

MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC

Form N-Q

March 27, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-07111

Morgan Stanley Insured California Municipal Securities
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York 10036
(Address of principal executive offices) (Zip code)

Ronald E. Robison
522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2008

Date of reporting period: January 31, 2008

ITEM 1. SCHEDULE OF INVESTMENTS.

The Trust's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SECURITIES
PORTFOLIO OF INVESTMENTS JANUARY 31, 2008 (UNAUDITED)

PRINCIPAL AMOUNT IN THOUSANDS -----		COUPON RATE -----	MATUR DAT -----
	TAX-EXEMPT MUNICIPAL BONDS (96.5%)		
	CALIFORNIA (94.5%)		
\$2,000	Anaheim Public Financing Authority, Distribution Electric Ser 2007-A (MBIA Insd)	4.50%	10/01
1,000	Anaheim Public Financing Authority, Generation Refg Electric Ser 2002-B (FSA Insd)	5.25	10/01
2,000	California Department of Veterans Affairs, Home Purchase 2002 Ser A (AMBAC Insd)	5.35	12/01
1,500	California Department of Water Resources, Central Valley Ser Y (FGIC)	5.25	12/01
2,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit First Lien Ser 2003 A (FGIC Insd) (ETM)	5.00	07/01
1,000	California, Ser 2007 (MBIA)	4.25	08/01

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1,000	California State University, Ser 2005 A (AMBAC Insd)	5.00	11/01
505	California, Various Purpose Dtd 03/01/94 (FSA Insd)	5.50	03/01
400	California Veterans Ser BH (AMT) (FSA Insd)	5.40	12/01
1,000	Capistrano Unified School District, Community Facilities District #98-2 Ladera Ser 2005 (FGIC Insd)	5.00	09/01
2,000	East Bay Municipal Utility District Water Ser 2001 (MBIA Insd)	5.00	06/01
3,025	Fairfield Calif Ctfs Partn-Zero Coupon	0.00	04/01
1,000	Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Ser 2005 A (FGIC Insd)	5.00	06/01
1,280	Huntington Beach Union High School District Ser 2004 (FSA Insd)	5.00	08/01
1,110	Kern County Board of Education Refg 2006 Ser A COPs (MBIA Insd)	5.00	06/01
	La Quinta Financing Authority, Local Agency 2004 Ser A (AMBAC Insd)	5.25	09/01
1,030	Los Angeles, Ser 2004 A (MBIA Insd)	5.00	09/01
1,000	Los Angeles County Metropolitan Transportation Authority Sales Tax Ser 2000 A (FGIC Insd)	4.50	07/01
1,000	Los Angeles Department of Water & Power, 2001 Ser A (FSA Insd)	5.25	07/01
800	Los Angeles Municipal Improvement Corporation, Police Headquarters Ser 2006 - A (FGIC Insd)	4.75	01/01
1,000	Los Angeles Wastewater Refg Ser 2003 B (FSA Insd)	5.00	06/01
1,000	Metropolitan Water District of Southern California, 2003 Ser B-2 (FGIC Insd)	5.00	10/01
1,000	Oxnard Financing Authority, Wastewater 2004 Ser A (FGIC Insd)	5.00	06/01
1,000	Rancho Mirage Redevelopment Agency, Ser 2003 A (MBIA Insd)	5.00	04/01
1,235	Rocklin California Uni School District Community	0.00	09/01
1,255	Rocklin California Uni School District Community	0.00	09/01
1,230	Rocklin California Uni School District Community	0.00	09/01
1,025	Rocklin California Uni School District Community	0.00	09/01
1,000	Sacramento County Sanitation Districts Financing Authority, Refg Ser 2006 (FGIC Insd)	5.00	12/01
180	Sacramento City Financing Authority, 1999 Solid Waste & Redevelopment (AMBAC Insd)	5.75	12/01
2,000	Sacramento City Financing Authority, Water & Capital Improvement 2001 Ser A (AMBAC Insd)	5.00	12/01
1,000	San Diego County Water Authority, California, Ser 2004 A COPs (FSA Insd)	5.00	05/01
1,000	San Francisco City & County, City Buildings Ser 2007 A COPs (FGIC Insd)	4.50	09/01
340	San Francisco City & County, Laguna Honda Hospital RITES PA 1387 (FSA Insd)	11.589#	06/15
2,000	San Francisco Public Utilities Commission, Water Refg Ser A 2001 (FSA Insd)	5.00	11/01
1,000	San Jose, Airport Ser 2001 A (FGIC Insd)	5.00	03/01
1,000	Simi Valley Public Financing Authority, Ser 2004 COPs (AMBAC Insd)	5.00	09/01
1,000	Southern California Public Power Authority, Transmission Refg Ser 2002 A (FSA Insd)	5.25	07/01
1,000	University of California, Ser 2007- J (FSA Insd)	4.50	05/15
1,000	University of California, Ser 2007- J (FSA Insd)	4.50	05/15
1,000	University of California Regents Ser 2007 A (MBIA Insd)	4.50	05/15
1,000	Upland School District, Election 2000 Ser 2001 B (FSA Insd)	5.125	08/01
675	Val Verde Unified School District of Construction COPs Ser 2005 B (FGIC Insd)	5.00	01/01
1,375	Washington Unified School District, 2004 Ser A (FGIC Insd)	5.00	08/01
1,000	Yucaipa Valley Water District, Ser 2004 A COPs (MBIA Insd)	5.25	09/01

