MFS CALIFORNIA INSURED MUNICIPAL FUND
Form N-CSRS
July 30, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT 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: May 31, 2009

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ITEM 1. REPORTS TO STOCKHOLDERS.

Semiannual report

MFS® California Insured Municipal Fund

5/31/09

CCA-SEM

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MFS® California Insured Municipal Fund

American Stock Exchange Symbol: **CCA**

NOT FDIC INSURED   MAY LOSE VALUE   NO BANK GUARANTEE

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LETTER FROM THE CEO

Dear Shareholders:

The market downturns and economic setbacks of late probably rank among the worst financial declines most of us have experienced. Inevitably, people may be questioning their commitment to investing. Still, it is important to remember that downturns are an inescapable part of the business cycle. Such troughs have been seen before, and if we can use history as a guide, market recoveries typically have followed.

Recent market events have shown the value of certain types of investments. In down markets especially, the benefits that funds offer diversification, professional management, and transparency of operations become even more important for investors.

This year, MFS celebrates the 85th anniversary of its flagship fund, Massachusetts Investors Trust. Founded in 1924, Massachusetts Investors Trust was America s first mutual fund. Over the years, MFS has managed money through wars, recessions, and countless boom and bust market cycles. As dire as today s economic climate may seem, experience has taught us the benefits of maintaining a long-term view. No one can predict when the market will fully recover. Still, we remain fully confident that the hallmarks of funds diversification, professional management, and transparency can serve long-term investors well through any type of market climate.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

July 15, 2009

The opinions expressed in this letter are subject to change, may not be relied upon for investment advice, and no forecasts can be guaranteed.

Before investing, consider the fund s investment objectives, risks, charges, and expenses. For a prospectus containing this and other information, contact MFS or view online. Read it carefully.

MFS Fund Distributors, Inc., 500 Boylston Street, Boston, MA 02116

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PORTFOLIO COMPOSITION

Portfolio structure

Top five industries reflecting equivalent exposure of derivative positions (i)	
General Obligations Schools	19.1%
State & Local Agencies	15.5%
Water & Sewer Utility Revenue	12.3%
Tax Assessment	8.9%
Healthcare Revenue Hospitals	8.2%

Credit quality of bonds (r)	
AAA	6.6%
AA	38.2%
A	35.5%
BBB	17.7%
CC	1.2%
Not Rated	0.8%

Portfolio structure reflecting equivalent exposure of derivative positions (i)(j)

Portfolio facts	
Average Duration (d)(i)	18.2
Average Effective Maturity (i)(m)	18.0 yrs.
Average Credit Quality of Rated Securities (long-term) (a)	A+
Average Credit Quality of Rated Securities (short-term) (a)	A-1

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Portfolio Composition continued

(a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating agencies.

(d) Duration is a measure of how much a bond s price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value.

(i) For purposes of this presentation, the bond component includes accrued interest amounts and may be positively or negatively impacted by the equivalent exposure from any derivative holdings, if applicable.

(j) For the purpose of managing the fund s duration, the fund holds short treasury futures with a bond equivalent exposure of (9.6)%, which reduce the fund s interest exposure, but not its credit exposure.

(m) In determining an instrument s effective maturity for purposes of calculating the fund s dollar-weighted average effective maturity, MFS uses the instrument s stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument s stated maturity.

(r) Each security is assigned a rating from Moody s Investors Service. If not rated by Moody s, the rating will be that assigned by Standard & Poor s. Likewise, if not assigned a rating by Standard & Poor s, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in the AAA -rating category. Percentages are based on the total market value of investments as of 5/31/09.

Percentages are based on net assets, including the value of auction preferred shares, as of 5/31/09, unless otherwise noted.

The portfolio is actively managed and current holdings may be different.

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INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

The fund s investment objective is to seek high current income exempt from federal income tax and California state personal income tax, but may also consider capital appreciation. The fund s objective may be changed without shareholder approval.

Principal Investment Strategies

MFS normally invests at least 80% of the fund s net assets in municipal instruments covered by insurance guaranteeing the timely payment of principal and interest.

MFS primarily invests the fund s assets in investment grade debt instruments, but may also invest in lower quality debt instruments.

The fund invests, under normal market conditions, at least 80% of its net assets, including assets attributable to preferred shares and borrowings for investment purposes, in debt securities the interest of which in the opinion of issuer counsel (or other reputable authority) is exempt from federal regular income tax and California personal income tax. This policy may not be changed without shareholder approval. Interest from the fund s investments may be subject to the federal alternative minimum tax.

MFS invests a high percentage of the fund s assets in municipal issuers of California.

MFS may invest a relatively high percentage of the fund s assets in securities insured by a single insurer or a small number of insurers.

MFS may invest 25% or more of the fund s assets in municipal instruments that finance similar projects, such as those relating to education, healthcare, housing, utilities, water or sewers. Municipal instruments whose interest is exempt from federal and state personal income tax include instruments issued by U.S. territories and possessions (such as Puerto Rico) and their political subdivisions and public corporations. Although MFS seeks to invest the fund s assets in municipal instruments whose interest is exempt from federal and state personal income tax, MFS may also invest in taxable instruments.

MFS may invest a relatively high percentage of the fund s assets in the debt instruments of a single issuer or a small number of issuers.

MFS may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

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Investment Objective, Principal Investment Strategies and Risks of the Fund continued

MFS uses a bottom-up investment approach in buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of instruments and their issuers in light of current market, economic, political, and regulatory conditions. Factors considered may include the instrument s credit quality, collateral characteristics, and indenture provisions, and the issuer s management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative analysis of the structure of the instrument and its features may also be considered.

The fund uses leverage through the issuance of preferred shares and/or the creation of tender option bonds, and then investing the proceeds pursuant to its investment strategies. If approved by the fund s Board of Trustees, the fund may use leverage by other methods.

MFS may engage in active and frequent trading in pursuing the fund s principal investment strategies.

In response to market, economic, political, or other conditions, MFS may depart from the fund s principal investment strategies by temporarily investing for defensive purposes.

