

MFS CALIFORNIA INSURED MUNICIPAL FUND  
Form N-Q  
April 25, 2008

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF**  
**REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-9537

**MFS CALIFORNIA INSURED MUNICIPAL FUND**

(Exact name of registrant as specified in charter)

**500 Boylston Street, Boston, Massachusetts 02116**

(Address of principal executive offices) (Zip code)

**Susan S. Newton**

**Massachusetts Financial Services Company**

**500 Boylston Street**

**Boston, Massachusetts 02116**

(Name and address of agents for service)

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Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: November 30

Date of reporting period: February 29, 2008

**ITEM 1. SCHEDULE OF INVESTMENTS.**



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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/29/08

| Issuer   | Shares/Par   | Value (\$)   |
|--|--------------|--------------|
| <b>Municipal Bonds 172.6%</b>  |              |              |
| <b>Airport &amp; Port Revenue 8.4%</b>   |              |              |
| Port of Oakland, CA, K, FGIC, 5.75%, 2029  | \$ 1,000,000 | \$ 985,310   |
| San Diego County, CA, Regional Airport Authority, AMBAC, 5.25%, 2020   | 500,000      | 503,120      |
| San Diego, CA, Port District Rev., B, MBIA, 5%, 2029   | 1,250,000    | 1,222,613    |
|  |              | \$ 2,711,043 |
| <b>General Obligations - General Purpose 6.4%</b>  |              |              |
| State of California, AMBAC, 6%, 2017   | \$ 1,000,000 | \$ 1,114,450 |
| State of California, AMBAC, 5%, 2034   | 1,000,000    | 941,810      |
|  |              | \$ 2,056,260 |
| <b>General Obligations - Schools 26.2%</b>   |              |              |
| Allan Hancock, CA, Joint Community College (Election of 2006), A, FSA, 4.375%, 2031  | \$ 100,000   | \$ 83,998    |
| Culver City, CA, School Facilities Financing Authority Rev. (Culver City Unified School District), FSA, 5.5%, 2025             | 1,000,000    | 1,056,420    |
| Dublin, CA, Unified School District (Election of 2004), C, MBIA, 0%, 2032  | 3,000,000    | 651,180      |
| Pomona, CA, Unified School District, A, MBIA, 6.55%, 2029  | 1,000,000    | 1,058,590    |
| Rancho Santiago, CA, Community College District, FSA, 5.125%, 2029   | 1,000,000    | 1,013,700    |
| Rescue, CA, Unified School District (Election of 1998), MBIA, 0%, 2026   | 1,125,000    | 376,425      |
| San Diego, CA, Unified School District (Election of 1998), B, MBIA, 6%, 2019   | 1,000,000    | 1,113,060    |
| Union, CA, Elementary School District, A, FGIC, 0%, 2018   | 1,630,000    | 968,041      |
| Vallejo City, CA, Unified School District, A, MBIA, 5.9%, 2025   | 500,000      | 503,270      |
| West Contra Costa, CA, Unified School District, A, MBIA, 5.7%, 2023  | 500,000      | 493,305      |
| West Covina, CA, Unified School District, A, MBIA, 5.8%, 2021  | 500,000      | 506,985      |
| Yuba City, CA, Unified School District, FGIC, 0%, 2018   | 1,000,000    | 593,890      |
|  |              | \$ 8,418,864 |
| <b>Healthcare Revenue - Hospitals 6.6%</b>   |              |              |
| California Municipal Finance Authority, Certificates of Participation (Community Hospitals of Central California), 5.25%, 2027 | \$ 250,000   | \$ 223,755   |
| California Statewide Communities Development Authority Rev. (Catholic West), 6.5%, 2010 (c)                                    | 145,000      | 157,864      |
| California Statewide Communities Development Authority Rev. (Daughters of Charity Health), A, 5.25%, 2030                      | 500,000      | 446,270      |
| Oakland, CA, Rev. (Harrison Foundation), A, AMBAC, 6%, 2010 (c)  | 1,000,000    | 1,057,700    |
| Sierra View, CA, Local Health Care District Rev., 5.25%, 2037  | 130,000      | 113,064      |
| Turlock, CA, Health Facilities Rev. (Emanuel Medical Center), "B", 5.5%, 2037  | 115,000      | 102,673      |
|  |              | \$ 2,101,326 |
| <b>Healthcare Revenue - Long Term Care 7.2%</b>  |              |              |
| ABAG Finance Authority for Non-Profit Corps. (Odd Fellows Home), MBIA, 6%, 2024  | \$ 2,000,000 | \$ 2,025,680 |
| California Statewide Communities Development Authority Rev. (Eskaton Properties, Inc.), 8.25%, 2010 (c)                        | 250,000      | 285,173      |
|  |              | \$ 2,310,853 |
| <b>Human Services 0.4%</b>   |              |              |
| California Statewide Communities Development Authority Rev. (Inland Regional Center), 5.375%, 2037                             | \$ 140,000   | \$ 124,387   |

