0.32)	0.28	0.38
Total from investment operations	0.49	(1.12)	(0.20)	0.50	0.65
Less distributions from:					
Net investment income	(0.31)	(0.29)	(0.32)	(0.47)	(0.38)
Net asset value, end of year	\$10.62	\$10.44	\$11.85	\$12.37	\$12.34
Total return ^c	4.76%	(9.50)%	(1.62)%	4.08%	5.47%
Ratios to average net assets					
Expenses ^d	0.52%	0.49%	0.53%	0.53%	0.51%
Net investment income	2.70%	1.79%	1.03%	1.81%	2.23%
Supplemental data					
Net assets, end of year (000's)	\$35,731	\$37,066	\$45,733	\$52,307	\$54,104
Portfolio turnover rate	16.46%	9.28%	80.81%	56.32%	24.16%

^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.

^cTotal 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.

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

Franklin U.S. Government Securities VIP Fund (continued)

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.19	\$11.57	\$12.08	\$12.05	\$11.79
Income from investment operations ^a :					
Net investment income ^b	0.25	0.16	0.09	0.19	0.24
Net realized and unrealized gains (losses)	0.20	(1.28)	(0.31)	0.27	0.37
Total from investment operations	0.45	(1.12)	(0.22)	0.46	0.61
Less distributions from:					
Net investment income	(0.28)	(0.26)	(0.29)	(0.43)	(0.35)
Net asset value, end of year	\$10.36	\$10.19	\$11.57	\$12.08	\$12.05
Total return ^c	4.47%	(9.75)%	(1.83)%	3.83%	5.23%
Ratios to average net assets					
Expenses ^d	0.77%	0.74%	0.78%	0.78%	0.76%
Net investment income	2.45%	1.53%	0.78%	1.56%	1.98%
Supplemental data					
Net assets, end of year (000's)	\$522,181	\$555,028	\$730,340	\$771,332	\$771,866
Portfolio turnover rate	16.46%	9.28%	80.81%	56.32%	24.16%

^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.

^cTotal 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.