Principal Risks

The portfolio s yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest rates fall. Debt securities with longer maturity dates will generally be subject to greater price fluctuations than those with shorter maturities. Municipal instruments can be volatile and significantly affected by adverse tax or court rulings, legislative or political changes and the financial condition of the issuers and/or insurers of municipal instruments. Changes in the financial condition of an individual municipal insurer can significantly affect the fund s share price. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value. Derivatives can be highly volatile and involve risks in addition to those of the underlying indicators upon whose value the derivative is based. Gains or losses from derivatives can be substantially greater than the derivatives original cost. The portfolio s performance will be closely tied to the economic and political conditions in California and will be more volatile than the performance of a more geographically diversified portfolio. Lower quality debt securities involve substantially greater risk of default and their value can decline significantly over time. To the extent that investments are purchased with the proceeds from the issuance of preferred shares, the fund s net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. To the extent that the fund participates in the creation of tender option

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Investment Objective, Principal Investment Strategies and Risks of the Fund continued

bonds, it will hold more concentrated positions in individual securities and so its performance may be more volatile than the performance of more diversified funds. A tender option bond issue may terminate upon the occurrence of certain enumerated events, which would result in a reduction in the fund s leverage. In connection with the creation of tender option bonds and for other investment purposes, the fund may invest in inverse floating rate instruments, whose potential income return is inversely related to changes in a floating interest rate. Inverse floating rate instruments may provide investment leverage and be more volatile than other debt instruments. When you sell your shares, they may be worth more or less than the amount you paid for them. Please see the fund s registration statement for further information regarding these and other risk considerations. A copy of the fund s registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission s Internet Web site at http://sec.gov and on the MFS Web site at mfs.com.

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase common and/or preferred shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

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PORTFOLIO MANAGERS PROFILES

Michael Dawson	Investment Officer of MFS; employed in the investment area of MFS since 1998. Portfolio manager of the fund since June 2007.
Geoffrey Schechter	Investment Officer of MFS; employed in the investment area of MFS since 1993. Portfolio manager of the fund since June 2007.

OTHER NOTES

The fund s shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund s liquidation. As a result, the total return that is calculated based on the net asset value and American Stock Exchange price can be different.

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount $100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the American Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares the automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

You may withdraw from the Plan at any time by going to the Plan Agent s website at www.computershare.com, by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the fund and your account number. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent s website at

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Dividend Reinvestment and Cash Purchase Plan continued

www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

The following changes in the Plan will take effect on September 1, 2009:

When dividend reinvestment is being made through purchases in the open market, such purchases will be made on or shortly after the payment date for such distribution (except where temporary limits on purchases are legally required) and in no event more than 15 days thereafter (instead of 45 days as previously specified).

In an instance where the Plan Agent either cannot invest the full amount of the distribution through open market purchases or the fund s shares are no longer selling at a discount to the current net asset value per share, the fund will supplementally issue additional shares at the greater of net asset value per share or 95% of the current market value price per share calculated on the date that such request is made (instead of the distribution date net asset value as previously specified). This price may be greater or lesser than the fund s net asset value per share on the distribution payment date.

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PORTFOLIO OF INVESTMENTS

5/31/09 (unaudited)

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by broad-based asset classes.

Municipal Bonds - 174.8%		
Issuer	**Shares/Par**	**Value ($)**
Airport & Port Revenue - 7.2%		
Port of Oakland, CA, A , NATL, 5%, 2026	$ 500,000	$ 431,720
Port of Oakland, CA, K , FGIC, 5.75%, 2010 (c)	5,000	5,211
Port of Oakland, CA, K , FGIC, 5.75%, 2029	995,000	939,091
San Diego County, CA, Regional Airport Authority, AMBAC, 5.25%, 2020	500,000	459,215
San Francisco, CA, City & County Airports Commission, International Airport Rev., FRN, 5.5%, 2019 (a)	270,000	275,403
		$ 2,110,640
General Obligations - General Purpose - 6.8%		
State of California, AMBAC, 6%, 2017	$ 1,000,000	$ 1,107,830
State of California, AMBAC, 5%, 2034	1,000,000	895,010
		$ 2,002,840
General Obligations - Schools - 34.6%		
Alhambra, CA, Unified School District, B , ASSD GTY, 5.25%, 2028	$ 500,000	$ 505,460
Allan Hancock, CA, Joint Community College (Election of 2006), A , FSA, 4.375%, 2031	100,000	89,425
Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2029	665,000	225,355
Chabot Las Positas, CA, Community College (Election of 2004), B , AMBAC, 0%, 2026	970,000	342,769
Culver City, CA, School Facilities Financing Authority Rev. (Culver City Unified School District), FSA, 5.5%, 2025	1,000,000	1,118,800
Pittsburg, CA, Unified School District, B , FSA, 5.5%, 2034	500,000	504,255
Pomona, CA, Unified School District, A , NATL, 6.55%, 2029	1,000,000	1,048,670
Rancho Santiago, CA, Community College District, FSA, 5.125%, 2029	175,000	182,532
Rescue, CA, Unified School District (Election of 1998), NATL, 0%, 2026	1,125,000	436,219
San Diego, CA, Community College (Election of 2002), FSA, 5%, 2020	500,000	538,615
San Diego, CA, Community College District, 5.25%, 2033	125,000	127,458
San Diego, CA, Unified School District (Election of 1998), E-2 , FSA, 5.5%, 2025	1,500,000	1,705,455
Union, CA, Elementary School District, A , FGIC, 0%, 2018	1,630,000	1,120,071
Vallejo City, CA, Unified School District, A , NATL, 5.9%, 2025	500,000	490,015
West Contra Costa, CA, Unified School District, A , NATL, 5.7%, 2023	500,000	511,155
West Covina, CA, Unified School District, A , NATL, 5.8%, 2021	500,000	525,250
Yuba City, CA, Unified School District, FGIC, 0%, 2018	1,000,000	662,730
		$ 10,134,234

