MORGAN STANLEY INSURED MUNICIPAL INCOME TRUST Form N-Q September 29, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-07344 Morgan Stanley Insured Municipal Income Trust

(Exact name of registrant as specified in charter)
522 Fifth Avenue, New York, New York 10036
(Address of principal executive offices)(Zip code)
Randy Takian
522 Fifth Avenue, New York, New York 10036

(Name and address of agent for service)

Registrant s telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2008 Date of reporting period: July 31, 2008

TABLE OF CONTENTS

<u>Item 1. Schedule of Investments.</u>

Item 2. Controls and Procedures.

Item 3. Exhibits.

SIGNATURES

Item 1. Schedule of Investments.

The Trust s schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments § July 31, 2008 (unaudited)

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (150.9%)			
¢ 1505	Arizona (1.4%)			
\$ 1,595	Arizona Certificates of Participation, Ser 2008 A (FSA Insd)	5.00%	09/01/26	\$ 1,603,374
2,500	University of Arizona, 2003 Ser B COPs	3.0070	07/01/20	φ 1,005,574
2,500	(AMBAC Insd)	5.00	06/01/23	2,541,650
				4,145,024
	California (32.6%)			
1,475	Alameda County Joint Powers Authority, Ser			
1,475	2008 (FSA Insd)	5.00	12/01/24	1,511,388
1,160	Alvord Unified School District, 2007 Election	2.00	12,01,21	1,511,500
,	Ser 2007 A (FSA Insd)	5.00	08/01/27	1,190,311
20,000	Anaheim Public Financing Authority, California,			
	Anaheim Electric Ser 2007-A (MBIA Insd)(a)	4.50	10/01/37	18,106,200
8,000	California, Ser 2007 (MBIA Insd)	4.25	08/01/33	6,823,999
3,050	California Department of Water Resources Power			
	Supply, Ser 2008 H (FSA Insd)	5.00	05/01/22	3,178,863
10,000	California Infrastructure & Economic			
	Development Bank, Bay Area Toll Bridges			
	Seismic Retrofit 1st Lien Ser 2003 A (AMBAC			
	Insd) (ETM) (a)	5.00	01/01/28	10,676,000
5,000	California Infrastructure & Economic			
	Development Bank, Bay Area Toll Bridges			
	Seismic Retrofit 1st Lien Ser 2003 A (FGIC Insd)			
	(ETM)	5.00	01/01/28	5,338,000
6,000	Golden State Tobacco Securitization			
	Corporation, California, Enhanced Asset Backed		0.610.412.0	.
	Ser 2005 A (Insd FGIC)	5.00	06/01/38	5,408,400

9,000				
9,000	Long Beach, Harbor Refg Ser 1998 A (AMT) (FGIC Insd)	6.00	05/15/18	9,676,890
3,000	Los Angeles, California, Ser 2004 A (MBIA	5.00	00/01/24	2 002 760
5,000	Insd) Los Angeles Department of Water & Power,	5.00	09/01/24	3,083,760
4,000	California, Water 2004 Ser C (MBIA Insd) (a) Oxnard Financing Authority, Water & Power,	5.00	07/01/24	5,137,538
	Water 2004 Ser C (XLCA Insd)	5.00	06/01/28	3,887,000
3,000	Sacramento County Sanitation District Financing Authority, California, Sacramento Regional Ser			
	2006 (FGIC Insd)	5.00	12/01/36	2,968,410
5,000	San Diego County Water Authority, California,			, , -
	Ser 2002 A COPs (MBIA Insd)	5.00	05/01/27	5,060,700
5,000	San Diego County Water Authority, California,	5.00	05/01/20	5.026.650
3,000	Ser 2004 A COPs (FSA Insd) (a) San Francisco City & County, City Buildings Ser	5.00	05/01/29	5,036,650
3,000	2007 A COPs (FGIC Insd)	4.50	09/01/37	2,649,990
2,000	University of California, Ser 2003 B (AMBAC			
	Insd)	5.00	05/15/22	2,045,980
3,310	University of California, Ser 2007-S (FSA Insd) (a)	4.50	05/15/31	3,209,915
2,690	University of California, Ser 2007-S (FSA Insd)	4.50	03/13/31	3,209,913
,	(a)	4.50	05/15/35	2,576,350
				97,566,344
	Colorado (2.2%)			
4,000	Colorado (2.2%) Arkansas River Power Authority, Colorado,			
•	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd)	5.25	10/01/40	3,447,040
4,000 630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006			
630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd)	5.25 4.75	10/01/40 09/01/25	3,447,040 623,435
•	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006			
630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg	4.75	09/01/25	623,435 2,570,820
630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg	4.75	09/01/25	623,435
630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg	4.75	09/01/25	623,435 2,570,820
630 3,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%)	4.75	09/01/25	623,435 2,570,820
630	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities	4.75	09/01/25	623,435 2,570,820
630 3,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007	4.75 5.00	09/01/25 12/01/30	623,435 2,570,820 6,641,295
630 3,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities	4.75	09/01/25	623,435 2,570,820
630 3,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd)	4.75 5.00	09/01/25 12/01/30	623,435 2,570,820 6,641,295
630 3,000 1,525	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) District of Columbia (2.1%)	4.75 5.00	09/01/25 12/01/30	623,435 2,570,820 6,641,295
630 3,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) District of Columbia (2.1%) District of Columbia Ballpark, Ser 2006 B-1	4.75 5.00 5.00	09/01/25 12/01/30 07/01/25	623,435 2,570,820 6,641,295 1,542,782
630 3,000 1,525	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) District of Columbia (2.1%)	4.75 5.00	09/01/25 12/01/30	623,435 2,570,820 6,641,295
630 3,000 1,525 2,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) District of Columbia (2.1%) District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd)	4.75 5.00 5.00	09/01/25 12/01/30 07/01/25	623,435 2,570,820 6,641,295 1,542,782
630 3,000 1,525 2,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd) Colorado Health Facilities Authority, Ser 2006 (FSA Insd) Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd) Connecticut (0.5%) Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) District of Columbia (2.1%) District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd) District of Columbia, American Association for	4.75 5.00 5.00	09/01/25 12/01/30 07/01/25	623,435 2,570,820 6,641,295 1,542,782