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**Industrial Revenue - Other 1.2%**

|  |            |            |
|--|------------|------------|
| California Statewide Communities Development Authority Rev. (Anheuser-Busch), 4.8%, 2046 | \$ 500,000 | \$ 387,120 |
|--|------------|------------|

**Miscellaneous Revenue - Other 3.1%**

|   |              |              |
|---|--------------|--------------|
| San Francisco, CA, City & County Redevelopment Agency, Hotel Tax Rev., FSA, 6.75%, 2025 | \$ 1,000,000 | \$ 1,003,250 |
|---|--------------|--------------|

**Single Family Housing - Local 2.9%**

|   |              |            |
|---|--------------|------------|
| California Housing Finance Agency Rev., A , 4.95%, 2036 | \$ 1,000,000 | \$ 865,890 |
|---|--------------|------------|

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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/29/08 - continued

| Issuer   | Shares/Par   | Value (\$)   |
|--|--------------|--------------|
| <b>Municipal Bonds continued</b>   |              |              |
| <b>Single Family Housing - Local continued</b>   |              |              |
| California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, A, GNMA, 6.35%, 2029                | \$ 25,000    | \$ 25,538    |
| California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, B4, GNMA, 6.35%, 2029               | 25,000       | 25,178       |
|  |              | \$ 916,606   |
| <b>Single Family Housing - Other 2.8%</b>  |              |              |
| California Department of Veterans Affairs, Home Purchase Rev., B, 5.25%, 2037  | \$ 1,000,000 | \$ 903,520   |
| <b>Single Family Housing - State 2.8%</b>  |              |              |
| California Housing Finance Agency Rev., Home Mortgage, E, FGIC, 5.05%, 2026  | \$ 995,000   | \$ 912,843   |
| <b>Solid Waste Revenue 1.5%</b>  |              |              |
| Salinas Valley, CA, Solid Waste Authority Rev., AMBAC, 5.125%, 2022  | \$ 500,000   | \$ 491,235   |
| <b>State &amp; Local Agencies 25.1%</b>  |              |              |
| California Public Works Board Lease Rev., Department of Mental Health (Coalinga), A, 5.5%, 2019                                | \$ 500,000   | \$ 518,365   |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2035                           | 1,000,000    | 918,070      |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2038                           | 1,000,000    | 906,320      |
| Huntington Park, CA, Public Financing Authority Rev., A, FSA, 5.25%, 2019  | 1,000,000    | 1,050,990    |
| Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A, AMBAC, 0%, 2018 | 2,020,000    | 1,192,467    |
| Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A, AMBAC, 0%, 2023 | 2,220,000    | 898,301      |
| Pacifica, CA, Certificates of Participation (Street Improvement Project), AMBAC, 5.875%, 2009 (c)                              | 1,500,000    | 1,611,105    |
| Sacramento, CA, City Financing Authority (Master Lease Program Facilities), E, AMBAC, 5.25%, 2026                              | 1,000,000    | 976,610      |
|  |              | \$ 8,072,228 |
| <b>Tax - Other 2.2%</b>  |              |              |
| Southern California Logistics Airport Authority (Southern California Authority Project), XLCA, 5%, 2043                        | 820,000      | \$ 689,112   |
| <b>Tax Assessment 16.6%</b>  |              |              |
| Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana Redevelopment), A, AMBAC, 5%, 2029          | \$ 1,000,000 | \$ 927,100   |
| Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031                     | 100,000      | 100,548      |
| Lancaster, CA, Financing Authority, Tax Allocation Rev. (Projects No. 5 & 6 Redevelopment Projects), MBIA, 5.25%, 2020         | 1,075,000    | 1,117,441    |
| Long Beach, CA, Bond Finance Authority, Tax Allocation Rev., C, AMBAC, 5.5%, 2031  | 750,000      | 716,348      |
| Oceanside, CA, Community Development Commission, Tax Allocation (Downtown Redevelopment Project Escrow Bonds), 5.7%, 2025      | 500,000      | 492,925      |
| Orange County, CA, Community Facilities District, Special Tax (Ladera Ranch), A, 6.7%, 2009 (c)                                | 200,000      | 215,730      |
| San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project), C, MBIA, 4.25%, 2030                   | 1,000,000    | 777,670      |
| San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project), D, AMBAC, 5%, 2021                     | 1,000,000    | 981,760      |
|  |              | \$ 5,329,522 |

