

INSURED MUNICIPAL INCOME FUND INC  
Form N-Q  
February 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: 811-07528

**Insured Municipal Income Fund Inc.**

(Exact name of registrant as specified in charter)

51 West 52<sup>nd</sup> Street, New York, New York 10019-6114

(Address of principal executive offices) (Zip code)

Mark F. Kemper, Esq.

UBS Global Asset Management

51 West 52<sup>nd</sup> Street

New York, NY 10019-6114

(Name and address of agent for service)

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**Jack W. Murphy, Esq.**

**Dechert LLP**

**1775 I Street, N.W.**

**Washington, DC 20006-2401**

**Registrant's telephone number, including area code: 212-882 5000**

Date of fiscal year end: March 31

Date of reporting period: December 31, 2007

Item 1. Schedule of Investments

**Insured Municipal Income Fund Inc.****Schedule of investments December 31, 2007 (unaudited)**

	Moody's rating	S&P rating	Face amount (\$)	Value (\$)
<b>Long-term municipal bonds 166.13%</b>				
<b>California 50.65%</b>				
California State Department of Water Resources Revenue-Central Valley				
Project-Series AC (MBIA Insured), 5.000%, due 12/01/27	Aaa	AAA	3,000,000	3,108,030
California State General Obligation (FGIC Insured), 7.000%, due 11/01/12	Aaa	AAA	30,000	30,389
California State General Obligation Refunding-Series 2, 5.000%, due 09/01/27	A1	A+	7,000,000	7,131,110
Chino Valley Unified School District-Series A (FSA Insured), 5.000%, due 08/01/26	Aaa	AAA	3,305,000	3,418,527
Contra Costa County Public Financing Lease Revenue Refunding-Medical Center-Series B (MBIA Insured), 5.000%, due 06/01/17	Aaa	AAA	12,000,000	13,142,520
Long Beach Finance Authority Lease Revenue-Aquarium of the South Pacific (AMBAC Insured), 5.500%, due 11/01/15	Aaa	AAA	2,000,000	2,160,120
Los Angeles Community College District Refunding-Election 2001-Series A  (FSA Insured), 5.000%, due 08/01/25	Aaa	AAA	5,000,000	5,250,700
5.000%, due 06/01/26	Aaa	AAA	9,000,000	9,433,350
Los Angeles County Sanitation Districts Financing Authority Revenue-Capital  Projects-Series A (FSA Insured), 5.000%, due 10/01/20	Aaa	AAA	8,475,000	9,013,417
Los Angeles Wastewater System Revenue Refunding-Subseries A (MBIA Insured), 5.000%, due 06/01/26	Aaa	AAA	11,625,000	11,964,217
Los Angeles Water & Power Revenue-Power System-Series A, Subseries A-2  (MBIA-IBC Insured), 5.000%, due 07/01/30	Aaa	AAA	5,000,000	5,150,600
Los Angeles Water & Power Revenue-Power System-Series B (FSA Insured), 5.000%, due 07/01/25	Aaa	AAA	6,000,000	6,249,600

