

COLONIAL INSURED MUNICIPAL FUND  
Form N-Q  
October 27, 2006

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

**OMB APPROVAL**  
OMB Number: 3235-0578  
Expires: May 31, 2007  
Estimated average burden hours per  
response.....21.09

**FORM N-Q**

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

Investment Company Act file number 811-9533

Colonial Insured Municipal Fund  
(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts  
(Address of principal executive offices)

02111  
(Zip code)

James R. Bordewick, Jr., Esq.

Columbia Management Advisors, LLC

One Financial Center

Boston, MA 02111  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-426-3750

Date of fiscal year end: 11/30/06

Date of reporting period: 8/31/06

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**Item 1. Schedule of Investments.**

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**INVESTMENT PORTFOLIO**

**August 31, 2006 (Unaudited)**

**Colonial Insured Municipal Fund**

|                        |               | Par (\$) | Value (\$)* |
|------------------------|---------------|----------|-------------|
| <b>Municipal Bonds</b> | <b>155.3%</b> |          |             |



**EDUCATION 5.8%**

**Education 2.5%**



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| <b>AR University Revenue</b> |  |           |           |
|------------------------------|--|-----------|-----------|
|                              | Construction UAMS Campus,<br>Series 2004 B,<br>Insured: MBIA |           |           |
|                              | 5.000% 11/01/28  | 1,475,000 | 1,550,579 |
| Education Total              |  |           | 1,550,579 |
| <b>Student Loan</b>          | <b>3.3%</b>  |           |           |

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**MT Higher Education Student  
Assistance Corp.**

|                    |  |           |           |
|--------------------|--|-----------|-----------|
|                    | Series 1999 B, AMT,<br>6.400% 12/01/32 | 2,000,000 | 2,110,000 |
| Student Loan Total |  |           | 2,110,000 |
| EDUCATION TOTAL    |  |           | 3,660,579 |

**HEALTH CARE 8.6%**

**Continuing Care Retirement 0.9%**





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| <b>NY Dormitory Authority</b>    |  |         |         |
|----------------------------------|--|---------|---------|
|                                  | Miriam Osborn Memorial Home,<br>Series 2000 B,<br>Insured: ACA |         |         |
|                                  | 6.875% 07/01/19  | 500,000 | 555,770 |
| Continuing Care Retirement Total |  |         | 555,770 |
| <b>Health Services</b>           | <b>3.4%</b>  |         |         |

|   |  |           |           |
|---|--|-----------|-----------|
| <b>WI Health &amp; Educational Facilities Authority</b> |  |           |           |
|   | Marshfield Clinic,<br>Series 1999,<br>Insured: RAD |           |           |
|   | 6.250% 02/15/29                                    | 2,000,000 | 2,159,260 |
| Health Services Total                                   |  |           | 2,159,260 |
| <b>Hospitals 4.3%</b>                                   |  |           |           |

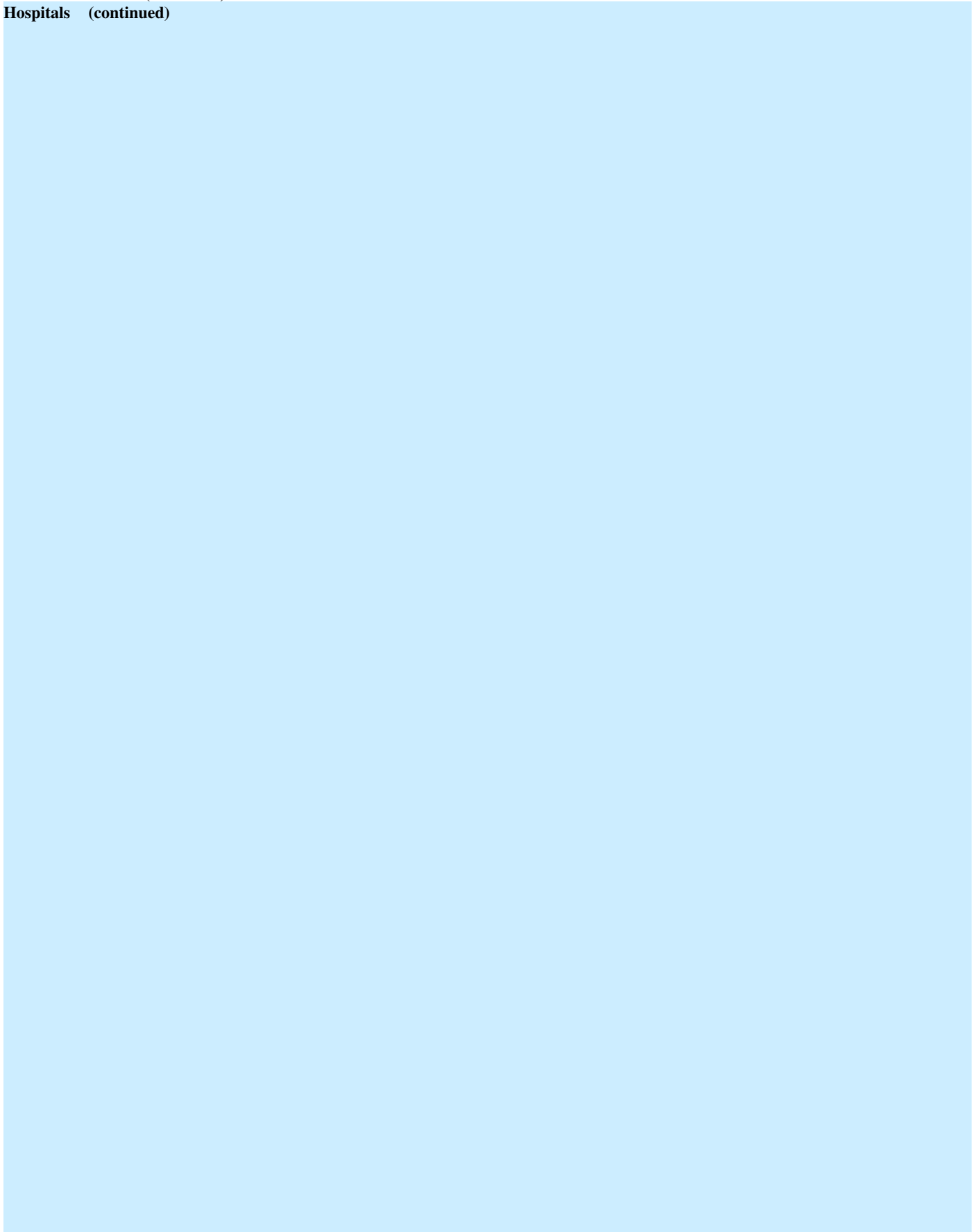
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| <b>CO Health Facilities Authority</b>                   |                                  |           |           |
|---|----------------------------------|-----------|-----------|
|   | Parkview Medical Center, Inc.,   |           |           |
|   | Series 2001,                     |           |           |
|   | 6.600% 09/01/25                  | 400,000   | 439,076   |
| <b>NV Henderson</b>                                     |                                  |           |           |
|   | Catholic Healthcare West,        |           |           |
|   | Series 1999 A,                   |           |           |
|   | 6.750% 07/01/20                  | 60,000    | 65,806    |
| <b>OK Industries Authority</b>                          |                                  |           |           |
|   | Health Systems Obligation Group, |           |           |
|   | Series 1999 A,                   |           |           |
|   | Insured: MBIA                    |           |           |
|   | 5.750% 08/15/29                  | 1,155,000 | 1,221,724 |
| <b>WI Health &amp; Educational Facilities Authority</b> |                                  |           |           |
|   | Thedacare, Inc.,                 |           |           |