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

Schedule of Investments, December 31, 2023

Franklin U.S. Government Securities VIP Fund

	Country	Principal Amount*	Value
Corporate Bonds 1.1%			
Oil, Gas & Consumable Fuels 1.1%			
Reliance Industries Ltd.,			
Senior Bond, 2.512%, 1/15/26	India	3,281,250	\$3,191,845
Senior Note, 1.87%, 1/15/26	India	1,842,105	1,777,743
Senior Note, 2.06%, 1/15/26	India	1,562,500	1,492,876
			6,462,464
Total Corporate Bonds (Cost \$6,653,260)			6,462,464
Foreign Government and Agency Securities 1.9%			
Israel Government Bond, Senior Bond, 5.5%, 4/26/24	Israel	10,000,000	9,997,005
Petroleos Mexicanos, Senior Bond, 2.378%, 4/15/25	Mexico	493,500	474,025
Total Foreign Government and Agency Securities (Cost \$10,484,354)			10,471,030
U.S. Government and Agency Securities 14.8%			
FHLB, 2.625%, 9/12/25	United States	10,000,000	9,707,699
U.S. International Development Finance Corp. (The), 4.01%, 5/15/30	United States	1,150,000	1,130,521
U.S. Treasury Notes,			
3%, 6/30/24	United States	3,000,000	2,968,665
^a Index Linked, 0.125%, 7/15/24	United States	6,350,000	8,087,341
2.375%, 8/15/24	United States	22,000,000	21,641,435
2.25%, 8/15/27	United States	34,040,000	32,111,953
0.625%, 8/15/30	United States	8,500,000	6,896,289
Total U.S. Government and Agency Securities (Cost \$87,839,469)			82,543,903
Mortgage-Backed Securities 76.0%			
^b Federal Home Loan Mortgage Corp. (FHLMC) Adjustable Rate 0.7%			
FHLMC, 5.13%, (1-year CMT T-Note +/- MBS Margin), 5/01/37	United States	49,350	48,877
FHLMC, 4.498% - 5.535%, (1-year Refinitiv USD IBOR Consumer Cash Fallbacks +/- MBS Margin), 3/01/36 - 4/01/40	United States	3,863,647	3,915,352
			3,964,229
Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 11.1%			
FHLMC Gold Pool, 15 Year, 4.5%, 3/01/25 - 4/01/25	United States	29,332	29,204
FHLMC Gold Pool, 20 Year, 3.5%, 3/01/32	United States	888,623	858,551
FHLMC Gold Pool, 30 Year, 3%, 5/01/43	United States	141,120	129,948
FHLMC Gold Pool, 30 Year, 3.5%, 5/01/43	United States	22,302	21,008
FHLMC Gold Pool, 30 Year, 4%, 9/01/40 - 12/01/41	United States	2,098,659	2,047,848
FHLMC Gold Pool, 30 Year, 4.5%, 5/01/40 - 7/01/41	United States	647,339	647,285
FHLMC Gold Pool, 30 Year, 5%, 9/01/33 - 4/01/40	United States	1,917,437	1,951,679
FHLMC Gold Pool, 30 Year, 5.5%, 7/01/33 - 5/01/38	United States	379,097	391,033
FHLMC Gold Pool, 30 Year, 6%, 7/01/28 - 8/01/35	United States	352,412	366,203
FHLMC Gold Pool, 30 Year, 6.5%, 1/01/24 - 5/01/35	United States	99,211	103,661
FHLMC Gold Pool, 30 Year, 7%, 4/01/24 - 9/01/31	United States	29,218	30,193
FHLMC Gold Pool, 30 Year, 8.5%, 7/01/31	United States	51,240	53,897
FHLMC Pool, 30 Year, 2%, 1/01/51	United States	4,540,162	3,730,320
FHLMC Pool, 30 Year, 4%, 11/01/45	United States	7,551,113	7,282,591
FHLMC Pool, 30 Year, 4.5%, 1/01/49	United States	2,313,344	2,291,966
FHLMC Pool, 30 Year, 4.5%, 10/01/52	United States	14,572,092	14,135,629
FHLMC Pool, 30 Year, 5%, 12/01/52	United States	14,115,926	13,975,746
FHLMC Pool, 30 Year, 5.5%, 1/01/53	United States	13,834,067	13,904,594
			61,951,356
^b Federal National Mortgage Association (FNMA) Adjustable Rate 2.1%			
FNMA, 4.264% - 5.662%, (COFI 11th District +/- MBS Margin), 6/01/25 - 11/01/36	United States	25,853	25,375

Franklin U.S. Government Securities VIP Fund (continued)