District of Columbia Water & Sewer Authority, Refg Sub-Lien Ser 2008A (AGC Insd)

				6,209,331
	Florida (8.1%)			
1,550	Florida Mid-Bay Bridge Authority, Refg Ser			
	2008 (AGC Insd)	5.00	10/01/27	1,527,355
15,000	Miami-Dade County School Board, 2003 Ser A			
2 000	(FGIC Insd)	5.00	08/01/29	14,452,350
3,000	Orange County School Board, Ser 2001 A COPs	5.25	00/01/14	2 165 910
5,000	(AMBAC Insd) Tampa Bay Water Authority, Ser 2001 A (FGIC	5.25	08/01/14	3,165,810
3,000	Insd)	5.00	10/01/28	5,002,550
	nise)	2.00	10,01,20	2,002,220
				24,148,065
	Casaria (A 16/)			
5,000	Georgia (4.1%) Atlanta, Airport Passenger Facilities Sub-Lien			
3,000	Ser 2004 C (FSA Insd) (a)	5.00	01/01/33	5,002,278
5,000	Atlanta, Water & Wastewater, Ser 2004 (FSA	2.00	01/01/55	3,002,270
-,	Insd)	5.00	11/01/23	5,093,600
2,000	Augusta, Water & Sewer Ser 2004 (FSA Insd)	5.25	10/01/39	2,054,080
				12,149,958

PRINCIPAL AMOUNT				
IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
5,000	Hawaii (1.7%) Hawaii Department of Budget & Finance, Hawaiian Electric Co Ser 1999 C (AMT)			
	(AMBAC Insd)	6.20	11/01/29	5,044,000
2.500	Idaho (0.9%)			
2,500	Idaho Housing & Finance Association, Federal Highway Trust, Ser 2008 A (AGC Insd)	5.25	07/15/24	2,671,850
400	Illinois (6.7%)			
480	Chicago Transit Authority, Capital Grant Receipts Federal Transit Administration Section 5309 Ser 2008 (AGC Insd)	5.25	06/01/25	499,032
1,210	Chicago Transit Authority, Capital Grant Receipts Federal Transit Administration Section 5309 Ser 2008 (AGC Insd)	5.25	06/01/26	1,255,085
5,000	Chicago, O Hare Int 1 Airport, Third Lien Ser 2005 A (MBIA Insd)	5.25	01/01/25	5,021,100
1,175	DeKalb County Community Unit School District #428, Ser 2008 (FSA Insd)	5.00	01/01/27	1,197,043
2,000	Illinois Finance Authority, Swedish American Hospital Ser A (FSA Insd)	5.00	11/15/31	1,914,960
6,575	Kendall, Kane & Will Counties, Community Unit School District #308 Capital Appreciation Ser 2008 (FSA Insd)	0.00	02/01/27	2,493,635
3,000	Metropolitan Pier & Exposition Authority, McCormick Place Refg Ser 2002 B (MBIA Insd)	0.00(b)	06/15/18	2,650,020
5,000	Metropolitan Pier & Exposition Authority, McCormick Place Ser 2002 A (MBIA Insd)	5.25	06/15/42	5,052,750
				20,083,625
	Indiana (1.5%)			
2,000	Indiana Health Facilities Financing Authority, Community Health Ser 2005 A (AMBAC Insd)	5.00	05/01/35	1,890,000
2,400	Marion County Convention & Recreational Facilities Authority, Refg Ser 2003 A (AMBAC	5.00	06/01/10	2 470 244
	Insd)	5.00	06/01/19	2,479,344
				4,369,344