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value ($)
Municipal Bonds - continued		
Healthcare Revenue - Hospitals - 14.8%		
California Municipal Finance Authority, COP (Community Hospitals of Central California), 5.25%, 2027	$ 250,000	$ 204,268
California Statewide Communities Development Authority Rev. (Adventist), ASSD GTY, 5%, 2037	405,000	371,478
California Statewide Communities Development Authority Rev. (Catholic Healthcare West) K , ASSD GTY, 5.5%, 2041	1,000,000	995,470
California Statewide Communities Development Authority Rev. (Daughters of Charity Health), A , 5.25%, 2030	500,000	383,480
California Statewide Communities Development Authority Rev. (Kaiser Permanente), B , BHAC, 5%, 2041	540,000	534,022
California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047	500,000	480,345
Oakland, CA, Rev. (Harrison Foundation), A , AMBAC, 6%, 2010 (c)	1,000,000	1,031,210
Santa Clara County, CA, Financing Authority Rev. (El Camino Hospital), AMBAC, 5.125%, 2041	400,000	345,204
		$ 4,345,477
Healthcare Revenue - Long Term Care - 4.3%		
ABAG Finance Authority for Non-Profit Corps. (Odd Fellows Home), NATL, 6%, 2024	$ 1,000,000	$ 989,190
California Statewide Communities Development Authority Rev. (Eskaton Properties, Inc.), 8.25%, 2010 (c)	250,000	277,078
		$ 1,266,268
Miscellaneous Revenue - Other - 5.1%		
ABAG Finance Authority Rev. (Jackson Lab), 5.75%, 2037	$ 385,000	$ 348,560
California Infrastructure & Economic Development Bank Rev. (Walt Disney Family Museum), 5.25%, 2033	160,000	151,691
San Francisco, CA, City & County Redevelopment Agency, Hotel Tax Rev., FSA, 6.75%, 2025	1,000,000	999,920
		$ 1,500,171
Single Family Housing - Local - 0.1%		
California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, A , GNMA, 6.35%, 2029	$ 15,000	$ 15,343
California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, B4 , GNMA, 6.35%, 2029	20,000	20,328
		$ 35,671
Single Family Housing - State - 3.0%		
California Housing Finance Agency Rev., Home Mortgage, E , FGIC, 5.05%, 2026	$ 995,000	$ 866,287

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value ($)
Municipal Bonds - continued		
Solid Waste Revenue - 1.5%		
Salinas Valley, CA, Solid Waste Authority Rev., AMBAC, 5.125%, 2022	$ 500,000	$ 431,250
State & Local Agencies - 28.0%		
Calabasas, CA, Certificate Participants (City Hall & Civic Center Project), AMBAC, 4.5%, 2041	$ 725,000	$ 605,861
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., BHAC, 5%, 2038	1,000,000	984,940
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , FGIC, 5%, 2035	1,000,000	871,180
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , FGIC, 5%, 2038	1,000,000	860,630
Huntington Park, CA, Public Financing Authority Rev., A , FSA, 5.25%, 2019	1,000,000	1,022,270
Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A , AMBAC, 0%, 2018	2,020,000	1,325,746
Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation Pooled Financing, A , AMBAC, 0%, 2023	2,220,000	1,041,002
Los Angeles, CA, Municipal Improvement Corp. Lease Rev., B , ASSD GTY, 5.5%, 2030	390,000	397,979
Western Placer, CA, Unified School, B , ASSD GTY, 5.125%, 2047	1,200,000	1,108,728
		$ 8,218,336
Tax - Other - 2.0%		
Southern California Logistics Airport Authority (Southern California Authority Project), SYNCORA, 5%, 2043	$ 820,000	$ 577,264
Tax Assessment - 16.1%		
Compton, CA, Public Finance Authority, AMBAC, 5%, 2032	$ 500,000	$ 480,695
Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana Redevelopment), A , AMBAC, 5%, 2029	1,000,000	879,170
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1 , 6.45%, 2031	100,000	85,771
Lancaster, CA, Financing Authority, Tax Allocation Rev. (Projects No. 5 & 6 Redevelopment Projects), NATL, 5.25%, 2020	1,075,000	1,145,423
Long Beach, CA, Bond Finance Authority, Tax Allocation Rev., C , AMBAC, 5.5%, 2031	750,000	656,467
San Dieguito, CA, Public Facilities Authority, A , AMBAC, 5%, 2032	500,000	480,735
San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project), C , NATL, 4.25%, 2030	900,000	677,106
Yuba, CA, Levee Financing Authority Rev. (Levee Financing Project), A , ASSD GTY, 5%, 2038	330,000	308,378
		$ 4,713,745

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Portfolio of Investments (unaudited) *continued*

Issuer	Shares/Par	Value ($)
Municipal Bonds - continued		
Tobacco - 5.4%		
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.125%, 2047	$ 1,000,000	$ 598,820
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 2047	1,500,000	996,915
		$ 1,595,735
Transportation - Special Tax - 4.2%		
Commonwealth of Puerto Rico Highway & Transportation Authority, Highway Rev., Y , FSA, 5.5%, 2016 (c)	$ 450,000	$ 544,208
San Francisco, CA, Bay Area Rapid Transit District, Sales Tax Rev., A , NATL, 5%, 2030 (f)	685,000	689,254
		$ 1,233,462
Universities - Colleges - 8.1%		
California Educational Facilities Authority Rev., B , 6.625%, 2010 (c)	$ 45,000	$ 48,117
California University Rev., C , NATL, 5%, 2029	1,500,000	1,504,830
Hastings College of the Law, CA, ASSD GTY, 4.75%, 2037	195,000	178,530
University Enterprises, Inc. (Auxiliary Organization), A , FGIC, 4.375%, 2030	500,000	409,065
University of California Rev., J , FSA, 4.5%, 2035	250,000	228,165
		$ 2,368,707
Utilities - Investor Owned - 8.1%		
California Pollution Control Financing Authority, Pollution Control Rev. (Pacific Gas & Electric Co.), NATL, 5.35%, 2016	$ 1,000,000	$ 1,008,860
California Pollution Control Financing Authority, Pollution Control Rev. (Southern California Edison Co.), B , NATL, 5.45%, 2029	1,500,000	1,358,460
		$ 2,367,320
Utilities - Municipal Owned - 1.6%		
Los Angeles, CA, Department of Water & Power Rev., A-1 , FSA, 4.625%, 2037	$ 500,000	$ 468,985
Utilities - Other - 1.6%		
Southern California Public Power Authority (Natural Gas Project No. 1), A , 5%, 2033	$ 585,000	$ 482,730
Water & Sewer Utility Revenue - 22.3%		
Azusa, CA, Public Financing Authority Rev. (Water Systems Project), FSA, 5%, 2021	$ 565,000	$ 584,052
Culver City, CA, Wastewater Facilities Rev., A , FGIC, 5.7%, 2029	1,500,000	1,528,590
Hollister CA, Joint Powers Financing Authority Wastewater Rev. (Refining & Improvement Project), 1 , FSA, 5%, 2032	770,000	725,848