	Country	Principal Amount*	Value
Mortgage-Backed Securities (continued)			
^bFederal National Mortgage Association (FNMA) Adjustable Rate (continued)			
FNMA, 5.768%, (1-year Refinitiv USD IBOR Consumer Cash Fallbacks +/- MBS Margin), 9/01/37	United States	3,542,048	\$3,642,588
FNMA, 3.81% - 6.29%, (1-year Refinitiv USD IBOR Consumer Cash Fallbacks +/- MBS Margin), 1/01/32 - 4/01/41	United States	5,216,980	5,286,924
FNMA, 3.52% - 6.723%, (1-year CMT T-Note +/- MBS Margin), 11/01/24 - 12/01/40	United States	2,473,436	2,504,625
FNMA, 5.69% - 7.349%, (12-month average of 1-year CMT +/- MBS Margin), 9/01/35 - 10/01/44	United States	124,535	121,875
FNMA, 4.426% - 7.5%, (6-month Refinitiv USD IBOR Consumer Cash Fallbacks +/- MBS Margin), 12/01/24 - 3/01/37	United States	210,467	210,562
			11,791,949
Federal National Mortgage Association (FNMA) Fixed Rate 20.5%			
FNMA, 2.64%, 7/01/25	United States	2,246,404	2,173,122
FNMA, 2.77%, 4/01/25	United States	3,500,000	3,397,321
FNMA, 3.28%, 7/01/27	United States	4,000,000	3,830,934
FNMA, 5.5%, 4/01/34	United States	374,303	376,051
FNMA, 15 Year, 2%, 9/01/35	United States	2,017,868	1,823,953
FNMA, 15 Year, 3%, 9/01/37	United States	11,495,272	10,843,230
FNMA, 15 Year, 5.5%, 1/01/25	United States	3,425	3,475
FNMA, 30 Year, 2.5%, 8/01/51	United States	8,927,340	7,612,564
FNMA, 30 Year, 2.5%, 9/01/51	United States	19,707,690	16,800,136
FNMA, 30 Year, 2.5%, 11/01/51	United States	4,567,128	3,889,789
FNMA, 30 Year, 2.5%, 12/01/51	United States	6,228,223	5,304,355
FNMA, 30 Year, 2.5%, 2/01/52	United States	8,182,966	6,968,460
FNMA, 30 Year, 3%, 12/01/42	United States	50,991	47,271
FNMA, 30 Year, 3%, 7/01/51	United States	3,935,711	3,493,970
FNMA, 30 Year, 3%, 9/01/51	United States	3,331,240	2,952,530
FNMA, 30 Year, 3.5%, 7/01/45	United States	8,730,679	8,180,279
FNMA, 30 Year, 4%, 1/01/41 - 8/01/41	United States	2,119,178	2,065,080
FNMA, 30 Year, 4%, 9/01/52	United States	14,766,593	13,972,921
FNMA, 30 Year, 4.5%, 8/01/40 - 6/01/41	United States	1,909,949	1,904,575
FNMA, 30 Year, 5%, 3/01/34 - 7/01/41	United States	1,261,585	1,281,313
FNMA, 30 Year, 5.5%, 12/01/32 - 8/01/35	United States	823,064	847,498
FNMA, 30 Year, 6%, 1/01/24 - 8/01/38	United States	619,144	642,421
FNMA, 30 Year, 6%, 8/01/53	United States	11,598,813	11,779,732
FNMA, 30 Year, 6.5%, 1/01/24 - 9/01/36	United States	85,357	89,747
FNMA, 30 Year, 6.5%, 8/01/53	United States	3,867,012	3,964,103
FNMA, 30 Year, 7.5%, 8/01/25	United States	429	429
FNMA, 30 Year, 8%, 7/01/24 - 9/01/24	United States	932	930
FNMA, 30 Year, 9%, 10/01/26	United States	20,251	20,193
			114,266,382
Government National Mortgage Association (GNMA) Fixed Rate 41.6%			
GNMA I, 30 Year, 5%, 9/15/40	United States	6,998,656	7,001,911
GNMA I, 30 Year, 5.5%, 3/15/32 - 2/15/38	United States	209,353	211,621
GNMA I, 30 Year, 6%, 7/15/29 - 11/15/38	United States	167,073	172,226
GNMA I, 30 Year, 6.5%, 12/15/28 - 1/15/33	United States	79,543	81,973
GNMA I, 30 Year, 7%, 12/15/28	United States	3,800	3,881
GNMA I, 30 Year, 7.5%, 12/15/31 - 8/15/33	United States	69,431	72,403
GNMA I, Single-family, 30 Year, 3%, 7/15/42	United States	204,491	186,682
GNMA I, Single-family, 30 Year, 4%, 10/15/40 - 8/15/46	United States	3,097,159	3,004,857
GNMA I, Single-family, 30 Year, 4.5%, 1/15/39 - 6/15/41	United States	4,667,321	4,645,878
GNMA I, Single-family, 30 Year, 5.5%, 1/15/29 - 10/15/39	United States	1,580,972	1,598,809
GNMA I, Single-family, 30 Year, 6%, 3/15/29 - 9/15/38	United States	617,831	634,374
GNMA I, Single-family, 30 Year, 6.5%, 2/15/24 - 5/15/37	United States	308,442	317,220
GNMA I, Single-family, 30 Year, 7%, 12/15/25 - 9/15/31	United States	35,767	36,169

Franklin U.S. Government Securities VIP Fund (continued)