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**HEALTH CARE (continued)**

**Hospitals (continued)**



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|                   |                 |           |           |
|-------------------|-----------------|-----------|-----------|
|                   | Series 2005,    |           |           |
|                   | Insured: AMBAC  |           |           |
|                   | 4.500% 12/15/25 | 1,000,000 | 992,290   |
| Hospitals Total   |                 |           | 2,718,896 |
| HEALTH CARE TOTAL |                 |           | 5,433,926 |

**HOUSING 5.3%**

**Assisted Living/Senior 1.2%**

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| <b>DE Kent County</b>             |   |         |         |
|-----------------------------------|---|---------|---------|
|                                   | Dover Alf LLC,<br>Series 1999, AMT,<br>7.625% 01/01/30                | 235,000 | 215,201 |
| <b>NC Medical Care Commission</b> |   |         |         |
|                                   | DePaul Community Facilities, Inc.,<br>Series 1999,<br>7.625% 11/01/29 | 475,000 | 499,164 |
| Assisted Living/Senior Total      |   |         | 714,365 |
| <b>Multi-Family 0.8%</b>          |   |         |         |



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|  |                              |         |         |
|--|------------------------------|---------|---------|
| <b>FL Broward County Housing Finance Authority</b> |                              |         |         |
|  | Chaves Lake Apartments Ltd., |         |         |
|  | Series 2000 A, AMT,          |         |         |
|  | 7.500% 07/01/40              | 250,000 | 259,335 |
| <b>FL Clay County Housing Finance Authority</b>    |                              |         |         |
|  | Breckenridge Commons Ltd.,   |         |         |
|  | Series 2000 A, AMT,          |         |         |
|  | 7.450% 07/01/40              | 245,000 | 253,805 |
| Multi-Family Total                                 |                              |         | 513,140 |
| <b>Single-Family 3.3%</b>                          |                              |         |         |

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|   |  |           |           |
|---|--|-----------|-----------|
| <b>AK Housing Finance Corp.</b>                 |  |           |           |
|   | Series 1999,<br>Insured: FHA             |           |           |
|   | 6.150% 06/01/39                          | 1,575,000 | 1,637,606 |
| <b>CA Rural Home Mortgage Finance Authority</b> |  |           |           |
|   | Series 1998 A, AMT,<br>Guarantor: GNMA   |           |           |
|   | 6.350% 12/01/29                          | 70,000    | 70,507    |
| <b>CO Housing &amp; Finance Authority</b>       |  |           |           |
|   | Series 2000 B-2, AMT,<br>7.250% 10/01/31 | 70,000    | 71,506    |
| <b>OK Housing Finance Agency</b>                |  |           |           |
|   | Series 2000 C-2, AMT,                    |           |           |

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**HOUSING (continued)**  
**Single-Family (continued)**



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|                     |                 |         |           |
|---------------------|-----------------|---------|-----------|
|                     | 7.550% 09/01/28 | 295,000 | 299,980   |
| Single-Family Total |                 |         | 2,079,599 |
| HOUSING TOTAL       |                 |         | 3,307,104 |

**INDUSTRIALS** 3.2%  
**Oil & Gas** 3.2%

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**NV Clark County Industrial  
Development Authority**

Southwest Gas Corp.,  
Series 2005 A, AMT,  
Insured: AMBAC  
4.850% 10/01/35

|                          |           |                  |
|--------------------------|-----------|------------------|
|                          | 2,000,000 | 2,021,900        |
| Oil & Gas Total          |           | 2,021,900        |
| <b>INDUSTRIALS TOTAL</b> |           | <b>2,021,900</b> |