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**Tobacco 6.5%**

|   |            |            |
|---|------------|------------|
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 ,<br>5.75%, 2047 | \$ 500,000 | \$ 448,805 |
|---|------------|------------|



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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/29/08 - continued

| Issuer  | Shares/Par   | Value (\$)           |
|---|--------------|----------------------|
| <b>Municipal Bonds continued</b>  |              |                      |
| <b>Tobacco continued</b>  |              |                      |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, A-1, 5%, 2033                            | \$ 1,000,000 | \$ 828,850           |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, A-1, 5.125%, 2047                        | 1,000,000    | 812,630              |
|   |              | \$ 2,090,285         |
| <b>Transportation - Special Tax 5.5%</b>  |              |                      |
| Puerto Rico Highway & Transportation Authority, Highway Rev., Y, FSA, 5.5%, 2016 (c)  | \$ 1,000,000 | \$ 1,115,730         |
| San Francisco, CA, Bay Area Rapid Transit District, Sales Tax Rev., A, MBIA, 5%, 2030 (f)                                       | 685,000      | 655,648              |
|   |              | \$ 1,771,378         |
| <b>Universities - Colleges 10.9%</b>  |              |                      |
| California Educational Facilities Authority Rev. (Pepperdine University), A, AMBAC, 5%, 2035                                    | \$ 1,000,000 | \$ 922,100           |
| California Educational Facilities Authority Rev., B, 6.625%, 2010 (c)   | 205,000      | 223,911              |
| California Educational Facilities Authority Rev., Unrefunded, B, 6.625%, 2010 (c)   | 45,000       | 49,151               |
| California University Rev., C, MBIA, 5%, 2029   | 1,500,000    | 1,420,170            |
| Chabot Las Positas, CA, Community College (Election of 2004), B, AMBAC, 0%, 2026  | 970,000      | 313,485              |
| Hastings College of the Law, CA, Assured GTY, 4.75%, 2037   | 195,000      | 169,147              |
| University Enterprises, Inc. (Auxiliary Organization), A, FGIC, 4.375%, 2030  | 500,000      | 402,365              |
|   |              | \$ 3,500,329         |
| <b>Utilities - Investor Owned 9.3%</b>  |              |                      |
| California Pollution Control Financing Authority, Pollution Control Rev. (Pacific Gas & Electric Co.), MBIA, 5.35%, 2016        | \$ 1,000,000 | \$ 1,010,120         |
| California Pollution Control Financing Authority, Pollution Control Rev. (San Diego Gas & Electric Co.), A, 6.8%, 2015          | 500,000      | 557,905              |
| California Pollution Control Financing Authority, Pollution Control Rev. (Southern California Edison Co.), B, MBIA, 5.45%, 2029 | 1,500,000    | 1,401,180            |
|   |              | \$ 2,969,205         |
| <b>Utilities - Other 1.6%</b>   |              |                      |
| Southern California Public Power Authority (Natural Gas Project No. 1), A, 5%, 2033   | \$ 585,000   | \$ 500,081           |
| <b>Water &amp; Sewer Utility Revenue 25.4%</b>  |              |                      |
| Culver City, CA, Wastewater Facilities Rev., A, FGIC, 5.7%, 2029  | \$ 1,500,000 | \$ 1,557,015         |
| Elsinore Valley, CA, Municipal Water District, Certificates of Participation, FGIC, 5.375%, 2018                                | 1,160,000    | 1,221,434            |
| Los Angeles, CA, Department of Water & Power, Waterworks Rev., A-2, AMBAC, 5%, 2027   | 400,000      | 388,392              |
| Los Angeles, CA, Department of Water & Power, Waterworks Rev., C, MBIA, 5%, 2022  | 1,000,000    | 1,010,727            |
| Metropolitan Water District of Southern California Waterworks Rev., A, FSA, 5%, 2030  | 1,000,000    | 976,270              |
| Pico Rivera, CA, Water Authority Rev. (Water Systems Project), A, MBIA, 5.5%, 2029  | 2,000,000    | 2,076,500            |
| Westlands, CA, Water District Rev., Certificates of Participation, A, MBIA, 5%, 2030  | 1,000,000    | 934,860              |
|   |              | \$ 8,165,198         |
| <b>Total Municipal Bonds</b>  |              | <b>\$ 55,424,645</b> |