	Country	Principal Amount*	Value
Mortgage-Backed Securities (continued)			
Government National Mortgage Association (GNMA) Fixed Rate (continued)			
GNMA I, Single-family, 30 Year, 7.5%, 11/15/26 - 11/15/27	United States	3,262	\$3,272
GNMA I, Single-family, 30 Year, 8.5%, 9/15/24 - 12/15/24	United States	2,276	2,274
GNMA II, Single-family, 30 Year, 2%, 8/20/51	United States	4,833,284	4,095,544
GNMA II, Single-family, 30 Year, 2%, 12/20/51	United States	10,796,391	9,141,887
GNMA II, Single-family, 30 Year, 2%, 3/20/52	United States	6,830,823	5,782,754
GNMA II, Single-family, 30 Year, 2.5%, 6/20/51	United States	10,684,137	9,349,831
GNMA II, Single-family, 30 Year, 2.5%, 7/20/51	United States	4,521,823	3,958,981
GNMA II, Single-family, 30 Year, 2.5%, 8/20/51	United States	30,304,447	26,514,981
GNMA II, Single-family, 30 Year, 2.5%, 10/20/51	United States	9,957,613	8,712,305
GNMA II, Single-family, 30 Year, 3%, 12/20/42 - 9/20/45	United States	2,939,331	2,706,688
GNMA II, Single-family, 30 Year, 3%, 4/20/46	United States	5,544,042	5,101,993
GNMA II, Single-family, 30 Year, 3%, 7/20/51	United States	15,051,742	13,649,381
GNMA II, Single-family, 30 Year, 3%, 8/20/51	United States	5,825,688	5,287,403
GNMA II, Single-family, 30 Year, 3%, 9/20/51	United States	14,448,692	13,093,017
GNMA II, Single-family, 30 Year, 3%, 10/20/51	United States	15,836,230	14,351,413
GNMA II, Single-family, 30 Year, 3%, 11/20/51	United States	18,480,251	16,746,665
GNMA II, Single-family, 30 Year, 3.5%, 9/20/42	United States	6,071,601	5,766,146
GNMA II, Single-family, 30 Year, 3.5%, 11/20/42	United States	3,686,687	3,502,025
GNMA II, Single-family, 30 Year, 3.5%, 12/20/42	United States	2,888,929	2,744,219
GNMA II, Single-family, 30 Year, 3.5%, 1/20/43	United States	4,936,583	4,689,262
GNMA II, Single-family, 30 Year, 3.5%, 5/20/47	United States	8,936,304	8,425,874
GNMA II, Single-family, 30 Year, 3.5%, 9/20/47	United States	14,905,266	14,042,318
GNMA II, Single-family, 30 Year, 3.5%, 7/20/42 - 10/20/47	United States	11,338,768	10,761,935
GNMA II, Single-family, 30 Year, 3.5%, 11/20/47	United States	4,010,912	3,778,097
GNMA II, Single-family, 30 Year, 4%, 11/20/39 - 2/20/44	United States	6,560,659	6,414,572
GNMA II, Single-family, 30 Year, 4.5%, 10/20/39 - 10/20/44	United States	8,862,631	8,870,186
GNMA II, Single-family, 30 Year, 5%, 9/20/33 - 6/20/44	United States	3,620,139	3,688,473
GNMA II, Single-family, 30 Year, 5.5%, 5/20/34 - 6/20/38	United States	1,518,711	1,577,771
GNMA II, Single-family, 30 Year, 6%, 4/20/28 - 7/20/39	United States	990,670	1,041,455
GNMA II, Single-family, 30 Year, 6.5%, 12/20/27 - 4/20/32	United States	129,348	133,691
GNMA II, Single-family, 30 Year, 7%, 5/20/32	United States	3,139	3,319
GNMA II, Single-family, 30 Year, 7.5%, 10/20/25 - 11/20/26	United States	5,903	5,932
GNMA II, Single-family, 30 Year, 8%, 8/20/26	United States	983	998
			231,912,666
Total Mortgage-Backed Securities (Cost \$470,754,324)			423,886,582
Total Long Term Investments (Cost \$575,731,407)			523,363,979