**OTHER 9.1%**

**Other 3.4%**





**AL Incentives Financing Authority**

Series 1999 A,

Insured: AMBAC

6.000% 10/01/29

2,000,000

2,163,640

Other Total

2,163,640

**Pool/Bond Bank 1.7%**

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**UT Water Finance Agency**

Series 2002 B,

Insured: AMBAC

5.125% 07/01/23

1,000,000

1,060,630

Pool/Bond Bank Total

1,060,630

**Refunded/Escrowed(a) 4.0%**

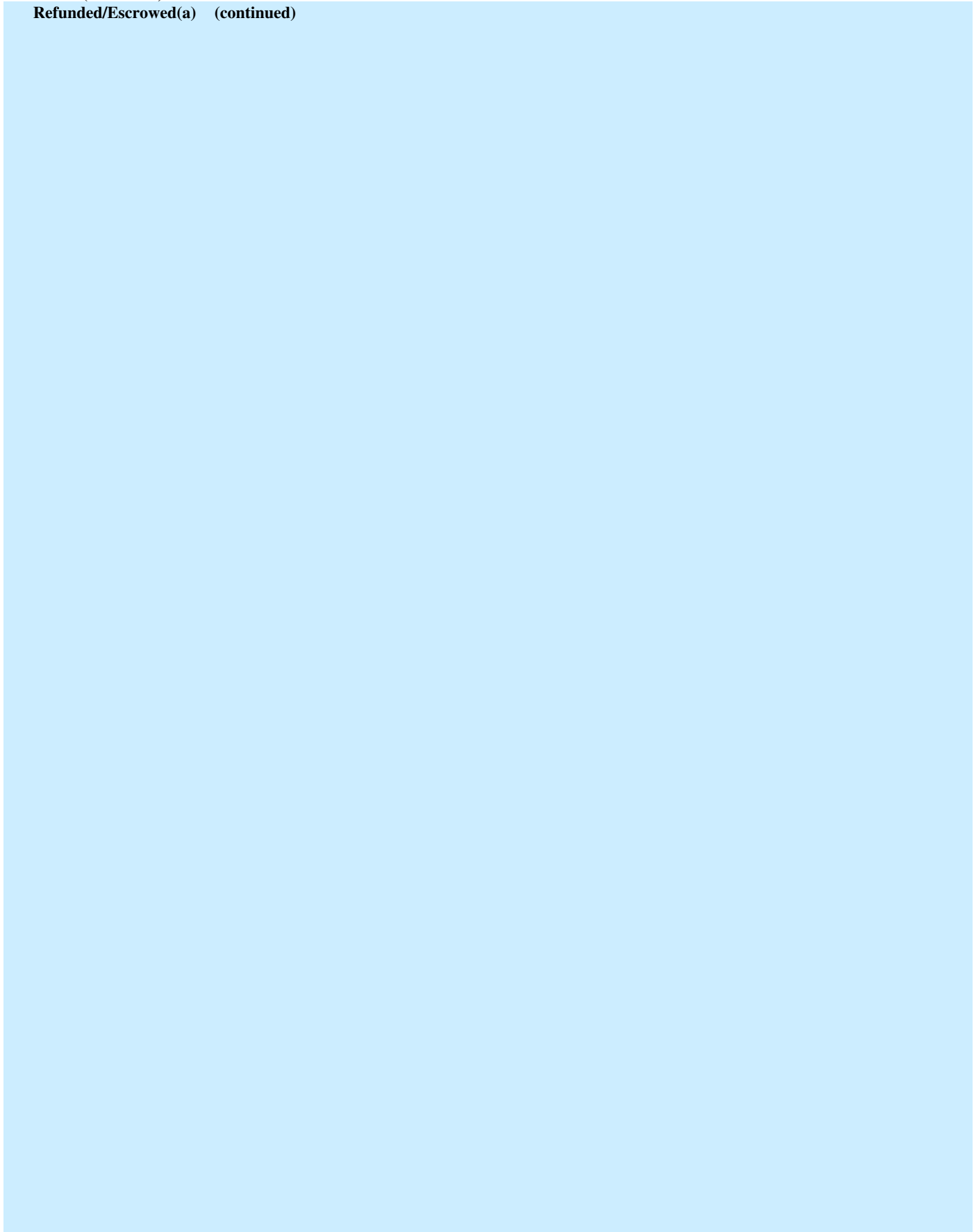
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|  |  |           |         |
|--|--|-----------|---------|
| <b>CA Morgan Hill Unified School District</b>          |  |           |         |
|  | Series 2002,<br>Escrowed to Maturity,<br>Insured: FGIC<br>(b) 08/01/21                   | 1,000,000 | 522,450 |
| <b>NV Henderson</b>                                    |  |           |         |
|  | Catholic Healthcare West,<br>Series 1999 A,<br>Pre-refunded 07/01/10,<br>6.750% 07/01/20 | 440,000   | 491,515 |
| <b>NY Suffolk County Industrial Development Agency</b> |  |           |         |
|  | Jefferson Ferry,<br>Series 1999 A,<br>Pre-refunded 11/01/09,<br>7.200% 11/01/19          | 550,000   | 610,363 |
| <b>WA Health Care Facilities Authority</b>             |  |           |         |
|  | Kadlec Medical Center,<br>Series 2001,<br>Pre-refunded 12/01/10,<br>Insured: RAD         |           |         |

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**OTHER (continued)**

**Refunded/Escrowed(a) (continued)**



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|                                      |   |         |           |
|--------------------------------------|---|---------|-----------|
|                                      | 5.875% 12/01/21   | 300,000 | 326,199   |
| <b>WV Hospital Finance Authority</b> |   |         |           |
|                                      | Charleston Area Medical Center,<br>Series 2000,<br>Pre-refunded 09/01/10, |         |           |
|                                      | 6.750% 09/01/30   | 500,000 | 561,730   |
| Refunded/Escrowed Total              |   |         | 2,512,257 |
| OTHER TOTAL                          |   |         | 5,736,527 |

**RESOURCE RECOVERY 1.3%**

**Disposal 1.3%**



**CA Salinas Valley Solid Waste  
Authority**

|                         |                   |         |         |
|-------------------------|-------------------|---------|---------|
|                         | Series 2002, AMT, |         |         |
|                         | Insured: AMBAC    |         |         |
|                         | 5.125% 08/01/22   | 750,000 | 779,572 |
| Disposal Total          |                   |         | 779,572 |
| RESOURCE RECOVERY TOTAL |                   |         | 779,572 |



