

MFS CALIFORNIA INSURED MUNICIPAL FUND
Form N-Q
April 24, 2009

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)

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

Date of fiscal year end: November 30

Date of reporting period: February 28, 2009

ITEM 1. SCHEDULE OF INVESTMENTS.

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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/28/09

| Issuer | Shares/Par | Value (\$) |
|--|--------------|--------------|
| Municipal Bonds 174.3% | | |
| Airport & Port Revenue 7.1% | | |
| Port of Oakland, CA, A, MBIA, 5%, 2026 | \$ 500,000 | \$ 392,985 |
| Port of Oakland, CA, K, FGIC, 5.75%, 2029 | 1,000,000 | 858,550 |
| San Diego County, CA, Regional Airport Authority, AMBAC, 5.25%, 2020 | 500,000 | 450,945 |
| San Francisco, CA, City & County Airports Commission, International Airport Rev., 5.5%, 2019 (a) | 270,000 | 272,176 |
| | | \$ 1,974,656 |
| General Obligations - General Purpose 7.4% | | |
| State of California, AMBAC, 6%, 2017 | \$ 1,000,000 | \$ 1,123,590 |
| State of California, AMBAC, 5%, 2034 | 1,000,000 | 912,170 |
| | | \$ 2,035,760 |
| General Obligations - Schools 31.6% | | |
| Allan Hancock, CA, Joint Community College (Election of 2006), A, FSA, 4.375%, 2031 | \$ 100,000 | \$ 84,391 |
| Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2029 | 665,000 | 205,818 |
| Chabot Las Positas, CA, Community College (Election of 2004), B, AMBAC, 0%, 2026 | 970,000 | 352,488 |
| Culver City, CA, School Facilities Financing Authority Rev. (Culver City Unified School District), FSA, 5.5%, 2025 | 1,000,000 | 1,074,100 |
| Pomona, CA, Unified School District, A, MBIA, 6.55%, 2029 | 1,000,000 | 1,000,410 |
| Rancho Santiago, CA, Community College District, FSA, 5.125%, 2029 | 175,000 | 177,784 |
| Rescue, CA, Unified School District (Election of 1998), MBIA, 0%, 2026 | 1,125,000 | 409,635 |
| San Diego, CA, Community College (Election of 2002), FSA, 5%, 2020 | 500,000 | 536,620 |
| San Diego, CA, Unified School District (Election of 1998), E-2, FSA, 5.5%, 2025 | 1,500,000 | 1,646,430 |
| Union, CA, Elementary School District, A, FGIC, 0%, 2018 | 1,630,000 | 1,113,013 |
| Vallejo City, CA, Unified School District, A, MBIA, 5.9%, 2025 | 500,000 | 465,495 |
| West Contra Costa, CA, Unified School District, A, MBIA, 5.7%, 2023 | 500,000 | 490,320 |
| West Covina, CA, Unified School District, A, MBIA, 5.8%, 2021 | 500,000 | 509,635 |
| Yuba City, CA, Unified School District, FGIC, 0%, 2018 | 1,000,000 | 657,920 |
| | | \$ 8,724,059 |
| Healthcare Revenue - Hospitals 14.8% | | |
| California Municipal Finance Authority, COP (Community Hospitals of Central California), 5.25%, 2027 | \$ 250,000 | \$ 184,563 |
| California Statewide Communities Development Authority Rev. (Adventist), ASSD GTY, 5%, 2037 | 405,000 | 332,456 |
| California Statewide Communities Development Authority Rev. (Catholic Healthcare West) K, ASSD GTY, 5.5%, 2041 | 1,000,000 | 879,470 |
| California Statewide Communities Development Authority Rev. (Daughters of Charity Health), A, 5.25%, 2030 | 500,000 | 341,895 |
| California Statewide Communities Development Authority Rev. (Kaiser Permanente), B, BHAC, 5%, 2041 | 540,000 | 506,493 |
| California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047 | 500,000 | 480,275 |
| Oakland, CA, Rev. (Harrison Foundation), A, AMBAC, 6%, 2010 (c) | 1,000,000 | 1,043,770 |
| Santa Clara County, CA, Financing Authority Rev. (El Camino Hospital), AMBAC, 5.125%, 2041 | 400,000 | 330,460 |
| | | \$ 4,099,382 |
| Healthcare Revenue - Long Term Care 4.6% | | |
| ABAG Finance Authority for Non-Profit Corps. (Odd Fellows Home), MBIA, 6%, 2024 | \$ 1,000,000 | \$ 986,100 |
| California Statewide Communities Development Authority Rev. (Eskaton Properties, Inc.), 8.25%, 2010 (c) | 250,000 | 280,068 |