Franklin U.S. Government Securities VIP Fund (continued)

Short Term Investments 6.0%

	Principal Amount*	Value
Repurchase Agreements 6.0%		
Joint Repurchase Agreement, 5.252%, 1/02/24 (Maturity Value \$33,337,167)		
BNP Paribas Securities Corp. (Maturity Value \$10,871,584)		
Deutsche Bank Securities, Inc. (Maturity Value \$9,420,083)		
HSBC Securities (USA), Inc. (Maturity Value \$13,045,500)		
Collateralized by U.S. Government Agency Securities, 3.5% - 7%, 10/20/27 - 9/20/53; U.S. Government Agency Strips, 2/15/24 - 5/15/48; U.S. Treasury Bonds, 2.88% - 6.88%, 8/15/25 - 8/15/45; U.S. Treasury Notes, 0.13% - 5%, 12/31/23 - 11/30/28 (valued at \$34,000,777)	33,317,725	\$33,317,725
Total Repurchase Agreements (Cost \$33,317,725)		33,317,725
Total Short Term Investments (Cost \$33,317,725)		33,317,725
Total Investments (Cost \$609,049,132) 99.8%		\$556,681,704
Other Assets, less Liabilities 0.2%		1,230,435
Net Assets 100.0%		\$557,912,139

See Abbreviations on page 21.

* The principal amount is stated in U.S. dollars unless otherwise indicated.

^a Principal amount of security is adjusted for inflation. See Note 1(d)

^b Adjustable Rate Mortgage-Backed Security (ARM); the rate shown is the effective rate at period end. ARM rates are not based on a published reference rate and spread, but instead pass-through weighted average interest income inclusive of any caps or floors, if applicable, from the underlying mortgage loans in which the majority of mortgages pay interest based on the index shown at their designated reset dates plus a spread, less the applicable servicing and guaranty fee (MBS margin).

^c See Note 1(b) regarding joint repurchase agreement.

Statement of Assets and Liabilities

December 31, 2023

	Franklin U.S. Government Securities VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$575,731,407
Cost - Unaffiliated repurchase agreements	33,317,725
Value - Unaffiliated issuers	\$523,363,979
Value - Unaffiliated repurchase agreements	33,317,725
Cash	45,000
Receivables:	
Investment securities sold	34,878
Capital shares sold	140,561
Interest	2,137,475
Total assets	559,039,618
Liabilities:	
Payables:	
Capital shares redeemed	646,577
Management fees	232,230
Distribution fees	109,666
Trustees' fees and expenses	822
Pricing fees	58,217
Accrued expenses and other liabilities	79,967
Total liabilities	1,127,479
Net assets, at value	\$557,912,139
Net assets consist of:	
Paid-in capital	\$732,805,542
Total distributable earnings (losses)	(174,893,403)
Net assets, at value	\$557,912,139
	Franklin U.S. Government Securities VIP Fund
Class 1:	
Net assets, at value	\$35,731,264
Shares outstanding	3,366,015
Net asset value and maximum offering price per share	\$10.62
Class 2:	
Net assets, at value	\$522,180,875
Shares outstanding	50,411,999
Net asset value and maximum offering price per share	\$10.36

Statement of Operations

for the year ended December 31, 2023

**Franklin U.S.
Government
Securities VIP
Fund**

Investment income:	
Interest:	
Unaffiliated issuers:	
Paydown gain (loss)	\$(1,644,165)
Paid in cash ^a	20,010,888
Total investment income	18,366,723
Expenses:	
Management fees (Note 3a)	2,817,455
Distribution fees: (Note 3c)	
Class 2	1,335,364
Custodian fees (Note 4)	5,681
Professional fees	57,597
Trustees' fees and expenses	7,297
Other	79,507
Total expenses	4,302,901
Expense reductions (Note 4)	(5,342)
Net expenses	4,297,559
Net investment income	14,069,164
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(10,746,124)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	21,087,536
Net realized and unrealized gain (loss)	10,341,412
Net increase (decrease) in net assets resulting from operations	\$24,410,576

^aIncludes amortization of premium and accretion of discount.