**TAX-BACKED 60.1%**  
**Local Appropriated 4.1%**



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| <b>IL Chicago Park District</b>                   |                                  |           |           |
|---|----------------------------------|-----------|-----------|
|   | Series 2004 A,<br>Insured: AMBAC |           |           |
|   | 5.000% 01/01/25                  | 1,000,000 | 1,048,790 |
| <b>IN Carmel Industrial School Building Corp.</b> |                                  |           |           |
|   | Series 2003,<br>Insured: MBIA    |           |           |
|   | 5.000% 07/15/22                  | 1,000,000 | 1,049,270 |
| <b>OK Grady County Industrial Authority</b>       |                                  |           |           |
|   | Series 1999,<br>Insured: MBIA    |           |           |
|   | 6.000% 11/01/29                  | 500,000   | 512,805   |
| Local Appropriated Total                          |                                  |           | 2,610,865 |
| <b>Local General Obligations 13.9%</b>            |                                  |           |           |

**CA Centinela Valley Union High  
School District**

|                               |  |         |         |
|-------------------------------|--|---------|---------|
| Series 2002,<br>Insured: MBIA |  |         |         |
| 5.250% 02/01/22               |  | 730,000 | 827,901 |

**CA Empire Unified School District No.  
1987-1-A**

|                                |  |           |         |
|--------------------------------|--|-----------|---------|
| Series 2002,<br>Insured: AMBAC |  |           |         |
| (b) 10/01/18                   |  | 1,665,000 | 995,753 |

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**TAX-BACKED (continued)**

**Local General Obligations  
(continued)**

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|   |  |           |           |
|---|--|-----------|-----------|
| <b>CA Union Elementary School District</b>                        |  |           |           |
|   | Series 1999 A,<br>Insured: FGIC              |           |           |
|   | (b) 09/01/16                                 | 1,400,000 | 929,964   |
| <b>CA Vallejo City Unified School District</b>                    |  |           |           |
|   | Series 2002 A,<br>Insured: MBIA              |           |           |
|   | 5.900% 02/01/21                              | 500,000   | 601,465   |
| <b>IL Chicago</b>   |  |           |           |
|   | Series 2005 A,<br>Insured: FSA               |           |           |
|   | 5.000% 01/01/26                              | 1,000,000 | 1,051,400 |
| <b>IL Coles &amp; Cumberland Counties Unified School District</b> |  |           |           |
|   | Series 2000,<br>Insured: FSA                 |           |           |
|   | (b) 12/01/14                                 | 2,080,000 | 1,487,200 |
| <b>MI Detroit City School District</b>                            |  |           |           |
|   | Series 2005 A,<br>Insured: FSA               |           |           |
|   | 5.250% 05/01/30                              | 1,500,000 | 1,715,085 |
| <b>OR Clackamas County School District No. 7J</b>                 |  |           |           |
|   | Lake Oswego,<br>Series 2005,<br>Insured: FSA |           |           |
|   | 5.250% 06/01/25                              | 1,000,000 | 1,139,470 |
| Local General Obligations Total                                   |  |           | 8,748,238 |
| <b>Special Non-Property Tax 28.2%</b>                             |  |           |           |

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|   |   |           |           |
|---|---|-----------|-----------|
| <b>LA Ernest N. Moria Exhibition Hall Authority</b> |   |           |           |
|   | Special Tax,<br>Series 2004,<br>Insured: AMBAC<br>5.000% 07/15/23               | 2,000,000 | 2,088,760 |
| <b>MA Bay Transportation Authority</b>              |   |           |           |
|   | Sales Tax Revenue,<br>Series 2005 B,<br>Insured: MBIA<br>5.500% 07/01/28        | 1,000,000 | 1,179,790 |
| <b>MI Trunk Line Department of Treasury</b>         |   |           |           |
|   | Series 2004,<br>Insured: FSA<br>5.250% 11/01/21                                 | 1,000,000 | 1,133,720 |
| <b>NJ Economic Development Authority</b>            |   |           |           |
|   | Motor Vehicle Revenue,<br>Series 2004 A,<br>Insured: MBIA<br>5.250% 07/01/26(c) | 2,000,000 | 2,280,620 |
| <b>NM County of Bernalillo</b>                      |   |           |           |
|   | Gross Receipts,<br>Series 2005,   |           |           |

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |



**TAX-BACKED (continued)**

**Special Non-Property Tax  
(continued)**

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|  |  |           |            |
|--|--|-----------|------------|
|  | Insured: AMBAC                                 |           |            |
|  | 5.250% 10/01/26                                | 2,000,000 | 2,294,740  |
| <b>NY Urban Development Corp.</b>  |  |           |            |
|  | State Personal Income Tax,<br>Series 2004 A-2, |           |            |
|  | Insured: MBIA                                  |           |            |
|  | 5.500% 03/15/22                                | 1,000,000 | 1,159,700  |
| <b>PR Commonwealth of Puerto Rico<br/>Convention Center Authority</b>            |  |           |            |
|  | Hotel Occupancy Tax Revenue,<br>Series 2006,   |           |            |
|  | Insured: AMBAC                                 |           |            |
|  | 5.000% 07/01/20                                | 1,000,000 | 1,078,900  |
| <b>PR Commonwealth of Puerto Rico<br/>Highway &amp; Transportation Authority</b> |  |           |            |
|  | Series 2002 E,<br>Insured: FSA:                |           |            |
|  | 5.500% 07/01/21                                | 1,000,000 | 1,155,590  |
|  | 5.500% 07/01/23                                | 1,000,000 | 1,162,310  |
|  | Series 2005 L,<br>Insured: MBIA                |           |            |
|  | 5.250% 07/01/35                                | 1,000,000 | 1,157,540  |
| <b>PR Commonwealth of Puerto Rico<br/>Infrastructure Financing Authority</b>     |  |           |            |
|  | Series 2005 A,<br>Insured: FGIC                |           |            |
|  | 5.500% 07/01/24                                | 1,125,000 | 1,311,862  |
|  | Series 2005 C,<br>Insured: AMBAC               |           |            |
|  | 5.500% 07/01/23                                | 1,500,000 | 1,743,465  |
| Special Non-Property Tax Total   |  |           | 17,746,997 |
| <b>Special Property Tax 4.0%</b>   |  |           |            |