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value ($)
Municipal Bonds - continued		
Water & Sewer Utility Revenue - continued		
Los Angeles, CA, Department of Water & Power Waterworks Rev., C , NATL, 5%, 2029	$ 500,000	$ 505,785
Los Angeles, CA, Department of Water & Power, Waterworks Rev., C , NATL, 5%, 2022	1,000,000	1,045,510
Pico Rivera, CA, Water Authority Rev. (Water Systems Project), A , NATL, 5.5%, 2029	2,000,000	2,156,300
		$ 6,546,085
Total Municipal Bonds (Identified Cost, $53,179,496)		**$ 51,265,207**
Money Market Funds (v) - 1.6%		
MFS Institutional Money Market Portfolio, 0.23%, at Cost and Net Asset Value	464,920	$ 464,920
Floating Rate Demand Notes - 4.5%		
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), 0.10%, due 6/01/09	$ 300,000	$ 300,000
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), C , 0.15%, due 6/01/09	1,020,000	1,020,000
Total Floating Rate Demand Notes, at Identified Cost and Value		**$ 1,320,000**
Total Investments (Identified Cost, $54,964,416)		**$ 53,050,127**
Other Assets, Less Liabilities - 2.5%		723,036
Preferred Shares (Issued by the Fund) - (83.4)%		(24,450,000)
Net Assets applicable to common shares - 100.0%		**$ 29,323,163**

(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
FRN	Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.

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.
NATL	National Public Finance Guarantee Corp.
SYNCORA	Syncora Guarantee Inc.

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Portfolio of Investments (unaudited) continued

Derivative Contracts at 5/31/09

Futures contracts outstanding at 5/31/09

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivatives					
Interest Rate Futures					
U.S. Treasury Note 10 yr (Short)	USD	34	$3,978,000	Sep-09	$6,521
Liability Derivatives					
Interest Rate Futures					
U.S. Treasury Bond 30 yr (Short)	USD	10	$1,176,563	Sep-09	$(3,941)

At May 31, 2009, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

See Notes to Financial Statements

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Financial Statements

STATEMENT OF ASSETS AND LIABILITIES

At 5/31/09 (unaudited)

This statement represents your fund s balance sheet, which details the assets and liabilities comprising the total value of the fund.

Assets		
Investments-		
Non-affiliated issuers, at value (identified cost, $54,499,496)	$52,585,207	
Underlying funds, at cost and value	464,920	
Total investments, at value (identified cost, $54,964,416)		$53,050,127
Receivables for		
Interest and dividends	816,330	
Receivable from investment adviser	17,875	
Other assets	4,616	
Total assets		$53,888,948
Liabilities		
Payables for		
Distributions on common shares	$1,619	
Distributions on preferred shares	1,039	
Daily variation margin on open futures contracts	55,656	
Payable to affiliates		
Management fee	3,544	
Transfer agent and dividend disbursing costs	108	
Administrative services fee	200	
Payable for independent trustees compensation	4,001	
Accrued expenses and other liabilities	49,618	
Total liabilities		$115,785
Preferred shares		
Auction preferred shares (978 shares issued, outstanding at $25,000 per share) at liquidation value		$24,450,000
Net assets applicable to common shares		$29,323,163
Net assets consist of		
Paid-in capital common shares	$39,376,142	
Unrealized appreciation (depreciation) on investments	(1,911,709)	
Accumulated net realized gain (loss) on investments	(8,308,180)	
Undistributed net investment income	166,910	
Net assets applicable to common shares		$29,323,163
Preferred shares, at liquidation value (978 shares issued, outstanding at $25,000 per share)		24,450,000
Net assets including preferred shares		$53,773,163
Common shares of beneficial interest outstanding		2,780,771
Net asset value per common share (net assets of $29,323,163 / 2,780,771 shares of beneficial interest outstanding)		$10.54

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STATEMENT OF OPERATIONS

Six months ended 5/31/09 (unaudited)

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

Net investment income		
Interest income	$1,385,220	
Dividends from underlying funds	1,493	
Total investment income		$1,386,713
Expenses		
Management fee	$166,785	
Transfer agent and dividend disbursing costs	455	
Administrative services fee	8,903	
Independent trustees compensation	5,295	
Stock exchange fee	9,047	
Preferred shares remarketing agent fee	28,433	
Custodian fee	6,011	
Shareholder communications	25,263	
Auditing fees	36,872	
Legal fees	14,755	
Miscellaneous	18,670	
Total expenses		$320,489
Fees paid indirectly	(1,750)	
Reduction of expenses by investment adviser	(115,350)	
Net expenses		$203,389
Net investment income		$1,183,324
Realized and unrealized gain (loss) on investments		
Realized gain (loss) (identified cost basis)		
Investment transactions	$(1,239,727)	
Futures contracts	(350,271)	
Swap transactions	(375,000)	
Net realized gain (loss) on investments		$(1,964,998)
Change in unrealized appreciation (depreciation)		
Investments	$4,741,982	
Futures contracts	296,838	
Swap transactions	166,080	
Net unrealized gain (loss) on investments		$5,204,900
Net realized and unrealized gain (loss) on investments		$3,239,902
Distributions declared to preferred shareholders		$(107,286)
Change in net assets from operations		$4,315,940