Statements of Changes in Net Assets

	Franklin U.S. Government Securities VIP Fund	
	Year Ended December 31, 2023	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$14,069,164	\$10,329,334
Net realized gain (loss)	(10,746,124)	(4,800,090)
Net change in unrealized appreciation (depreciation)	21,087,536	(76,931,163)
Net increase (decrease) in net assets resulting from operations	24,410,576	(71,401,919)
Distributions to shareholders:		
Class 1	(1,070,091)	(1,054,646)
Class 2	(14,416,285)	(14,822,650)
Total distributions to shareholders	(15,486,376)	(15,877,296)
Capital share transactions: (Note 2)		
Class 1	(1,907,475)	(3,433,184)
Class 2	(41,198,990)	(93,266,111)
Total capital share transactions	(43,106,465)	(96,699,295)
Net increase (decrease) in net assets	(34,182,265)	(183,978,510)
Net assets:		
Beginning of year	592,094,404	776,072,914
End of year	\$557,912,139	\$592,094,404

Notes to Financial Statements

Franklin U.S. Government Securities 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. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin U.S. Government Securities 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. At December 31, 2023, 59.2% of the Fund's shares were held through one insurance company. Investment activities of these insurance company separate accounts could have a material impact on the Fund. The Fund offers two classes of shares: Class 1 and Class 2. 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 Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, 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.

Debt securities generally trade in the over-the-counter (OTC) market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Investments in repurchase agreements are valued at cost, which approximates fair value.

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, 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.

b. Joint Repurchase Agreement

The Fund enters into a joint repurchase agreement whereby its uninvested cash balance is deposited into a joint cash account with other funds managed by the investment manager or an affiliate of the investment manager and is used to invest in one or more repurchase agreements. The value and face amount of the joint repurchase agreement are allocated to the funds based on their pro-rata interest. A repurchase agreement is accounted for as a loan by the Fund to the seller, collateralized by securities which are delivered to the Fund's custodian. The fair value, including accrued interest, of the initial collateralization is required to be at least 102% of the dollar amount invested by the funds,

Franklin U.S. Government Securities VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

b. Joint Repurchase Agreement (continued)

with the value of the underlying securities marked to market daily to maintain coverage of at least 100%. Repurchase agreements are subject to the terms of Master Repurchase Agreements (MRAs) with approved counterparties (sellers). The MRAs contain various provisions, including but not limited to events of default and maintenance of collateral for repurchase agreements. In the event of default by either the seller or the Fund, certain MRAs may permit the non-defaulting party to net and close-out all transactions, if any, traded under such agreements. The Fund may sell securities it holds as collateral and apply the proceeds towards the repurchase price and any other amounts owed by the seller to the Fund in the event of default by the seller. This could involve costs or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Fund at year end, as indicated in the Schedule of Investments, had been entered into on December 29, 2023.

c. 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 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, 2023, 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.

d. 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. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded separately in the Statement of Operations. 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.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income in the Statement of Operations.

e. 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.

Franklin U.S. Government Securities VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**f. 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.

2. Shares of Beneficial Interest

At December 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	242,574	\$2,555,002	164,976	\$1,786,020
Shares issued in reinvestment of distributions	103,291	1,070,091	99,589	1,054,646
Shares redeemed	(530,590)	(5,532,568)	(573,562)	(6,273,850)
Net increase (decrease)	(184,725)	\$(1,907,475)	(308,997)	\$(3,433,184)
Class 2 Shares:				
Shares sold	2,785,580	\$28,509,210	3,142,689	\$33,698,167
Shares issued in reinvestment of distributions	1,423,128	14,416,285	1,432,140	14,822,650
Shares redeemed	(8,271,052)	(84,124,485)	(13,250,178)	(141,786,928)
Net increase (decrease)	(4,062,344)	\$(41,198,990)	(8,675,349)	\$(93,266,111)

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
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Franklin U.S. Government Securities VIP Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

For the year ended December 31, 2023, the gross effective investment management fee rate was 0.494% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers 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 a distribution plan for Class 2 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plan, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rate, 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.