4,000	Louisiana (1.4%) Lafayette, Utilities Ser 2004 (MBIA Insd)	5.25	11/01/25	4,139,560
3,275	Massachusetts (1.1%) Massachusetts Municipal Wholesale Electric Company, 1993 Ser A (AMBAC Insd) (ETM)	5.00	07/01/10	3,380,029
2,390	Michigan (1.9%) Detroit, Sewage Refg Ser 2003 A (FSA Insd)	5.00	07/01/28	2,392,988
1,125	Ferris State University of Michigan, Refg Ser 2008 (FSA Insd)	4.50	10/01/23	1,107,923
425	Ferris State University of Michigan, Refg Ser 2008 (FSA Insd)	4.50	10/01/24	416,368
760	Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)	5.00	11/15/25	780,877
960	Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)	5.00	11/15/29	969,936
				5,668,092
2,500	Missouri (0.8%) Missouri Joint Municipal Electric Utility Commission Plum Point Ser 2006 (MBIA Insd)	5.00	01/01/26	2,334,375
2,000	Montana (0.7%) Montana Facility Finance Authority, Bebefits Health Care Ser 2007 (AGC Insd)	5.00	01/01/37	1,967,120
5,000	Nebraska (1.6%) Nebraska Public Power District, 2003 Ser A (AMBAC Insd)	5.00	01/01/35	4,857,000
5,080	Nevada (3.4%) Las Vegas Water District, Impr & Refg Ser 2003 a (FGIC Insd)	5.25	06/01/19	5,357,978
975	Nevada Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (AMBAC Insd)	5.375	01/01/40	646,844
4,000	Nevada Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (AMBAC Insd)			
	(WI)	5.00	06/01/26	4,109,241
				10,114,063

1,300	New Hampshire Health & Education Facilities Authority, University of New Hampshire Ser 2001 (AMBAC Insd)	5.125	07/01/33	1,300,624
4,000	New Jersey (1.7%) New Jersey Transportation Trust Fund Authority,			
,	Ser 2005 C (FGIC Insd)	5.25	06/15/20	4,205,600
1,000	University of Medicine & Dentistry, Ser 2004			
	COPs (MBIA Insd)	5.00	06/15/29	962,330
				5,167,930