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Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS

These statements describe the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

Change in net assets	**Six months ended 5/31/09 (unaudited)**	**Year ended 11/30/08**
From operations		
Net investment income	$1,183,324	$2,535,586
Net realized gain (loss) on investments	(1,964,998)	(2,396,307)
Net unrealized gain (loss) on investments	5,204,900	(9,254,802)
Distributions declared to preferred shareholders	(107,286)	(865,914)
Change in net assets from operations	$4,315,940	$(9,981,437)
Distributions declared to common shareholders		
From net investment income	$(984,393)	$(1,660,120)
Total change in net assets	$3,331,547	$(11,641,557)
Net assets applicable to common shares		
At beginning of period	25,991,616	37,633,173
At end of period (including undistributed net investment income of $166,910 and $75,265, respectively)	$29,323,163	$25,991,616

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Financial Statements

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the fund s financial performance for the semiannual period and the past 5 fiscal years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

	Six months ended 5/31/09 (unaudited)	Years ended 11/30 2008	2007	2006	2005	2004
Net asset value, beginning of period	$9.35	$13.53	$15.43	$14.77	$14.97	$15.21
Income (loss) from investment operations						
Net investment income (d)	$0.43	$0.91	$1.03(z)	$0.98	$1.02	$1.03
Net realized and unrealized gain (loss) on investments	1.15	(4.18)	(2.00)(z)	0.66	(0.21)	(0.26)
Distributions declared to preferred shareholders	(0.04)	(0.31)	(0.31)	(0.27)	(0.17)	(0.09)
Total from investment operations	$1.54	$(3.58)	$(1.28)	$1.37	$0.64	$0.68
Less distributions declared to common shareholders						
From net investment income, common shares	$(0.35)	$(0.60)	$(0.62)	$(0.71)	$(0.84)	$(0.92)
Net asset value, end of period	$10.54	$9.35	$13.53	$15.43	$14.77	$14.97
Common share market value, end of period	$10.14	$8.39	$11.65	$14.30	$14.20	$13.61
Total return at common market value (%) (p)	25.67(n)	(23.86)	(14.78)	5.93	10.63	(6.99)
Total return at net asset value (%) (p)(r)(s)(t)	17.21(n)	(26.95)	(8.27)	9.89	4.62	4.93
Ratios (%) (to average net assets applicable to common shares) and Supplemental data:						
Expenses before expense reductions (f)(p)(v)	2.38(a)	2.05	1.71	1.46	1.26	1.08
Expenses after expense reductions (f)(p)	1.52(a)	1.29	1.12	1.04	0.95	0.87
Net investment income (p)	8.77(a)	7.49	7.03(z)	6.58	6.72	6.89
Portfolio turnover	11	26	21	16	29	16
Net assets at end of period (000 Omitted)	$29,323	$25,992	$37,633	$42,916	$41,077	$41,631

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Financial Highlights continued

	Six months ended 5/31/09 (unaudited)	Years ended 11/30 2008	2007	2006	2005	2004
Supplemental Ratios (%):						
Ratio of expenses to average net assets including preferred shares (f)	0.80(a)	0.75	0.70	0.65	0.60	0.55
Net investment income available to common shares	7.98(a)	4.93	4.92	4.76	5.57	6.30
Senior Securities:						
Total preferred shares outstanding	978	978	978	978	978	978
Asset coverage per preferred share (k)	$54,983	$51,576	$63,480	$68,881	$67,001	$67,567
Involuntary liquidation preference per preferred share (o)	$25,000	$25,000	$25,000	$25,014	$25,012	$25,003
Average market value per preferred share (m)(x)	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000

(a) Annualized.
(d) Per share data is based on average shares outstanding.
(f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
(k) Calculated by subtracting the fund s total liabilities (not including preferred shares) from the fund s total assets and dividing this number by the number of preferred shares outstanding.
(m) Amount excludes accrued unpaid distributions to Auction Preferred Shareholders.
(n) Not annualized.
(o) Effective November 30, 2007, amount excludes accrued unpaid distributions to Auction Preferred Shareholders.
(p) Ratio excludes dividend payment on auction preferred shares.
(r) Certain expenses have been reduced without which performance would have been lower.
(s) From time to time the fund may receive proceeds from litigation settlements, without which performance would have been lower.
(t) Prior to November 30, 2007, total return at net asset value is unaudited.
(v) Effective with the year ended November 30, 2007, the ratio includes the management fee before taking into account any management fee reductions. This resulted in an increase to the ratio, applicable to common shares, of 0.24% for the year ended November 30, 2007. Prior periods reflect management fee after any such reductions.
(x) Average market value represents the approximate fair value of the fund s liability.
(z) The fund applied a change in estimate for amortization of premium on certain debt securities in the year ended November 30, 2007 that resulted in an increase of $0.08 per share to net investment income, a decrease of $0.08 per share to net realized and unrealized gain (loss) on investments, and an increase of 0.51% to net investment income ratio. The change in estimate had no impact on net assets, net asset value per share or total return.

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NOTES TO FINANCIAL STATEMENTS

(unaudited)

(1) Business and Organization

MFS California Insured Municipal Fund (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

(2) Significant Accounting Policies

General The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The value of municipal instruments can be affected by changes in their actual or perceived credit quality. The credit quality of municipal instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer s future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region or state where the instrument is issued and the liquidity of the security. Municipal instruments generally trade in the over-the counter market. Municipal instruments backed by current and anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal instrument has not complied with the applicable tax requirements, the security could decline in value, interest from the security could become taxable and the funds may be required to issue Forms 1099-DIV.