\$ 1,266,168

Human Services 0.4%

California Statewide Communities Development Authority Rev. (Inland Regional Center), 5.375%, 2037

\$ 140,000 \$ 101,779

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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/28/09 - continued

| Issuer | Shares/Par | Value (\$) |
|--|------------|--------------|
| Municipal Bonds continued | | |
| Miscellaneous Revenue - Other 5.4% | | |
| ABAG Finance Authority Rev. (Jackson Lab), 5.75%, 2037 | \$ 385,000 | \$ 332,113 |
| California Infrastructure & Economic Development Bank Rev. (Walt Disney Family Museum), 5.25%, 2033 | 160,000 | 149,077 |
| San Francisco, CA, City & County Redevelopment Agency, Hotel Tax Rev., FSA, 6.75%, 2025 | 1,000,000 | 999,910 |
| | | \$ 1,481,100 |
| Single Family Housing - Local 0.1% | | |
| California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, A, GNMA, 6.35%, 2029 | \$ 15,000 | \$ 15,352 |
| California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, B4, GNMA, 6.35%, 2029 | 20,000 | 20,202 |
| | | \$ 35,554 |
| Single Family Housing - State 3.0% | | |
| California Housing Finance Agency Rev., Home Mortgage, E, FGIC, 5.05%, 2026 | \$ 995,000 | \$ 837,780 |
| Solid Waste Revenue 1.5% | | |
| Salinas Valley, CA, Solid Waste Authority Rev., AMBAC, 5.125%, 2022 | \$ 500,000 | \$ 412,575 |
| State & Local Agencies 27.4% | | |
| Calabasas, CA, Certificate Participants (City Hall & Civic Center Project), AMBAC, 4.5%, 2041 | \$ 725,000 | \$ 577,811 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., SBHAC, 5%, 2038 | 1,000,000 | 962,760 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2035 | 1,000,000 | 784,900 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2038 | 1,000,000 | 775,840 |
| Huntington Park, CA, Public Financing Authority Rev., A, FSA, 5.25%, 2019 | 1,000,000 | 1,100,100 |
| Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A, AMBAC, 0%, 2018 | 2,020,000 | 1,315,602 |
| Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A, AMBAC, 0%, 2023 | 2,220,000 | 990,564 |
| Western Placer, CA, Unified School, B, ASSD GTY, 5.125%, 2047 | 1,200,000 | 1,052,676 |
| | | \$ 7,560,253 |
| Tax - Other 2.0% | | |
| Southern California Logistics Airport Authority (Southern California Authority Project), XLCA, 5%, 2043 | \$ 820,000 | \$ 551,253 |
| Tax Assessment 16.9% | | |
| Compton, CA, Public Finance Authority, AMBAC, 5%, 2032 | \$ 500,000 | \$ 458,015 |
| Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana Redevelopment), A, AMBAC, 5%, 2029 | 1,000,000 | 824,300 |
| Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031 | 100,000 | 81,268 |
| Lancaster, CA, Financing Authority, Tax Allocation Rev. (Projects No. 5 & 6 Redevelopment Projects), MBIA, 5.25%, 2020 | 1,075,000 | 1,181,823 |
| Long Beach, CA, Bond Finance Authority, Tax Allocation Rev., C, AMBAC, 5.5%, 2031 | 750,000 | 737,333 |
| San Dieguito, CA, Public Facilities Authority, A, AMBAC, 5%, 2032 | 500,000 | 454,505 |
| San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project), C, MBIA, 4.25%, 2030 | 900,000 | 636,831 |
| Yuba, CA, Levee Financing Authority Rev. (Levee Financing Project), A, ASSD GTY, 5%, 2038 | 330,000 | 297,198 |