PRINCIPAL
AMOUNT
IN

IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	New York (17.7%)			
16,000	Hudson Yards Infrastructure Corporation, 2007			
	Ser A (MBIA Insd)	4.50	02/15/47	13,960,320
3,000	Long Island Power Authority, Refg Ser 2003 C			
4.000	(FSA Insd)	5.00	09/01/28	3,029,340
4,000	Long Island Power Authority, Ser 2006 A (XLCA Insd)	5.00	12/01/26	3,947,760
3,000	Metropolitan Transportation Authority,	3.00	12/01/20	3,947,700
3,000	Dedicated Tax Fund Refg Ser 2002 A (FSA Insd)	5.25	11/15/24	3,113,070
10,000	Metropolitan Transportation Authority,	0.20	11,10,2	2,112,070
,	Transportation Refg Ser 2002 A (FGIC Insd)	5.00	11/15/25	9,907,900
2,000	New York City Industrial Development Agency,			
	Queens Baseball Stadium Ser 2006 (AMBAC			
2.500	Insd)	5.00	01/01/31	1,937,040
2,500	New York City Industrial Development Agency,	<i>5</i> 00	03/01/46	2 254 600
1,735	Yankee Stadium Ser 2006 (FGIC Insd) New York City Transitional Finance Authority,	5.00	03/01/40	2,354,600
1,733	2000 Ser C (AMBAC Insd)	5.25	08/01/21	1,797,876
2,500	New York State Transitional Finance Authority,	3.23	00/01/21	1,777,070
,	2000 Ser C (AMBAC Insd)(c)	5.25	08/01/22	2,614,000
10,000	Triborough Bridge & Tunnel Authority, Refg			
	2002 E (MBIA Insd) (a)	5.25	11/15/22	10,399,150
				52.061.056
				53,061,056
	North Carolina (3.0%)			
6,000	North Carolina Municipal Power Agency #1,			
2.000	Catawba Ser 2003 (MBIA Insd)	5.25	01/01/19	6,186,660
3,000	University of North Carolina at Wilmington,	5.00	06/01/36	2 804 040
	Student Housing Ser 2005 COPs (FGIC Insd)	3.00	00/01/30	2,894,940
				9,081,600
	Ohio (0.5%)			
2,545	Cleveland Ohio Public Power System, Ser 2008	0.00	11115106	055.016
1 720	B-2 (MBIA Insd) Claveland Ohio Public Power System Son 2009	0.00	11/15/26	955,316
1,720	Cleveland Ohio Public Power System, Ser 2008 B-2 (MBIA Insd)	0.00	11/15/28	570,937
	D-2 (MDIA IIIsu)	0.00	11/13/20	310,331
				1,526,253
	0 (4.0%)			

3,000	Oregon Department of Administrative Services, COPs Ser 2005 B (FGIC Insd)	5.00	11/01/24	3,028,830
5,000	Pennsylvania (6.1%) Allegheny County Hospital Development Authority, Pittsburgh Mercy Health Ser 1996 (AMBAC Insd) (ETM)	5.625	08/15/18	5,296,600
2,000	Delaware County Industrial Development Authority, Aqua Inc Ser A 2005 (AMT) (FGIC			
4.440	Insd)	5.00	11/01/37	1,773,200
4,110	Pennsylvania, First Ser 2003 (MBIA Insd)(a)	5.00	01/01/13(<i>d</i>)	4,437,834
1,450 5,000	Pennsylvania Turnpike Commission, Ser 2008 Subser A-1 (AGC Insd) Philadelphia, Water & Wastewater Ser 1998	5.00	06/01/25	1,483,843
3,000	(AMBAC Insd)	5.25	12/15/14	5,360,750
				18,352,227
10,000	Rhode Island (3.7%) Rhode Island Depositors Economic Protection Corporation, Refg 1992 Ser B (MBIA Insd)	6.00	00/01/17	10.026.200
	(ETM)	6.00	08/01/17	10,936,300
1.700	South Carolina (5.2%)			
1,500	Medical University Hospital Authority, FHA Insured Mtge Ser 2004 A (MBIA Insd)	5.25	02/15/25	1,527,915
10,000	South Carolina Public Service Authority, Santee Cooper Ser 2003 A (AMBAC Insd) (a)	5.00	01/01/27	10,142,325
4,000	South Carolina Public Service Authority, Santee Cooper 2006 Ser A (MBIA Insd)	5.00	01/01/36	3,952,760
				15,623,000
	Texas (23.3%)			
3,020	Amarillo Health Facilities Corporation, Baptist St Anthony s Hospital Ser 1998 (FSA Insd)	5.50	01/01/16	3,273,861
5,075	Amarillo Health Facilities Corporation, Baptist St Anthony s Hospital Ser 1998 (FSA Insd)	5.50	01/01/17	5,497,341
9,000	Dallas-Fort Worth International Airport, Ser 2003 A (AMT) (FSA Insd) (a)	5.375	11/01/22	9,003,502
1,000	Friendswood Independent School District, Ser	5.00		
2,160	2008 (PSF Insd) Harris County Health Facilities Development		02/15/27	1,018,210
15,000	Corp, Thermal Utility Ser 2008 (AGC Insd) Houston, Combined Utility First Lien Refg 2004	5.25	11/15/24	2,246,940
	Ser A (FGIC Insd)	5.25	05/15/23	15,215,400
4,000		5.50	03/01/17	4,239,200

