

MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC  
Form N-Q  
September 29, 2006

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)

1221 Avenue of the Americas, New York, New York 10020  
(Address of principal executive offices) (Zip code)

Ronald E. Robison  
1221 Avenue of the Americas, New York, New York 10020  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-762-4000

Date of fiscal year end: October 31, 2006

Date of reporting period: July 31, 2006

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 JULY 31, 2006 (UNAUDITED)

PRINCIPAL  
AMOUNT IN  
THOUSANDS  
-----

	CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (95.0%)
	General Obligation (11.0%)
\$505	California, Various Purposes Dtd 03/01/94 (FSA)
1,280	Huntington Beach Union High School District, Ser 2004 (FSA)
1,030	Los Angeles, Ser 2004 A (MBIA)
340	San Francisco City & County, Laguna Honda Hospital RITES PA 1387 (FSA)
1,000	Upland School District, Election 2000 Ser 2001 B (FSA)
1,375	Washington Unified School District, Election 2004 Ser A (FGIC)
-----	
5,530	

Edgar Filing: MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC - Form N-Q

-----		
		Educational Facilities Revenue (6.4%)
1,000		California State University, Ser 2005 A (Ambac)
		University of California,
1,000		Limited Projects Ser 2005 B (FSA)
1,250		Multi Purpose Ser Q (FSA)
-----		
3,250		
-----		
		Electric Revenue (6.1%)
1,000		Anaheim Public Financing Authority, Generation Refg Ser 2002-B
		(FSA)
1,000		Los Angeles Department of Water & Power, 2001 Ser A (FSA)
1,000		Southern California Public Power Authority, Transmission
-----		Refg Ser 2002 A (FSA)
3,000		
-----		
		Mortgage Revenue - Single Family (4.2%)
2,000		California Department of Veterans Affairs, Home Purchase
		2002 Ser A (Ambac)
75		California Housing Financing Agency, 1995 Ser B (AMT) (Ambac)
-----		
2,075		
-----		
		Public Facilities Revenue (6.1%)
1,110		Kern County Board of Education, Refg 2006 Ser A COPs (MBIA)
1,000		Simi Valley Public Financing Authority, Ser 2004 COPs (Ambac)
1,000		Val Verde Unified School District, School Construction COPs
-----		Ser 2005 B (FGIC)
3,110		
-----		
		Resource Recovery Revenue (3.5%)
		Sacramento Financing Authority,
1,510		2005 Solid Waste & Redevelopment (FGIC)
180		1999 Solid Waste & Redevelopment (Ambac)
-----		
1,690		
-----		
		Tax Allocation Revenue (8.8%)
250		Bay Area Government Association, Pool 1994 Ser A (FSA)
1,000		Capistrano Unified School District, Community Facilities
		District #98-2 Ladera Special Tax Ser 2005 (FGIC)
1,100		La Quinta Financing Authority, Local Agency 2004 Ser A (Ambac)
80		Long Beach Bond Financing Authority, Downtown, North Long Beach,
		Poly High and West Beach Areas 2002 Ser A (MBIA)
1,000		Rancho Mirage Redevelopment Agency, Ser 2003 A (MBIA)
1,000		San Jose Redevelopment Agency, Merged Area Ser 2002 (MBIA)
-----		
4,430		
-----		

Edgar Filing: MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC - Form N-Q

	Transportation Facilities Revenue (8.0%)	
1,000	Los Angeles County Metropolitan Transportation Authority, Sales Tax Ser 2000 A (FGIC) #	
2,000	Orange County Transportation Authority, Toll Road Express Lanes Refg Ser 2003 A (Ambac)	
1,000	San Jose, Airport Ser 2001 A (FGIC)	
-----		
4,000		
-----		
	Water & Sewer Revenue (22.9%)	
1,500	California Department of Water Resources, Central Valley Ser Y (FGIC)	
2,000	East Bay Municipal Utility District, Water Ser 2001 (MBIA)	
1,000	Los Angeles, Wastewater Refg Ser 2003 B (FSA)	
1,000	Metropolitan Water District of Southern California, 2003 Ser B-2 (FGIC)	
1,000	Oxnard Financing Authority, Redwood Trunk Sewer & Headworks Ser 2004 A (FGIC)	
1,000	Sacramento County, Sanitation District, Sacramento Regional County (FGIC)	
1,000	San Diego County Water Authority, Ser 2004 A COPs (FSA)	
2,000	San Francisco Public Utilities Commission, Water Refg Ser A 2001 (FSA)	
1,000	Yucaipa Valley Water District, Ser 2004 A COPs (MBIA)	
-----		
11,500		
-----		
	Other Revenue (2.0%)	
1,000	Golden State Tobacco Securitization Corporation, Enhanced Asset Backed Ser 2005 A (FGIC)	
-----		
	Refunded (16.0%)	
2,000	Anaheim, Anaheim Memorial Hospital Assn COPs (Ambac) (ETM)	5
1,000	California Department of Water Resources, Power Supply Ser 2002 A (Ambac)	5
2,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit First Lien Ser 2003 A (FGIC)	
2,000	Sacramento Financing Authority, Water & Capital Improvement 2001 Ser A (Ambac)	
1,000	Puerto Rico Infrastructure Financing Authority, 2000 Ser A (ETM)	
-----		
8,000		
-----		
47,585	TOTAL CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (Cost \$48,798,143)	
-----		
	CALIFORNIA SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (1.7%)	
300	Newport Beach, Hoag Memorial Presbyterian Hospital 1992 Ser (Demand 08/01/06)	3
600	Orange County Sanitation District, Ser 2000 B COPs (Demand 08/01/06)	3
900	TOTAL CALIFORNIA SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (Cost \$900,000)	
\$48,485	TOTAL INVESTMENTS (Cost \$49,698,143) (a) (b)	9
=====		

OTHER ASSET IN EXCESS OF LIABILITIES

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS

-----

- AMT            Alternative Minimum Tax.
- COPs         Certificates of Participation.
- ETM         Escrowed to maturity.
- +             Prerefunded to call date shown.
- ++            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 \$380,501 which represents 0.7% of net assets applicable to common shareholders.
- \*             Current coupon of variable rate demand obligation.
- #             A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$26,000.
- (a)           Securities have been designated as collateral in an amount equal to \$6,231,625 in connection with open futures contracts.
- (b)           The aggregate cost for federal income tax purposes is \$48,737,446. The aggregate gross unrealized appreciation is \$1,823,304 and the aggregate gross unrealized depreciation is \$73,547, resulting in net unrealized appreciation of \$1,749,757.

BOND INSURANCE:

- Ambac         Ambac Assurance Corporation.
- FGIC         Financial Guaranty Insurance Company.
- FSA           Financial Security Assurance Inc.
- MBIA         Municipal Bond Investors Assurance Corporation.

FUTURES CONTRACTS OPEN AT JULY 31, 2006:

NUMBER OF CONTRACTS -----	LONG/SHORT -----	DESCRIPTION/DELIVERY MONTH AND YEAR -----	UNDERLYING FACE AMOUNT AT VALUE -----	UNREALIZ DEPRECIAT -----
20	Short	U.S. Treasury Notes 10 Year  September 2006	\$(2,120,625)	\$(15,99

Edgar Filing: MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC - Form N-Q

40	Short	U.S. Treasury Notes 5 Year	(4,168,750)	(12,92
				-----
		September 2006		
		Total Unrealized Depreciation .....		\$ (28,91
				=====

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 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.

2

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  
Ronald E. Robison  
Principal Executive Officer  
September 21, 2006

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  
September 21, 2006

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer

September 21, 2006