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\$ 4,671,273

Tobacco 5.2%

| | | |
|--|--------------|------------|
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 2047 | \$ 1,500,000 | \$ 895,875 |
|--|--------------|------------|

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MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/28/09 - continued

| Issuer | Shares/Par | Value (\$) |
|---|--------------|----------------------|
| Municipal Bonds continued | | |
| Tobacco continued | | |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, A-1, 5.125%, 2047 | \$ 1,000,000 | \$ 535,450 |
| | | \$ 1,431,325 |
| Transportation - Special Tax 4.4% | | |
| Puerto Rico Highway & Transportation Authority, Highway Rev., Y, FSA, 5.5%, 2016 (c) | \$ 450,000 | \$ 540,833 |
| San Francisco, CA, Bay Area Rapid Transit District, Sales Tax Rev., A, MBIA, 5%, 2030 (f) | 685,000 | 683,171 |
| | | \$ 1,224,004 |
| Universities - Colleges 8.3% | | |
| California Educational Facilities Authority Rev., B, 6.625%, 2010 (c) | \$ 45,000 | \$ 48,548 |
| California University Rev., C, MBIA, 5%, 2029 | 1,500,000 | 1,462,185 |
| Hastings College of the Law, CA, ASSD GTY, 4.75%, 2037 | 195,000 | 170,206 |
| University Enterprises, Inc. (Auxiliary Organization), A, FGIC, 4.375%, 2030 | 500,000 | 386,765 |
| University of California, J, FSA, 4.5%, 2035 | 250,000 | 216,703 |
| | | \$ 2,284,407 |
| Utilities - Investor Owned 8.0% | | |
| California Pollution Control Financing Authority, Pollution Control Rev. (Pacific Gas & Electric Co.), MBIA, 5.35%, 2016 | \$ 1,000,000 | \$ 964,310 |
| California Pollution Control Financing Authority, Pollution Control Rev. (Southern California Edison Co.), B, MBIA, 5.45%, 2029 | 1,500,000 | 1,256,295 |
| | | \$ 2,220,605 |
| Utilities - Municipal Owned 1.6% | | |
| Los Angeles, CA, Department of Water & Power Rev., A-1, FSA, 4.625%, 2037 | \$ 500,000 | \$ 454,840 |
| Utilities - Other 1.3% | | |
| Southern California Public Power Authority (Natural Gas Project No. 1), A, 5%, 2033 | \$ 585,000 | \$ 359,927 |
| Water & Sewer Utility Revenue 23.3% | | |
| Azusa, CA, Public Financing Authority Rev. (Water Systems Project), FSA, 5%, 2021 | \$ 565,000 | \$ 591,775 |
| Culver City, CA, Wastewater Facilities Rev., A, FGIC, 5.7%, 2029 | 1,500,000 | 1,508,625 |
| Hollister CA, Joint Powers Financing Authority Wastewater Rev. (Refining & Improvement Project), 1, FSA, 5%, 2032 | 770,000 | 683,953 |
| Los Angeles, CA, Department of Water & Power Waterworks Rev., C, MBIA, 5%, 2029 | 500,000 | 501,125 |
| Los Angeles, CA, Department of Water & Power, Waterworks Rev., C, MBIA, 5%, 2022 | 1,000,000 | 1,040,180 |
| Pico Rivera, CA, Water Authority Rev. (Water Systems Project), A, MBIA, 5.5%, 2029 | 2,000,000 | 2,109,560 |
| | | \$ 6,435,218 |
| Total Municipal Bonds | | \$ 48,161,918 |
| Money Market Funds (v) 6.7% | | |
| MFS Institutional Money Market Portfolio, 0.44%, at Net Asset Value | 1,859,513 | \$ 1,859,513 |