	Houston, Public Impr & Refg Ser 2001 B (FSA			
	Insd)			
1,175	Houston Community College System, Sr Lien			
	Student Fee Ser 2008 (FSA Insd)	5.00	04/15/25	1,204,904
330	Houston Community College System, Sr Lien			
	Student Fee Ser 2008 (FSA Insd)	5.00	04/15/26	337,105
3,975	Houston Hotel Occupancy, Capital Appreciation			
	Ser 2001 B (FSA Insd)	0.00	09/01/26	1,498,018
1,550	Humble Independent School District, Unlimited			
	Tax School Building Ser 2008A (AGC Insd)	5.00	02/15/25	1,585,386
8,200	North Texas Tollway Authority, First Tier			
	Capital Appreciation Refg Ser 2008D (AGC			
	Insd)	0.00	01/01/28	2,631,544
8,575	Lower Colorado River Authority, Refg Ser 1999			
	A (MBIA Insd)	5.00	05/15/31	8,448,177
5,000	Lower Colorado River Authority, Refg Ser 2001			
	A (FSA Insd)	5.00	05/15/26	5,035,850
3,000	San Antonio, Water & Refg Ser 2002 A (FSA			
	Insd)	5.00	05/15/32	2,999,760
4,000	Texas Turnpike Authority, Central Texas Ser			
	2002 A (AMBAC Insd)	5.50	08/15/39	4,063,480
1,510	Victoria Independent School District, Unlimited			
	Tax School Building Ser 2008 (PSF Insd)	5.00	02/15/24	1,558,546
				69,857,224

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
5,000	Utah (1.7%) Intermountain Power Agency, Utah, 2003 Ser A (FSA Insd)	5.00	07/01/21	5,143,400
3,000	Virginia (1.0%) Richmond Metropolitan Authority, Refg Ser 2002 (FGIC Insd)	5.25	07/15/22	3,128,940
6,000	Washington (11.9%) Cowlitz County, Public Utility District # 1, Production Ser 2006 (MBIA Insd)	5.00	09/01/31	5,879,040
5,000	King County, Sewer Refg 2001 (FGIC Insd)	5.00	01/01/31	5,012,249
8,025	Port of Seattle, Passenger Facility Ser 1998 A (MBIA Insd)(a)	5.00	12/01/23	8,045,464
5,000	Port of Seattle, Ser 2001 B (AMT) (MBIA Insd)	5.625	02/01/24	5,011,700
2,890	Seattle, Water Refg 2003 (MBIA Insd)	5.00	09/01/20	2,976,729
2,870	Seattle, Water Refg 2003 (MBIA Insd)	5.00	09/01/23	2,941,004
2,500	Spokane School District #81, Ser 2005 (MBIA			, ,
,	Insd)	0.00(e)	12/01/23	2,505,875
4,300	Washington State Motor Vehicle Fuel Tax, Ser	, ,		
	2004F (AMBAC Insd)	0.00	12/01/29	1,379,741
2,000	Washington State Health Care Facilities			
	Authority, Kadlec Medical Center Ser 2006 A			
	(AGC Insd)	5.00	12/01/30	1,976,000
				35,727,802
	West Virginia (1.0%)			
2,900	West Virginia (1.0%) West Virginia Water Development Authority,			
2,700	Loan Program II Refg Ser 2003 B (AMBAC			
	Insd)	5.25	11/01/23	2,999,586
	Total Tax-Exempt Municipal Bonds (Cost \$457,415,124)			451,966,629

NUMBER OF SHARES (000)

Short-Term Investment (f) (6.7%)

Investment Con	npany
Morgan Stanley	Institutional Liquidity Tax-Exempt Portfolio

Institutional Class (Cost \$20,181,912)

20,181,912

Total Investments (Cost \$477,597,036)

472,148,541

PRINCIPAL AMOUNT IN THOUSANDS

20,182

Floating Rate Note Obligations Related to Securities Held

(-20.6%)

(61,885) Notes with interest rates ranging from 1.51% to 2.59% at July 31, 2008 and contractual maturities of collateral ranging

from 01/01/13 to 10/01/37 (g) (Cost \$(61,885,000)) (61,885,000)

Total Net Investments (<i>Cost</i> \$415,712,036) (h) (i)	137.0%	410,263,541
Other Assets in Excess of Liabilites	(1.3)	3,903,637
Preferred Shares of Beneficial Interest	(38.3)	(114,700,000)

Net Assets Applicable to Common Shareholders 100.0% 299,467,178

Note: The categories

of investments are shown as a percentage of net assets applicable to common shareholders.

AMT Alternative

Minimum Tax.

COPs Certificates of Participation.

ETM Escrow to Maturity.

WI Security

purchased on a when-issued basis.