4. Expense Offset Arrangement

The Fund has previously 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, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

Franklin U.S. Government Securities VIP Fund (continued)

5. Income Taxes

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

At December 31, 2023, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term	\$49,151,965
Long term	87,629,113
Total capital loss carryforwards	<u>\$136,781,078</u>

The tax character of distributions paid during the years ended December 31, 2023 and 2022, was as follows:

	2023	2022
Distributions paid from:		
Ordinary income	<u>\$15,486,376</u>	<u>\$15,877,296</u>

At December 31, 2023, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	<u>\$610,155,489</u>
Unrealized appreciation	\$260,362
Unrealized depreciation	(53,734,147)
Net unrealized appreciation (depreciation)	<u>\$(53,473,785)</u>
Distributable earnings:	
Undistributed ordinary income	<u>\$15,361,460</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of paydown losses, bond discounts and premiums.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2023, aggregated \$88,476,817 and \$150,664,606, respectively.

7. 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 \$2.675 billion (Global Credit Facility) which matured on February 2, 2024. 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 2, 2024, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 31, 2025, 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,

Franklin U.S. Government Securities VIP Fund (continued)

7. Credit Facility (continued)

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, 2023, the Fund did not use the Global Credit Facility.

8. 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.

At December 31, 2023, all of the Fund's investments in financial instruments carried at fair value were valued using Level 2 inputs.

9. 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

Currency

USD	United States Dollar
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Selected Portfolio

CMT	Constant Monthly U.S. Treasury Securities Yield Curve Rate Index
COFI	Cost of Funds Index
FHLB	Federal Home Loan Banks
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Association
GNMA	Government National Mortgage Association
IBOR	Interbank Offered Rate
MBS	Mortgage-Backed Security
T-Note	Treasury Note

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin U.S. Government Securities VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin U.S. Government Securities VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (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, 2023, 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, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 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, 2023 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
February 20, 2024

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

Tax Information (unaudited)

Franklin U.S. Government Securities VIP Fund

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Fund is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Fund hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2023:

	Pursuant to:	Amount Reported
Interest Earned from Federal Obligations	Note (1)	\$2,036,824

Note (1) - The Law varies in each state as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income tax. Shareholders are advised to consult with their tax advisors to determine if any portion of the dividends received is exempt from state income taxes.

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/Legg Mason 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 ¹	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	118	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	118	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	118	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) (2007-2020).
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 ¹	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	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Holdings USA (holding company) (2019-present); and formerly , Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023); Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), 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	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

Counselor and Special Advisor to the CEO and Board of Directors of The Coca-Cola Company (beverage company) (2021-present); 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 (2019-2020); 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	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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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) (2017-2020); 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).

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 ¹	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	109	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016) and various roles of increasing responsibility at Ernst & Young (1981-2005).

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 ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2013	128	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 certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

Rupert H. Johnson, Jr.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	None
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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 certain funds in the Franklin Templeton/Legg Mason fund complex.

Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Franklin Templeton Fund Adviser, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006-2020); Managing Director of Compliance of Legg Mason & Co. (2005-2020).

Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, Franklin Distributors; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

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 ¹	Other Directorships Held During at Least the Past 5 Years
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
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
Principal Occupation During at Least the Past 5 Years: President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and since June 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Jeffrey W. White (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Financial Officer, Chief Accounting Officer & Treasurer and officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly , Director and Assistant Treasurer within Franklin Templeton Global Fund Tax and Fund Administration and Financial Reporting (2017-2023).				

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.

1. Information is for the calendar year ended December 31, 2023, unless otherwise noted. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

2. 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.

3. 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 a major shareholder of Resources, which is the parent company of the Fund's investment manager and distributor.

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 to 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's 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 Schedule of Investments

The Trust files a complete schedule 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.

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.



Annual Report
Franklin U.S. Government Securities VIP Fund

Investment Manager
Franklin Advisers, Inc.

Fund Administrator
Franklin Templeton Services, LLC

Distributor
Franklin
Distributors, LLC