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|   |                 |           |           |
|---|-----------------|-----------|-----------|
| <b>CA Huntington Park Public Financing Authority</b>    |                 |           |           |
|   | Series 2004,    |           |           |
|   | Insured: FSA    |           |           |
|   | 5.250% 09/01/19 | 1,190,000 | 1,313,760 |
| <b>CA Pittsburg Redevelopment Agency</b>                |                 |           |           |
|   | Los Medanos,    |           |           |
|   | Series 1999,    |           |           |
|   | Insured: AMBAC  |           |           |
|   | (b) 08/01/26    | 2,500,000 | 1,007,800 |
| <b>FL Lexington Oaks Community Development District</b> |                 |           |           |
|   | Series 2000 A,  |           |           |
|   | 7.200% 05/01/30 | 180,000   | 185,382   |
| <b>Special Property Tax Total</b>                       |                 |           | 2,506,942 |
| <b>State Appropriated 5.2%</b>                          |                 |           |           |

**NJ Economic Development Authority**

School Facilities Construction,  
Series 2005 N-1,

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**TAX-BACKED (continued)**

**State Appropriated (continued)**



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|  |                                     |           |           |
|--|-------------------------------------|-----------|-----------|
|  | Insured: FGIC                       |           |           |
|  | 5.500% 09/01/27                     | 1,000,000 | 1,178,670 |
| <b>OK Capital Improvement Authority</b>    |                                     |           |           |
|  | Higher Education,<br>Series 2005 F, |           |           |
|  | Insured: AMBAC                      |           |           |
|  | 5.000% 07/01/30                     | 1,000,000 | 1,050,940 |
| <b>PA Commonwealth Financing Authority</b> |                                     |           |           |
|  | Series 2005 A,                      |           |           |
|  | Insured: MBIA                       |           |           |
|  | 5.000% 06/01/25                     | 1,000,000 | 1,059,510 |
| State Appropriated Total                   |                                     |           | 3,289,120 |
| <b>State General Obligations 4.7%</b>      |                                     |           |           |

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| <b>CA State</b>                 |                 |           |            |
|---------------------------------|-----------------|-----------|------------|
|                                 | Series 2002,    |           |            |
|                                 | Insured: AMBAC  |           |            |
|                                 | 6.000% 04/01/16 | 500,000   | 586,900    |
| <b>MA State</b>                 |                 |           |            |
|                                 | Series 2004 C,  |           |            |
|                                 | Insured: AMBAC  |           |            |
|                                 | 5.500% 12/01/24 | 2,000,000 | 2,345,840  |
| State General Obligations Total |                 |           | 2,932,740  |
| TAX-BACKED TOTAL                |                 |           | 37,834,902 |



**TRANSPORTATION 34.2%**

**Air Transportation 6.6%**

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|  |   |           |           |
|--|---|-----------|-----------|
| <b>FL Miami-Dade County Industrial Development Authority</b> |   |           |           |
|  | Airis Miami II, LLC,<br>Series 1999 A, AMT,<br>Insured: AMBAC |           |           |
|  | 6.000% 10/15/25   | 1,000,000 | 1,072,490 |
| <b>MA Port Authority</b>                                     |   |           |           |
|  | US Airways, Inc.,<br>Series 1999, AMT,<br>Insured: MBIA       |           |           |
|  | 6.000% 09/01/21   | 2,500,000 | 2,631,850 |
| <b>NC Charlotte/Douglas International Airport</b>            |   |           |           |
|  | US Airways, Inc.:<br>Series 1998, AMT,<br>5.600% 07/01/27     | 200,000   | 198,146   |
|  | Series 2000, AMT,<br>7.750% 02/01/28                          | 250,000   | 266,260   |
| Air Transportation Total                                     |   |           | 4,168,746 |
| <b>Airports 12.0%</b>  |   |           |           |

**DC Metropolitan Washington Airports  
Authority**

Series 2003 A, AMT,

| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**TRANSPORTATION (continued)**

**Airports (continued)**



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|   |                     |           |           |
|---|---------------------|-----------|-----------|
|   | Insured: FGIC       |           |           |
|   | 5.500% 10/01/19     | 1,000,000 | 1,080,810 |
| <b>IN Indianapolis Local Public Improvement Bond Bank</b> |                     |           |           |
|   | Series 2005 B, AMT, |           |           |
|   | Insured: MBIA       |           |           |
|   | 5.250% 01/01/29     | 1,000,000 | 1,060,500 |
| <b>MO St. Louis Airport Revenue</b>                       |                     |           |           |
|   | Series 2005,        |           |           |
|   | Insured: MBIA       |           |           |
|   | 5.500% 07/01/27     | 1,000,000 | 1,170,060 |
| <b>NY Niagara Frontier Transportation Authority</b>       |                     |           |           |
|   | Series 1999 A, AMT, |           |           |
|   | Insured: MBIA       |           |           |
|   | 5.625% 04/01/29     | 1,000,000 | 1,051,720 |
| <b>TN Memphis-Shelby County Airport Authority</b>         |                     |           |           |
|   | Series 1999 D, AMT, |           |           |
|   | Insured: AMBAC      |           |           |
|   | 6.000% 03/01/24     | 3,000,000 | 3,222,300 |
| Airports Total  |                     |           | 7,585,390 |
| <b>Ports 3.1%</b>   |                     |           |           |