Investment Valuations Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Swaps are generally valued at valuations provided by a third-party pricing service. Open-end investment companies are generally valued at net asset value per share. Securities and other assets

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Notes to Financial Statements (unaudited) continued

generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from pricing services can utilize both dealer-supplied valuations and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund s investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund s valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment s value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund s net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund s net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of investments used to determine the fund s net asset value may differ from quoted or published prices for the same investments. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

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. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund s assessment of the

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Notes to Financial Statements (unaudited)   continued

significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted 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 May 31, 2009 in valuing the fund s assets or liabilities carried at market value:

	Level 1	Level 2	Level 3	Total
Investments in Securities	$464,920	$52,585,207	$	$53,050,127
Other Financial Instruments	$2,580	$	$	$2,580

In April 2009, FASB Staff Position (FSP) 157-4 was issued and is effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009. FSP 157-4 clarifies FASB Statement No. 157, Fair Value Measurements and requires an entity to evaluate certain factors to determine whether there has been a significant decrease in volume and level of activity for the asset or liability such that recent transactions and quoted prices may not be determinative of fair value and further analysis and adjustment may be necessary to estimate fair value. The FSP also requires enhanced disclosure regarding the inputs and valuation techniques used to measure fair value in those instances as well as expanded disclosure of valuation levels for major security types. Management is evaluating the application of the FSP to the fund, and believes the impact resulting from the adoption of this FSP will be limited to expanded disclosure in the fund s financial statements.

Derivatives   The fund may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments. Derivatives may be used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative s original cost.

In this reporting period the fund adopted FASB Statement No. 161, Disclosure about Derivative Instruments and Hedging Activities (FAS 161), and FASB Staff Position FAS No. 133-1 and FIN 45-4, Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FAS 161 (FSP FAS 133-1).

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Notes to Financial Statements (unaudited) continued

FAS 161 amends FASB Statement No. 133, Accounting for Derivatives and Hedging Activities (FAS 133). FAS 161 provides enhanced disclosures about the fund s use of and accounting for derivative instruments and the effect of derivative instruments on the fund s results of operations and financial position. Under FAS 161, tabular disclosure regarding derivative fair value and gain/loss by contract type (e.g., interest rate contracts, foreign exchange contracts, credit contracts, etc.) is required and derivatives accounted for as hedging instruments under FAS 133 must be disclosed separately from derivatives that do not qualify for hedge accounting under FAS 133. Because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings, the fund s derivatives are not accounted for as hedging instruments under FAS 133. As such, even though the fund may use derivatives in an attempt to achieve an economic hedge, the fund s derivatives are not considered to be hedging instruments under FAS 133.

FSP FAS 133-1 amends FAS 133 to require sellers of credit derivatives to make disclosures that will enable financial statement users to assess the potential effects of those credit derivatives on an entity s financial position, financial performance and cash flows. As defined by FSP FAS 133-1, a credit derivative is a derivative instrument (a) in which one or more of the derivative s underlyings are related to the credit risk of a specified entity (or group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit-risk-related events specified in the derivative contract. The seller (or writer) is the party that provides the credit protection and assumes the credit risk on a credit derivatives contract, such as a credit default swap. There was no impact from implementing FSP 133-1 as the fund did not hold any of these credit derivatives at period end.

As defined under FAS 133, derivative instruments include written options, purchased options, futures contracts, forward foreign currency exchange contracts, and swap agreements.

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Notes to Financial Statements (unaudited) continued

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at May 31, 2009:

		Asset Derivatives		Liability Derivatives	
		Location on Statement of Assets and Liabilities	Fair Value	Location on Statement of Assets and Liabilities	Fair Value
Interest Rate Contracts	**Interest Rate Futures**	Unrealized appreciation on investments	$6,521(a)	Unrealized depreciation on investments	$(3,941)(a)

(a) Includes cumulative appreciation/depreciation of futures contracts as reported in the fund s Portfolio of Investments. Only the current day s variation margin for futures contracts is reported within the fund s Statement of Assets and Liabilities.

The following table presents by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the six months ended May 31, 2009 as reported within the Statement of Operations:

	Futures Contracts	Swap Transactions	Total
Interest Rate Contracts	$(350,271)	$(375,000)	$(725,271)

The following table presents by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the six months ended May 31, 2009 as reported in the Statement of Operations:

	Futures Contracts	Swap Transactions	Total
Interest Rate Contracts	$296,838	$166,080	$462,918

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain over-the-counter derivatives, the fund attempts to reduce its exposure to counterparty credit risk by entering into an ISDA Master Agreement on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. The ISDA Master Agreement gives the fund the right, upon an event of default by the applicable counterparty or a termination of the agreement, to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund s credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any. However, absent an event of default by the counterparty or

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Notes to Financial Statements (unaudited) continued

a termination of the agreement, the ISDA Master Agreement does not result in an offset of reported balance sheet assets and liabilities across transactions between the fund and the applicable counterparty.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearing house for exchange traded derivatives (i.e., futures and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forwards, swaps and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash collateral that has been pledged to cover obligations of the fund under derivative contracts will be reported separately on the Statement of Assets and Liabilities as restricted cash. Securities collateral pledged for the same purpose is noted in the Portfolio of Investments.

Futures Contracts The fund may use futures contracts to gain or to hedge against broad market, interest rate or currency exposure. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures is realized.

The fund bears the risk of interest rates, exchange rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures may present less counterparty risk to the fund since the contracts are exchange traded and the exchange s clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund s maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

Swap Agreements The fund may enter into swap agreements. A swap is generally an exchange of cash payments, at specified intervals or upon the occurrence of specified events, between the fund and a counterparty. The net cash payments exchanged are recorded as a realized gain or loss on swap transactions in the Statement of Operations. The value of the swap, which is

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Notes to Financial Statements (unaudited) continued

adjusted daily and includes any related interest accruals to be paid or received by the fund, is recorded on the Statement of Assets and Liabilities. The daily change in value, including any related interest accruals to be paid or received, is recorded as unrealized appreciation or depreciation on swap transactions in the Statement of Operations. Amounts paid or received at the inception of the swap are reflected as premiums paid or received on the Statement of Assets and Liabilities and are amortized using the effective interest method over the term of the agreement. A liquidation payment received or made upon early termination is recorded as a realized gain or loss on swap transactions in the Statement of Operations.