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1,000	PUERTO RICO (2.0%) Puerto Rico Infrastructure Financing Authority, 2000 Ser A (ETM)++	5.50	10/01
	TOTAL TAX-EXEMPT MUNICIPAL BONDS (Cost \$47,277,296)		
1,100	SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (2.2%) California Department of Water Ser B Sub Ser B-1 (Demand 02/01/08) (Cost \$1,100,000)	3.53*	05/01
	TOTAL INVESTMENTS (Cost \$48,377,296) (a) (b)		98
	OTHER ASSETS IN EXCESS OF LIABILITIES		=====
	NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS		----- 10 =====

Note: The categories of investments are shown as a percentage of net assets applicable to common shareholders.

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

ETM Escrowed to Maturity.

UTES Residual Interest Tax-Exempt Security (Illiquid security).

+ Prefunded to call date shown.

++ A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$180,095.

* Current coupon rate of variable rate demand obligation.

Current coupon rate for residual interest bond. This rate resets periodically as the auction rate on the related security changes. Position in an inverse floating rate municipal obligation has a value of \$390,585, which represents 0.8% of net assets applicable to common shareholders.

(a) Securities have been designated as collateral in an amount equal to \$42,707,117 in connection with open futures contracts.

(b) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes.

Bond Insurance:

AMBAC Ambac Assurance Corporation.

FGIC Financial Guaranty Insurance Company.

FSA Financial Security Assurance Inc.

MBIA Municipal Bond Investors Assurance Corporation.

XLCA XL Capital Assurance Inc.

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FUTURES CONTRACTS OPEN AT JANUARY 31, 2008:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED APPRECIATION (DEPRECIATION)
-----	-----	-----	-----	-----
259	Long	U.S. Treasury Swaps 10 Year, March 2008	\$29,481,486	\$ 879,153
30	Long	U.S. Treasury Bonds 20 Year, March 2008	3,579,375	70,894
18	Short	U.S. Treasury Notes 5 Year, March 2008	(2,034,000)	(59,721)
53	Short	U.S. Treasury Notes 2 Year, March 2008	(11,300,594)	(174,929)
215	Short	U.S. Treasury Notes 10 Year, March 2008	(25,094,531)	(805,140)

	Net	Unrealized Depreciation		(90,744)
				=====

ITEM 2. CONTROLS AND PROCEDURES.

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust's in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Trust's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting.

ITEM 3. EXHIBITS.

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley Insured California Municipal Securities

/s/ Ronald E. Robison

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Ronald E. Robison
Principal Executive Officer
March 20, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ronald E. Robison
Ronald E. Robison
Principal Executive Officer
March 20, 2008

/s/ Francis Smith
Francis Smith
Principal Financial Officer
March 20, 2008