**TX Harris County Port of Houston  
Authority**

|             |                                 |           |           |
|-------------|---------------------------------|-----------|-----------|
|             | Series 2005 B,<br>Insured: MBIA |           |           |
|             | 4.125% 10/01/23                 | 2,000,000 | 1,928,540 |
| Ports Total |                                 |           | 1,928,540 |

**Toll Facilities 7.9%**

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|  |   |           |           |
|--|---|-----------|-----------|
| <b>CO Northwest Parkway Public Highway Authority</b> |   |           |           |
|  | Series 2001 D,<br>7.125% 06/15/41                   | 200,000   | 198,576   |
| <b>NY Thruway Authority</b>                          |   |           |           |
|  | Series 2005 A,<br>Insured: MBIA<br>5.000% 04/01/24  | 1,000,000 | 1,060,080 |
|  | Series 2005 B,<br>Insured: AMBAC<br>5.500% 04/01/20 | 1,000,000 | 1,155,990 |
| <b>NY Triborough Bridge &amp; Tunnel Authority</b>   |   |           |           |
|  | Series 2002,<br>Insured: MBIA<br>5.500% 11/15/20    | 1,200,000 | 1,394,964 |
| <b>PA Turnpike Commission</b>                        |   |           |           |
|  | Series 2005 A,                                      |           |           |



| Municipal Bonds (continued) | Par (\$) | Value (\$) |
|-----------------------------|----------|------------|
| [Redacted content]          |          |            |

**TRANSPORTATION (continued)**

**Toll Facilities (continued)**



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|                            |                 |           |           |
|----------------------------|-----------------|-----------|-----------|
|                            | Insured: FSA    |           |           |
|                            | 5.250% 07/15/25 | 1,000,000 | 1,142,920 |
| Toll Facilities Total      |                 |           | 4,952,530 |
| <b>Transportation 4.6%</b> |                 |           |           |

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|   |                                     |           |                   |
|---|-------------------------------------|-----------|-------------------|
| <b>IN Transportation Finance Authority</b>      |                                     |           |                   |
| <b>Highway Revenue</b>                          |                                     |           |                   |
|   | Series 2004 A,<br>Insured: FGIC     |           |                   |
|   | 5.250% 06/01/20                     | 1,000,000 | 1,081,150         |
| <b>NV Department of Business &amp; Industry</b> |                                     |           |                   |
|   | Las Vegas Monorail,<br>Series 2000, |           |                   |
|   | 7.375% 01/01/40                     | 250,000   | 257,205           |
| <b>NY Metropolitan Transportation Authority</b> |                                     |           |                   |
|   | Series 2002 A,<br>Insured: FSA      |           |                   |
|   | 5.000% 11/15/30                     | 1,500,000 | 1,564,545         |
| Transportation Total                            |                                     |           | 2,902,900         |
| <b>TRANSPORTATION TOTAL</b>                     |                                     |           | <b>21,538,106</b> |

**UTILITIES 27.7%**  
**Investor Owned 11.5%**



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|  |  |           |           |
|--|--|-----------|-----------|
| <b>CA Pollution Control Financing Authority</b>  |  |           |           |
|  | San Diego Gas & Electric Co.,<br>Series 1991 A, AMT,<br>6.800% 06/01/15            | 500,000   | 587,000   |
| <b>CO Adams County Pollution Control Revenue</b> |  |           |           |
|  | Public Service Co.,<br>Series 2005 A,<br>Insured: MBIA<br>4.375% 09/01/17          | 1,000,000 | 1,023,320 |
| <b>HI Department of Budget &amp; Finance</b>     |  |           |           |
|  | Hawaiian Electric Co.,<br>Series 1999 C, AMT,<br>Insured: AMBAC<br>6.200% 11/01/29 | 2,000,000 | 2,158,440 |
| <b>KY Boone County Pollution Control Revenue</b> |  |           |           |
|  | Dayton Power & Light Co.,<br>Series 2005 A,<br>Insured: FGIC<br>4.700% 01/01/28    | 1,000,000 | 1,014,830 |
| <b>TX Brazos River Authority</b>                 |  |           |           |
|  | Centerpoint Energy, Inc.,<br>Series 1998 A,<br>Insured: AMBAC<br>5.125% 05/01/19   | 2,100,000 | 2,179,002 |
|  | TXU Energy Co., LLC,<br>Series 2003 C, AMT,  |           |           |

| <b>Municipal Bonds (continued)</b> | <b>Par (\$)</b> | <b>Value (\$)</b> |
|------------------------------------|-----------------|-------------------|
| [Redacted content]                 |                 |                   |

**UTILITIES (continued)**

**Investor Owned (continued)**





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|                              |                 |         |           |
|------------------------------|-----------------|---------|-----------|
|                              | 6.750% 10/01/38 | 215,000 | 241,959   |
| Investor Owned Total         |                 |         | 7,204,551 |
| <b>Joint Power Authority</b> | <b>1.7%</b>     |         |           |

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**SC Public Service Authority**

Santee Cooper,  
Series 2006 A,  
Insured: MBIA  
5.000% 01/01/29

1,000,000      1,053,290

Joint Power Authority Total

1,053,290

**Municipal Electric 1.7%**

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**CA Department of Water Resources**