Risks related to swap agreements include the possible lack of a liquid market, unfavorable market and interest rate movements of the underlying instrument and the failure of the counterparty to perform under the terms of the agreements. To address counterparty risk, swap transaction are limited to only highly-rated counterparties. The risk is further mitigated by having an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and by the posting of collateral by the counterparty to the fund to cover the fund s exposure to the counterparty under such ISDA Master Agreement.

The fund may enter into an interest rate swap in order to manage its exposure to interest rate fluctuations. Interest rate swap agreements involve the periodic exchange of cash flows, between the fund and a counterparty, based on the difference between two interest rates applied to a notional principal amount. The two interest rates exchanged may either be a fixed rate and a floating rate or two floating rates based on different indices.

The fund s maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from/paid to the counterparty over the contract s remaining life, to the extent that that amount is positive. This risk is mitigated by having an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and by the posting of collateral by the counterparty to the fund to cover the fund s exposure to the counterparty under such ISDA Master Agreement.

Indemnifications Under the fund s organizational documents, its officers and trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into agreements with service providers that may contain indemnification clauses. The fund s maximum exposure under these agreements is unknown as this would involve future claims that may be made against the fund that have not yet occurred.

Investment Transactions and Income Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All

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Notes to Financial Statements (unaudited)   continued

premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. The fund may receive proceeds from litigation settlements. Any proceeds received from litigation involving portfolio holdings are reflected in the Statement of Operations in realized gain/loss if the security has been disposed of by the fund or in unrealized gain/loss if the security is still held by the fund. Any other proceeds from litigation not related to portfolio holdings are reflected as other income in the Statement of Operations.

Fees Paid Indirectly   The fund s custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the six months ended May 31, 2009, is shown as a reduction of total expenses on the Statement of Operations.

Tax Matters and Distributions   The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income taxes is required. The fund s federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements.

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future. Distributions in excess of net investment income or net realized gains are temporary overdistributions for financial statement purposes resulting from differences in the recognition or classification of income or distributions for financial statement and tax purposes.

Book/tax differences primarily relate to amortization and accretion of debt securities and derivative transactions.

The tax character of distributions made during the current period will be determined at fiscal year end. The tax character of distributions declared to shareholders for the last fiscal year is as follows:

	11/30/08
Tax-exempt income	$2,526,034

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Notes to Financial Statements (unaudited) continued

The federal tax cost and the tax basis components of distributable earnings were as follows:

As of 5/31/09	
Cost of investments	$54,800,248
Gross appreciation	1,455,404
Gross depreciation	(3,205,525)
Net unrealized appreciation (depreciation)	$(1,750,121)
As of 11/30/08	
Undistributed tax-exempt income	$76,963
Capital loss carryforwards	(5,582,848)
Post-October capital loss deferral	(1,207,122)
Other temporary differences	(167,778)
Net unrealized appreciation (depreciation)	(6,503,741)

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

As of November 30, 2008, the fund had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

11/30/11	$(176,833)
11/30/12	(70,908)
11/30/15	(1,104,579)
11/30/16	(4,230,528)
	$(5,582,848)

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with Massachusetts Financial Services Company (MFS) to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.65% of the fund s average daily net assets (including the value of the auction preferred shares).

The investment adviser has agreed in writing to reduce its management fee to 0.60% of average daily net assets (including the value of the auction preferred shares) for the year ending November 30, 2009. This written agreement will continue until modified by the fund s Board of Trustees, but such agreement will continue at least until November 30, 2009. This management fee reduction amounted to $12,830, which is shown as a reduction of total expenses in the Statement of Operations. The management fee incurred for the six months ended May 31, 2009 was equivalent to an annual effective rate of 0.60% of the fund s average daily net assets (including the value of the auction preferred shares).

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Notes to Financial Statements (unaudited) continued

The investment adviser has agreed in writing to pay a portion of the fund s total annual operating expenses, exclusive of interest, taxes, extraordinary expenses, brokerage and transaction costs and investment-related expenses other than remarketing fees, such that total annual fund operating expenses do not exceed 0.80% annually of the fund s average daily net assets (including the value of auction preferred shares). This written agreement will continue until modified by the fund s Board of Trustees, but such agreement will continue at least until November 30, 2009. For the six months ended May 31, 2009, this reduction amounted to $102,421 and is reflected as a reduction of total expenses in the Statement of Operations.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund s common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the six months ended May 31, 2009, these fees paid to MFSC amounted to $120. MFSC also receives payment from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the six months ended May 31, 2009, the fund did not pay any out-of-pocket expenses to MFSC.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of $17,500 plus a fee based on average daily net assets.

The administrative services fee incurred for the six months ended May 31, 2009 was equivalent to an annual effective rate of 0.0347% of the fund s average daily net assets including the value of the auction preferred shares.

Trustees and Officers Compensation The fund pays compensation to independent trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The fund does not pay compensation directly to trustees or to officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and trustees of the fund are officers or directors of MFS and MFSC.

Deferred Trustee Compensation The fund s former independent trustees participated in a Deferred Compensation Plan (the Plan). The fund s current independent trustees are not allowed to defer compensation under the Plan. Deferred amounts represent an unsecured obligation of the fund until distributed in accordance with the Plan. Included in other assets and payable for independent trustees compensation is $3,981 of deferred trustees compensation.

Other This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment

Notes to Financial Statements (unaudited) continued

of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The ICCO and Assistant ICCO are officers of the funds and the sole members of Tarantino LLC and Griffin Compliance LLC, respectively. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. For the six months ended May 31, 2009, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were $206 and are included in miscellaneous expense on the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund in the amount of $99, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO.

The fund may invest in a money market fund managed by MFS which seeks a high level of current income consistent with preservation of capital and liquidity. Income earned on this investment is included in dividends from underlying funds on the Statement of Operations. This money market fund does not pay a management fee to MFS.

