

MORGAN STANLEY INSURED CALIFORNIA MUNICIPAL SEC
 Form N-Q
 September 28, 2004

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, 2004

Date of reporting period: July 31, 2004

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, 2004 (UNAUDITED)

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MA
	CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (94.9%)		
	General Obligation (21.1%)		
\$3,000	California, Various Purpose Dtd 03/01/94 (FSA)	5.50%	03
2,000	Los Angeles Community College District, 2001 Ser A (MBIA)	5.00	06
1,030	Los Angeles, California, Ser A San Diego Unified School District,	5.00	09
1,000	2002 Ser D (FGIC)	5.25	07
1,000	2003 Ser E (FSA)	5.00	07
1,000	Tahoe Truckee Unified School District, District #1 2001 Refg (MBIA)	5.50	08
1,000	Upland School District, 2000 Ser 2001 B (FSA)	5.125	08

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

1,375	Washington Unified School District, Election 2004 Ser A (FGIC)	5.00	08

11,405			

	Educational Facilities Revenue (1.9%)		
1,000	University of California, Ser 2003 A (Ambac)	5.00	05

	Electric Revenue (8.4%)		
1,000	Anaheim Public Financing Authority, Generation Refg Ser 2002-B (FSA)	5.25	10
1,400	California Department of Water Resources, Power Supply Ser 2002 A (Ambac)	5.375	05
1,000	Los Angeles Department of Water & Power, 2001 Ser A (FSA)	5.25	07
1,000	Southern California Public Power Authority, Transmission Refg Ser 2002 A (FSA)	5.25	07

4,400			

	Mortgage Revenue - Multi-Family (4.3%)		
2,370	Los Angeles Community Redevelopment Agency, 1994 Ser A (Ambac)	6.45	07

	Mortgage Revenue - Single Family (4.2%)		
2,000	California Department of Veterans Affairs, Home Purchase 2002 Ser A (Ambac)	5.35	12
285	California Housing Financing Agency, 1995 Ser B (AMT) (Ambac)	6.25	08

2,285			

	Public Facilities Revenue (2.7%)		
1,400	Puerto Rico Public Bldgs Authority, Ser J (Ambac)	5.00	07

	Resource Recovery Revenue (4.0%)		
2,000	Sacramento Financing Authority, 1999 Solid Waste & Redev (Ambac)	5.75	12

	Tax Allocation Revenue (7.7%)		
2,000	Bay Area Government Association, Pool 1994 Ser A (FSA)	6.00	12
1,100	La Quinta Financing Authority, Local Agency 2004 Ser A (Ambac)	5.25	09
1,000	Long Beach Bond Finance Authority, Downtown, North Long Beach, Poly High and West Beach 2002 Ser A (Ambac)	5.375	08

4,100			

PRINCIPAL			
AMOUNT IN			
THOUSANDS			

	Transportation Facilities Revenue (11.0%)		
2,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit First Lien Ser 2003 A (FGIC)	5.00	07
1,000	Los Angeles County Metropolitan Transportation Authority, Sales Tax Ser 2000 A (FGIC)	5.25	07
2,000	Orange County Transportation Authority, Toll Bridges Express Lanes Ser A (Ambac)	5.00	08
1,000	San Jose, Airport Ser 2001 A (FGIC)	5.00	03

6,000			

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

	Water & Sewer Revenue (22.1%)			
1,500	California Department of Water Resources, Central Valley Ser Y (FGIC)	5.25		12
2,000	East Bay Municipal Utility District, Water Ser 2001 (MBIA)	5.00		06
1,000	Los Angeles, Wastewater System Revenue, Refg Ser 2003 B (FSA)	5.00		06
1,000	Metropolitan Waterworks District of Southern California 2003 Ser B-2 (FGIC)	5.00		10
1,700	Oxnard, California Financing Authority, Redwood Trunk Sewer & Headworks Ser 2004 A (FGIC)	5.00		06
2,000	Sacramento Financing Authority, Water & Capital Improvement 2001 Ser A (Ambac)	5.00		12
2,000	San Francisco Public Utilities Commission, Water Refg Ser A 2001 (FSA)	5.00		11
1,000	Yucaipa Valley, Water District System, Ser A (MBIA)	5.25		09

12,200				

	Other Revenue (1.9%)			
1,000	California State Economic Recovery, Ser A (MBIA)	5.00		07

	Refunded (5.6%)			
2,000	Anaheim, Anaheim Memorial Hospital Assn COPs (Ambac) (ETM)	5.125		05
1,000	Puerto Rico Infrastructure Financing Authority, 2000 Ser A (ETM)	5.50		10

3,000				

51,160	TOTAL CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (Cost \$50,792,121)			

	CALIFORNIA SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATION (2.1%)			
1,200	Newport Beach, Hoag Memorial/Presbyterian Hospital Ser 1992 (Demand 08/02/04) (Cost \$1,200,000)	1.08*		10

\$52,360	TOTAL INVESTMENTS (Cost \$51,992,121) (a)	97.0%		
=====				
	OTHER ASSETS IN EXCESS OF LIABILITIES	3.0		

	NET ASSETS	100.0%		
		=====		

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

ETM Escrowed to maturity.

* Current coupon of variable rate demand obligation.

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

The aggregate gross and net unrealized appreciation is \$2,256,596.

Bond Insurance:

Ambac Assurance Corporation.

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

FGIC Financial Guaranty Insurance Company.

FSA Financial Security Assurance Inc.

MBIA Municipal Bond Investors Assurance Corporation.

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.

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 20, 2004

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 20, 2004

/s/ Francis Smith
Francis Smith
Principal Financial Officer

September 20, 2004