Series 2002 A,  
Insured: AMBAC  
5.500% 05/01/14

1,000,000      1,100,780

Municipal Electric Total

1,100,780

**Water & Sewer 12.8%**

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|   |                 |           |            |
|---|-----------------|-----------|------------|
| <b>AZ Phoenix Civic Improvement Corp.</b>           |                 |           |            |
|   | Series 2001,    |           |            |
|   | Insured: FGIC   |           |            |
|   | 5.500% 07/01/21 | 1,000,000 | 1,159,230  |
| <b>FL Tallahassee Consolidated Utilities System</b> |                 |           |            |
|   | Series 2001,    |           |            |
|   | Insured: FGIC   |           |            |
|   | 5.500% 10/01/19 | 1,360,000 | 1,567,685  |
| <b>MA Water Resources Authority</b>                 |                 |           |            |
|   | Series 2006 A,  |           |            |
|   | Insured: AMBAC  |           |            |
|   | 5.000% 08/01/26 | 1,000,000 | 1,072,430  |
| <b>TX Corpus Christi Utility System Revenue</b>     |                 |           |            |
|   | Series 2005 A,  |           |            |
|   | Insured: AMBAC  |           |            |
|   | 5.000% 07/15/22 | 2,000,000 | 2,114,360  |
| <b>TX Houston Utility System Revenue</b>            |                 |           |            |
|   | Series 2004 A,  |           |            |
|   | Insured: FSA    |           |            |
|   | 5.250% 05/15/20 | 2,000,000 | 2,156,000  |
| Water & Sewer Total                                 |                 |           | 8,069,705  |
| UTILITIES TOTAL                                     |                 |           | 17,428,326 |

**Total Municipal Bonds**  
(cost of \$92,954,480)

**97,740,942**

|                                   |             | Shares | Value (\$) |
|-----------------------------------|-------------|--------|------------|
| <b>Municipal Preferred Stocks</b> | <b>0.9%</b> |        |            |



**HOUSING 0.9%**

**Multi-Family 0.9%**



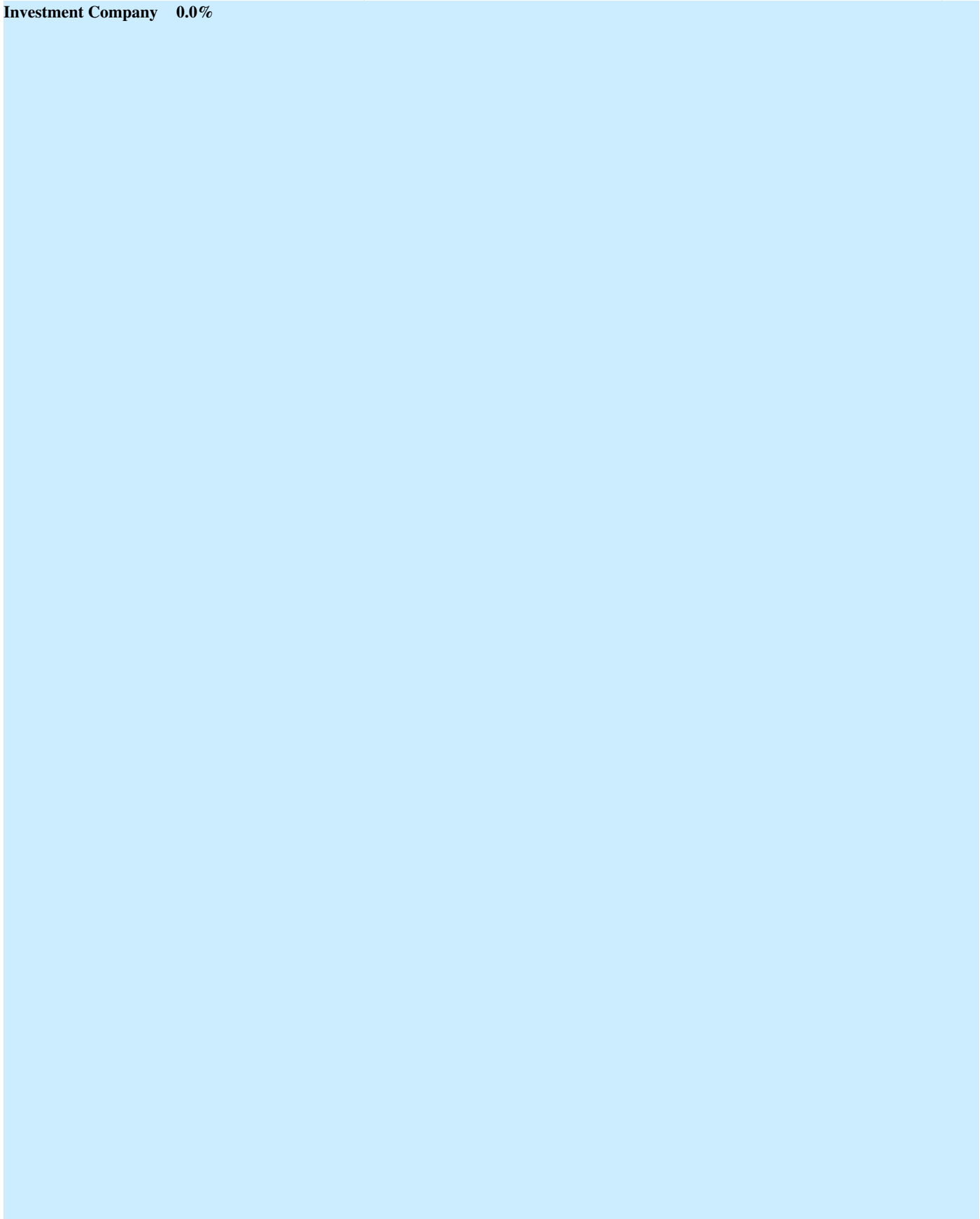
| <b>Charter Mac Equity Issue Trust</b> |                    |         |         |
|---------------------------------------|--------------------|---------|---------|
|                                       | 7.100% 06/30/09(d) | 500,000 | 533,495 |
| Multi-Family Total                    |                    |         | 533,495 |
| HOUSING TOTAL                         |                    |         | 533,495 |