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| | | | |
|--|----------------|------------|----------------------|
| Floating Rate Demand Notes | 5.2% | | |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), 0.1%, due 3/02/09 | | \$ 400,000 | \$ 400,000 |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), C , 0.22%, due 3/02/09 | | 1,035,000 | 1,035,000 |
| Total Floating Rate Demand Notes | | | \$ 1,435,000 |
| Total Investments | | | \$ 51,456,431 |
| Other Assets, Less Liabilities | 2.3% | | 626,990 |
| Preferred shares (issued by the trust) | (88.5)% | | (24,450,000) |
| Net Assets applicable to common shares | 100.0% | | \$ 27,633,421 |

MFS California Insured Municipal Fund

PORTFOLIO OF INVESTMENTS (Unaudited) 2/28/09 - continued

- (a) Mandatory tender date is earlier than stated maturity date.
- (c) Refunded bond.
- (f) All or a portion of the security has been segregated as collateral for open futures contracts.
- (v) Underlying fund that is available only to investment companies managed by MFS. The rate quoted is the annualized seven-day yield of the fund at period end.

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

COP Certificate of Participation

Insurers

| | |
|----------|--|
| AMBAC | AMBAC Indemnity Corp. |
| ASSD GTY | Assured Guaranty Insurance Co. |
| BHAC | Berkshire Hathaway Assurance Corp. |
| FGIC | Financial Guaranty Insurance Co. |
| FSA | Financial Security Assurance Inc. |
| GNMA | Government National Mortgage Assn. |
| MBIA | MBIA Insurance Corp. |
| SBHAC | Secondary Berkshire Hathaway Assurance 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) 2/28/09

(1) Fair Value Disclosure

The fund adopted FASB Statement No. 157, Fair Value Measurements (the Statement). 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 assets or liabilities carried at market value. These inputs are categorized into three broad levels. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes 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. The following is a summary of the levels used as of February 28, 2009 in valuing the fund's assets or liabilities carried at market value:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|--------------|---------------|---------|---------------|
| Investments in Securities | \$ 1,859,513 | \$ 49,596,918 | \$ | \$ 51,456,431 |
| Other Financial Instruments | \$ 125,070 | \$ | \$ | \$ 125,070 |

(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 | \$ 54,866,163 |
| Gross unrealized appreciation | \$ 1,342,545 |
| Gross unrealized depreciation | (4,752,277) |
| Net unrealized appreciation (depreciation) | \$ (3,409,732) |

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

(3) Derivative Contracts at 2/28/09

Futures contracts outstanding at 2/28/09

| Description | Contracts | Value | Expiration Date | Unrealized Appreciation (Depreciation) |
|----------------------------------|-----------|--------------|-----------------|--|
| U.S. Treasury Bond 30 yr (Short) | 18 | \$ 2,220,188 | Jun-09 | \$ 60,546 |
| U.S. Treasury Note 10 yr (Short) | 49 | 5,881,531 | Jun-09 | 64,524 |
| | | | | \$ 125,070 |

At February 28, 2009, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

MFS California Insured Municipal Fund

Supplemental Information (Unaudited) 2/28/09 - continued

(4) Transactions in Underlying Funds-Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be affiliated issuers:

| Underlying Funds | Beginning Shares/Par Amount | Acquisitions Shares/Par Amount | Dispositions Shares/Par Amount | Ending Shares/Par Amount |
|--|--|---|---|---|
| MFS Institutional Money Market Portfolio | | 2,301,544 | (442,031) | 1,859,513 |

| Underlying Funds | Realized Gain (Loss) | Capital Gain Distributions | Dividend Income | Ending Value |
|--|-------------------------------------|---------------------------------------|----------------------------|-------------------------|
| MFS Institutional Money Market Portfolio | \$ | \$ | \$ 461 | \$ 1,859,513 |

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)* MARIA F. DWYER
Maria F. Dwyer, President

Date: April 20, 2009

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)* MARIA F. DWYER
Maria F. Dwyer, President
(Principal Executive Officer)

Date: April 20, 2009

By (Signature and Title)* JOHN M. CORCORAN
John M. Corcoran, Treasurer
(Principal Financial Officer
and Accounting Officer)

Date: April 20, 2009

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