

VIP SAI-3 12/14

**SUPPLEMENT DATED DECEMBER 15, 2014  
TO THE STATEMENT OF ADDITIONAL INFORMATION  
DATED MAY 1, 2014  
OF  
FRANKLIN STRATEGIC INCOME VIP FUND  
(a series of Franklin Templeton Variable Insurance Products Trust)**

The statement of additional information is amended as follows:

I. The following is added to the “Glossary of Investments, Techniques, Strategies and Their Risks – Derivative instruments – Swaps” section:

*Fixed income total return swaps.* Generally, a total return swap is an agreement between two parties, pursuant to which one pays (and the other receives) an amount equal to the total return (including, typically, income and capital gains distributions, principal prepayment or credit losses) of an underlying reference asset (e.g., a note, bond or securities index) in exchange for a regular payment, at a floating rate based on LIBOR, or alternatively at a fixed rate or the total rate of return on another financial instrument. A Fund may take either position in a total return swap (i.e., the Fund may receive or pay the total return on the underlying reference asset). A fixed income total return swap may be written on many different kinds of underlying reference assets, and may include different indices for various kinds of debt securities (e.g., U.S. investment grade bonds, high yield bonds or emerging market bonds). A fixed income total return swap is similar to other swaps, such as interest rate swaps where payment streams are exchanged between a fund and the counterparty.

*Please keep this supplement with your statement of additional information for future reference.*