(4) Portfolio Securities

Purchases and sales of investments, other than U.S. Government securities, purchased option transactions, and short-term obligations, aggregated $5,440,895 and $7,525,916, respectively.

(5) Shares of Beneficial Interest

The fund s Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The fund reserves the right to repurchase shares of beneficial interest of the fund subject to Trustee approval. During the six months ended May 31, 2009, the fund did not repurchase any shares.

(6) Line of Credit

The fund and certain other funds managed by MFS participate in a $1.1 billion unsecured committed line of credit, subject to a $1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Federal Reserve funds rate or one month LIBOR plus 1.25%. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the

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Notes to Financial Statements (unaudited)   continued

Federal Reserve funds rate plus an agreed spread. For the six months ended May 31, 2009, the fund s commitment fee and interest expense were $102 and $0, respectively, and are included in miscellaneous expense on the Statement of Operations.

(7) 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		3,975,934	(3,511,014)	464,920

Underlying Funds	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	$	$	$1,493	$464,920

(8) Auction Preferred Shares

The fund has 978 shares issued and outstanding of Auction Preferred Shares (APS). Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. If the APS are unable to be remarketed on a remarketing date as part of the auction process, the fund would be required to pay the maximum applicable rate on APS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on APS is equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate.

Since February 2008, regularly scheduled auctions for APS issued by closed end funds, including MFS California Insured Municipal Fund, have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, APS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for APS, they do not constitute a default or automatically alter the credit quality of the APS, and APS holders have continued to receive dividends at the previously defined maximum rate . During the six months ended May 31, 2009, the APS dividend rates ranged from 0.44% to 0.64%. For the six months ended May 31, 2009, the average dividend rate was 0.54%. These developments with respect to APS do not affect the management or investment policies of the fund. However, one implication of these auction failures for Common shareholders is that the

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Notes to Financial Statements (unaudited) continued

fund s cost of leverage will be higher than it otherwise would have been had the auctions continued to be successful. As a result, the fund s future Common share earnings may be lower than they otherwise would have been. To the extent that investments are purchased with the issuance of preferred shares, the fund s net asset value will increase or decrease at a greater rate than a comparable unleveraged fund.

The fund pays an annual fee equivalent to 0.25% of the preferred share liquidation value for remarketing efforts associated with the preferred auction. Effective May 1, 2009, this fee will be reduced to 0.15% when auctions fail. The APS are redeemable at the option of the fund in whole or in part at the redemption price equal to $25,000 per share, plus accumulated and unpaid dividends. The APS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied. The fund is required to maintain certain asset coverage with respect to the APS as defined in the fund s By-Laws and the Investment Company Act of 1940 and, as such is not permitted to declare common share dividends unless the fund s APS have a minimum asset coverage ratio of 200% after declarations of the common share dividends.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of the MFS California Insured Municipal Fund:

We have reviewed the accompanying statement of assets and liabilities of the MFS California Insured Municipal Fund (the Fund), including the portfolio of investments, as of May 31, 2009, and the related statements of operations, changes in net assets, and financial highlights for the six-month period ended May 31, 2009. These interim financial statements are the responsibility of the Fund s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended November 30, 2008, and the financial highlights for each of the two years in the period ended November 30, 2008, and in our report dated January 20, 2009, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights. The financial highlights for each of the three years in the period ended November 30, 2006 were audited by another independent registered public accounting firm whose report, dated January 25, 2007, expressed an unqualified opinion on those financial highlights.

Boston, Massachusetts

July 17, 2009

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BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

A discussion regarding the Board s two most recent reviews and renewals of the fund s Investment Advisory Agreement with MFS is available by clicking on the fund s name under Closed End Funds in the Products and Performance section of the MFS Web site (*mfs.com*).

PROXY VOTING POLICIES AND INFORMATION

A general description of the MFS funds proxy voting policies and procedures is available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC s Web site at *http://www.sec.gov*.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30, 2008 is available without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC s Web site at *http://www.sec.gov*.

QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. The fund s Form N-Q may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1.800.SEC.0330. The fund s Form N-Q is available on the EDGAR database on the Commission s Internet Web site at *http://www.sec.gov,* and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section at the above address.

A shareholder can also obtain the quarterly portfolio holdings report at *mfs.com*.

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CONTACT US

Transfer Agent, Registrar and Dividend Disbursing Agent

Call

1-800-637-2304

9 a.m. to 5 p.m. Eastern time

Write

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

500 Boylston Street, Boston, MA 02116

American Stock Exchange Symbol: CCA

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ITEM 2. CODE OF ETHICS.

The Registrant has not amended any provision in its Code of Ethics (the Code) that relates to any element of the Code s definition enumerated in paragraph (b) of Item 2 of this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual reports.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for semi-annual reports.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for semi-annual reports.

ITEM 6. SCHEDULE OF INVESTMENTS

A schedule of investments for each series of the Registrant is included as part of the report to shareholders of such series under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for semi-annual reports.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

There were no changes during this period.

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ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

MFS California Insured Municipal Fund

Period	(a) Total number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs
12/01/08-12/31/08	0	N/A	0	278,077
1/01/09-1/31/09	0	N/A	0	278,077
2/01/09-2/28/09	0	N/A	0	278,077
3/01/09-3/31/09	0	N/A	0	278,077
4/01/09-4/30/09	0	N/A	0	278,077
5/01/09-5/31/09	0	N/A	0	278,077
Total	***0***		***0***	

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1st of each year. The programs conform to the conditions of Rule 10b-18 of the securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (March 1 through the following February 28) to 10% of the Registrant s outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2009 plan year is 278,077.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant s Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation 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-CSR, 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 second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

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ITEM 12. EXHIBITS.

(a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.

(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit.

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

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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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.

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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 MFS CALIFORNIA INSURED MUNICIPAL FUND

By (Signature and Title)* MARIA F. DWYER
Maria F. Dwyer, President

Date: July 17, 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: July 17, 2009

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

Date: July 17, 2009

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