- (a) Underlying securities related to inverse floaters entered into by the Trust.
- (b) Currently a zero coupon security; will convert to 5.30% on June 15, 2012.
- (c) A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$847,637.
- (d) Prerefunded to call date shown.

- (e) Currently a zero coupon security; will convert to 5.125% on December 01, 2008.
- *(f)* The Fund invests in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio Institutional Class, an open-end management investment company managed by the Investment Adviser.

Investment Advisory fees paid by the Fund are reduced by an amount equal to the advisory and administrative service fees paid by Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio Institutional Class with respect to assets invested by the Fund in Morgan Stanley Institutional

Liquidity
Tax-Exempt
Portfolio
Institutional

Class.

- (g) Floating rate note obligations related to securities held.
 The interest rate shown reflects the rate in effect at July 31, 2008.
- (h) Securities have been designated as collateral in an amount equal to \$156,977,410 in connection with open futures and swap contracts, securities purchased on a when-issued basis and inverse floating rate municipal obligations.
- (i) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes.

Bond insurance:

AGC Assured
Guaranty
Corporation.

AMBAC AMBAC
Assurance
Corporation.

FGIC Financial Guaranty

Insurance Company.

FSA Financial

Security

Assurance Inc.

MBIA Municipal Bond

Investors Assurance Corporation.

PSF Texas

Permanent School Fund Guarantee Program.

XLCA XL Capital

Assurance Inc.

FUTURES CONTRACTS OPEN AT JULY 31, 2008

						UNREALIZED APPRECIATION (DEPRECIATION)	
NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	AMOUNT AT				
510	Long	U.S. Treasury Notes 10 Year					
		September 2008	\$	58,562,346	\$	481,819	
815	Long	Swap Future 5 Year					
		September 2008		87,905,395		308,417	
505	Short	U.S. Treasury Notes 5 Year					
		September 2008		(56,224,650)		(400,708)	
9	Short	U.S. Treasury Notes 10 Year					
		September 2008		(954,000)		(7,333)	
271	Short	U.S. Treasury Bonds 20 Year					
		September 2008		(31,300,500)		(388,093)	
362	Short	Swap Future 10 Year					
		September 2008		(39,853,938)		(326,759)	
		Net Unrealized Depreciation				(\$307,550)	

INTEREST RATE SWAP CONTRACTS OPEN AT JULY 31, 2008:

	NOTIONAL AMOUNT	PAYMENTS	PAYMENTS	UN TERMINATIONPI	NREALIZED PRECIATION
COUNTERPARTY		RECEIVED BY FUND	MADE BY FUND	DATE (DEI	PRECIATION)
JPMorgan Chase Bank N.A.	\$ 20,780	Fixed Rate 5.385%	Floating Rate 0.00%	•	\$ 88,523
Bank of America N.A.	4,690	Fixed Rate 5.58	Floating Rate 0.00	February 28, 2018 @	52,153
Bank of America N.A.	5,890	Fixed Rate 5.070	Floating Rate 0.00	April 14, 2018 @	(46,237)
Bank of America N.A.	5,870	Fixed Rate 4.982	Floating Rate 0.00	April 15, 2018 @	(64,453)
Merrill Lynch & Co.	7,830	Fixed Rate 5.00	Floating Rate 0.00	@ April 15, 2018	(81,119)
JPMorgan Chase Bank N.A.	26,460	Floating Rate 0.00	Fixed Rate 5.831	February 14, 2023	(221,470)
Bank of America N.A.	5,901	Floating Rate 0.00	Fixed Rate 5.99	February 28, 2023	(75,179)
Bank of America N.A.	7,535	Floating Rate 0.00	Fixed Rate 5.47	April 14, 2023	11,604
Bank of America N.A.	7,165	Floating Rate 0.00	Fixed Rate 5.38	April 15, 2023	28,660
Merrill Lynch & Co.	10,065	Floating Rate 0.00	@ Fixed Rate 5.395	April 15, 2023	36,133
	N	let Unrealized Depreciation	ı		(\$271,384)

Floating rate representsUSD-3 monthsLIBOR.

Item 2. Controls and Procedures.

(a) The Trust s principal executive officer and principal financial officer have concluded that the Trust s disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms, based upon such officers evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

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

Item 3. Exhibits.

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

2

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley Insured Municipal Income Trust

/s/ Randy Takian

Randy Takian Principal Executive Officer September 18, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Randy Takian

Randy Takian Principal Executive Officer September 18, 2008

/s/ Francis Smith

Francis Smith Principal Financial Officer September 18, 2008