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|  |                |            |                      |
|--|----------------|------------|----------------------|
| <b>Floating Rate Demand Notes</b>  | <b>0.3%</b>    |            |                      |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), C , 3.19%, due 3/03/08 |                | \$ 100,000 | \$ 100,000           |
| <b>Total Investments</b>   |                |            | <b>\$ 55,524,645</b> |
| <b>Other Assets, Less Liabilities</b>  | <b>3.2%</b>    |            | 1,036,735            |
| <b>Preferred shares (issued by the fund)</b>   | <b>(76.1)%</b> |            | (24,450,000)         |
| <b>Net Assets applicable to common shares</b>  | <b>100.0%</b>  |            | <b>\$ 32,111,380</b> |

(c) Refunded bond.

(f) All or a portion of the security has been segregated as collateral for an open futures contract.

MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/29/08 - continued

The following abbreviations are used in this report and are defined:

BMA                    Bond Market Assn.

**Insurers**

AMBAC                AMBAC Indemnity Corp.  
ASSD GTY            Assured Guaranty Insurance Co.  
FGIC                  Financial Guaranty Insurance Co.  
FSA                    Financial Security Assurance Inc.  
GNMA                 Government National Mortgage Assn.  
MBIA                  MBIA Insurance Corp.  
XLCA                  XL Capital Insurance Co.

See attached supplemental information. For more information see notes to financial statements as disclosed in the most recent semiannual or annual report.

**MFS California Insured Municipal Fund**

**Supplemental Information (Unaudited) 2/29/08**

**(1) Fair Value Disclosure**

The fund adopted FASB Statement No. 157, Fair Value Measurements (the Statement) in this reporting period. This Statement provides a single definition of fair value, a hierarchy for measuring fair value and expanded disclosures about fair value measurements.