**Total Municipal Preferred Stocks**  
**(cost of \$500,000)**

**533,495**

**Investment Company 0.0%**



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|   |     |            |
|---|-----|------------|
| Dreyfus Tax-Exempt Cash Management Fund         | 456 | 456        |
| <b>Total Investment Company (cost of \$456)</b> |     | <b>456</b> |

| Short-Term Obligations | 1.4% | Par (\$) |
|------------------------|------|----------|
|                        |      |          |

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| <b>VARIABLE RATE DEMAND NOTES (e) 1.4%</b>         |  |         |                |
|--|--|---------|----------------|
| <b>FL Orange County School Board</b>               |  |         |                |
|  | Series 2002 B,<br>SPA: SunTrust Bank   |         |                |
|  | 3.410% 08/01/27  | 300,000 | 300,000        |
| <b>IL Health Facilities Authority</b>              |  |         |                |
|  | OSF Healthcare Systems,<br>Series 2002,<br>LOC: Fifth Third Bank                         |         |                |
|  | 3.570% 11/15/27  | 300,000 | 300,000        |
| <b>IN Health Facility Financing Authority</b>      |  |         |                |
|  | Fayette Memorial Hospital<br>Association, Inc.,<br>Series 2002 A,<br>LOC: U.S. Bank N.A. |         |                |
|  | 3.620% 10/01/32  | 200,000 | 200,000        |
| <b>MS Jackson County Pollution Control Revenue</b> |  |         |                |
|  | Chevron Corp.,<br>Series 1992,<br>3.410% 12/01/16  |         |                |
|  |  | 100,000 | 100,000        |
| <b>VARIABLE RATE DEMAND NOTES TOTAL</b>            |  |         | <b>900,000</b> |



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|   |  |                     |
|---|--|---------------------|
| <b>Total Short-Term Obligations</b><br>(cost of \$900,000)      |  | <b>900,000</b>      |
| <b>Total Investments</b> 157.6%<br>(cost of \$94,354,936)(f)(g) |  | <b>99,174,893</b>   |
| <b>Other Assets &amp; Liabilities, Net</b> (57.6)%              |  | <b>(36,256,364)</b> |
| <b>Net Assets</b> 100.0%  |  | <b>62,918,529</b>   |

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**Notes to Investment Portfolio:**

\*

**Security Valuation:**

Debt securities generally are valued by pricing services approved by the Fund's Board of Trustees, based upon market transactions for normal, institutional-size trading units of similar securities. The services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Debt securities for which quotations are readily available are valued at an over-the-counter or exchange bid quotation. Certain debt securities, which tend to be more thinly traded and of lesser quality, are priced based on fundamental analysis of the financial condition of the issuer and the estimated value of any collateral. Valuations developed through pricing techniques may vary from the actual amounts realized upon sale of the securities, and the potential variation may be greater for those securities valued using fundamental analysis.

Short-term debt obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Investments in other investment companies are valued at net asset value.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

Forward currency exchange contracts are valued at the prevailing forward exchange rate of the underlying currencies.

Investments for which market quotations are not readily available, or quotations which management believes are not appropriate, are valued at fair value under procedures approved by the Board of Trustees. If a security is valued at a fair value, such value is likely to be different from the last quoted market price for the security.

- (a) The Fund has been informed that each issuer has placed direct obligations of the U.S. Government in an irrevocable trust, solely for the payment of principal and interest.
- (b) Zero coupon bond.
- (c) A portion of this security with a market value of \$2,271,800 is pledged as collateral for open futures contracts.
- (d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2006, the value of this security, which is not illiquid, represents 0.9% of net assets.
- (e) Variable rate demand notes. These securities are payable upon demand and are secured by letters of credit or other credit support agreements from banks. The interest rates change periodically and the interest rates shown reflect the

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- (f) rates at August 31, 2006.  
 Cost for federal income tax purposes is \$94,288,721.  
 (g) Unrealized appreciation and depreciation at August 31, 2006 based on cost of investments for federal income tax purposes was:

|    | Unrealized<br>Appreciation |    | Unrealized<br>Depreciation |    | Net Unrealized<br>Appreciation |
|----|----------------------------|----|----------------------------|----|--------------------------------|
| \$ | 4,966,558                  | \$ | (80,386)                   | \$ | 4,886,172                      |

At August 31, 2006, the Fund held the following open short futures contract:

| Type                           | Number of<br>Contracts | Value         | Aggregate<br>Face Value | Expiration<br>Date | Unrealized<br>Depreciation |
|--------------------------------|------------------------|---------------|-------------------------|--------------------|----------------------------|
| 10-Year U.S. Treasury<br>Notes | 94                     | \$ 10,097,656 | \$ 9,909,913            | Sep-2006           | \$ (187,743)               |

| Acronym | Name                               |
|---------|------------------------------------|
| ACA     | ACA Financial Guaranty Corp.       |
| AMBAC   | Ambac Assurance Corp.              |
| AMT     | Alternative Minimum Tax            |
| FGIC    | Financial Guaranty Insurance Co.   |
| FHA     | Federal Housing Administration     |
| FSA     | Financial Security Assurance, Inc. |

|      |  |
|------|--|
| GNMA | Government National Mortgage Association |
| LOC  | Letter of Credit                         |
| MBIA | MBIA Insurance Corp.                     |
| RAD  | Radian Asset Assurance, Inc.             |
| SPA  | Stand-by Purchase Agreement              |



**Item 2. Controls and Procedures.**

(a) The registrant's principal executive officer and principal financial officer, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-Q is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

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

**Item 3. Exhibits.**

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

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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.

(registrant) Colonial Insured Municipal Fund

By (Signature and Title) /s/ Christopher L. Wilson  
Christopher L. Wilson, President

Date October 27, 2006

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) /s/ Christopher L. Wilson  
Christopher L. Wilson, President

Date October 27, 2006

By (Signature and Title) /s/ J. Kevin Connaughton  
J. Kevin Connaughton, Treasurer

Date October 27, 2006

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