Various inputs are used in determining the value of the fund's investments. These inputs are categorized into three broad levels. Level 1 include quoted prices in active markets for identical assets or liabilities. Level 2 include other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, credit risk, etc.). Level 3 include unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in Total Investments, such as futures, forwards, swap contracts and written options, which are valued at the unrealized appreciation/depreciation on the instrument. The following is a summary of the levels used as of February 29, 2008, in valuing the fund's assets carried at market value:

|                             | Level 1   | Level 2    | Level 3 | Total      |
|-----------------------------|-----------|------------|---------|------------|
| Investments in Securities   |           | 55,524,645 |         | 55,524,645 |
| Other Financial Instruments | (499,434) | 52,630     |         | (446,804)  |

**(2) Portfolio Securities**

The cost and unrealized appreciation and depreciation in the value of the investments owned by the fund, as computed on a federal income tax basis, are as follows:

|  |                |
|--|----------------|
| Aggregate Cost                             | \$ 57,851,474  |
| Gross unrealized appreciation              | \$ 1,118,816   |
| Gross unrealized depreciation              | (3,445,645)    |
| Net unrealized appreciation (depreciation) | \$ (2,326,829) |

The aggregate cost above includes prior fiscal year end tax adjustments.

**(3) Derivative Contracts at 2/29/08**

**Futures contracts outstanding at 2/29/08**

| Description                      | Contracts | Value         | Expiration Date | Unrealized Appreciation (Depreciation) |
|----------------------------------|-----------|---------------|-----------------|--|
| U.S. Treasury Note 10 yr (Short) | 166       | \$ 19,468,688 | Jun-08          | \$ (499,434)                           |

**Swap Agreements at 2/29/08**

| Expiration | Notional Amount | Counterparty | Cash Flows to Receive | Cash Flows          |             |
|------------|-----------------|--------------|-----------------------|---------------------|-------------|
|            |                 |              |                       | to Pay              | Value       |
| 6/19/2018  | USD 2,000,000   |              | 7-Day BMA             | 3.492% (Fixed rate) | \$ (12,708) |

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|           |     |           | Morgan Stanley<br>Capital Services, Inc. |           |                     |         |
|-----------|-----|-----------|--|-----------|---------------------|---------|
| 4/02/2023 | USD | 3,000,000 | Goldman Sachs<br>International           | 7-Day BMA | 3.675% (Fixed rate) | (6,442) |
| 7/09/2023 | USD | 1,000,000 | Merrill Lynch<br>Capital Services        | 7-Day BMA | 3.581% (Fixed rate) | 12,484  |
| 6/19/2028 | USD | 3,000,000 | Merrill Lynch<br>Capital Services        | 7-Day BMA | 3.820% (Fixed rate) | 9,745   |

Swap Agreements at 2/29/08 - continued

| Expiration                 | Notional Amount | Counterparty                      | Cash Flows to Receive | Cash Flows          |        | Value     |
|----------------------------|-----------------|-----------------------------------|-----------------------|---------------------|--------|-----------|
|                            |                 |                                   |                       |                     | to Pay |           |
| <b>Interest Rate Swaps</b> |                 |                                   |                       |                     |        |           |
| 8/06/2028                  | USD 2,000,000   | Merrill Lynch<br>Capital Services | 7-Day BMA             | 3.673% (Fixed rate) |        | \$ 49,551 |
|                            |                 |                                   |                       |                     |        | \$ 52,630 |

At February 29, 2008, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

**ITEM 2. CONTROLS AND PROCEDURES.**

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
  
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**ITEM 3. EXHIBITS.**

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

Notice

A copy of the Agreement and Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

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.

Registrant: MFS CALIFORNIA INSURED MUNICIPAL FUND

By (Signature and Title)\* ROBERT J. MANNING  
Robert J. Manning,  
  
President

Date: April 14, 2008

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

By (Signature and Title)\* ROBERT J. MANNING  
Robert J. Manning,  
  
President (Principal Executive Officer)

Date: April 14, 2008

By (Signature and Title)\* MARIA F. DWYER  
Maria F. Dwyer,  
  
Treasurer (Principal Financial Officer and Accounting Officer)

Date: April 14, 2008

\* Print name and title of each signing officer under his or her signature.