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	<b>Moody's rating</b>	<b>S&amp;P rating</b>	<b>Face amount (\$)</b>	<b>Value (\$)</b>
<b>Long-term municipal bonds (continued)</b>				
<b>California (concluded)</b>				
Manteca Financing Authority Water Revenue-Series A (MBIA Insured), 4.750%, due 07/01/33	Aaa	AAA	15,000,000	15,093,750
Metropolitan Water District of Southern California Waterworks Revenue-Series A (FSA Insured), 5.000%, due 07/01/35	Aaa	AAA	10,000,000	10,412,200
Oxnard Financing Authority Wastewater Revenue-Redwood Trunk Sewer & Headworks-Series A (FGIC Insured), 5.250%, due 06/01/34	Aaa	AAA	7,160,000	7,511,413
Sacramento County Sanitation District Financing Authority Revenue Refunding (AMBAC Insured), 5.000%, due 12/01/27	Aaa	AAA	10,000,000	10,306,200
Sacramento Municipal Utility District Electric Revenue-Municipal Utility District-Series R (MBIA Insured), 5.000%, due 08/15/19	Aaa	AAA	7,000,000	7,421,330
5.000%, due 08/15/33	Aaa	AAA	5,000,000	5,142,750
San Francisco City & County Airports Commission International Airport Revenue Refunding-Second Series 27B (FGIC Insured), 5.250%, due 05/01/15	Aaa	AAA	4,000,000	4,232,440
San Francisco City & County Public Utilities Commission Water Revenue-Series A (MBIA Insured), 5.000%, due 11/01/25	Aaa	AAA	3,000,000	3,118,740
San Jose Libraries, Parks & Public Safety Project (MBIA Insured), 5.000%, due 09/01/27	Aaa	AAA	7,910,000	8,189,381
Walnut Energy Center Authority Revenue-Series A (AMBAC Insured), 5.000%, due 01/01/34	Aaa	AAA	3,825,000	3,916,494
				151,397,278
<b>District of Columbia 4.12%</b>				
District of Columbia Hospital Revenue Refunding-Medlantic Healthcare-Series A (Escrowed to Maturity) (MBIA Insured), 5.750%, due 08/15/14	Aaa	AAA	4,000,000	4,048,120

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	Moody's rating	S&P rating	Face amount (\$)	Value (\$)
<b>Long-term municipal bonds (continued)</b>				
<b>District of Columbia (concluded)</b>				
District of Columbia Water & Sewer Authority Public Utility Revenue-Subordinate Lien Revenue (FGIC Insured), 5.000%, due 10/01/33	Aaa	AAA	6,000,000	6,119,640
Metropolitan Washington, D.C. Airport Authority Airport System Revenue-Series A (MBIA Insured), 5.250%, due 10/01/16 <sup>(1)</sup>	Aaa	AAA	2,000,000	2,148,780
				12,316,540
<b>Florida 14.58%</b>				
Florida State Board of Education-Capital Outlay-Series E (FGIC Insured), 5.000%, due 06/01/24	Aaa	AAA	8,000,000	8,318,720
Florida State Board of Education-Public Education-Series A (FSA Insured), 5.000%, due 06/01/27	Aaa	AAA	10,220,000	10,541,317
Hillsborough County Port District Revenue-Tampa Port Authority Project-Series A (MBIA Insured), <sup>(1)</sup> 5.750%, due 06/01/16	Aaa	AAA	1,060,000	1,138,376
5.750%, due 06/01/17	Aaa	AAA	1,115,000	1,194,176
5.750%, due 06/01/18	Aaa	AAA	1,175,000	1,255,981
5.750%, due 06/01/19	Aaa	AAA	1,240,000	1,325,461
Miami-Dade County Aviation Revenue Refunding-Miami International Airport-Series B (XLCA Insured), 5.000%, due 10/01/18 <sup>(1)</sup>	Aaa	AAA	10,000,000	10,343,300
Miami-Dade County Expressway Authority Toll System Revenue-Series B  (FGIC Insured), 5.250%, due 07/01/26	Aaa	AAA	3,000,000	3,179,490
Miami-Dade County School Board-Certificates of Participation-Series A  (FGIC Insured), 5.000%, due 05/01/21	Aaa	AAA	6,000,000	6,296,220
				43,593,041
<b>Georgia 6.24%</b>				
Atlanta Airport Revenue Refunding-Series D (FGIC Insured), 5.250%, due 01/01/15 <sup>(1)</sup>	Aaa	AAA	11,545,000	12,207,106

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	Moody's rating	S&P rating	Face amount (\$)	Value (\$)
<b>Long-term municipal bonds (continued)</b>				
<b>Georgia (concluded)</b>				
Columbus Building Authority Lease Revenue-Series A (FGIC Insured), 5.250%, due 01/01/16	Aaa	AAA	1,015,000	1,110,440
George L Smith II World Congress Center Authority Revenue Refunding-Domed Stadium Project (MBIA Insured), 5.750%, due 07/01/14 <sup>(1)</sup>	Aaa	AAA	5,000,000	5,304,250
Georgia Municipal Electric Authority Power Revenue-Series Y (Escrowed to Maturity) (MBIA-IBC Insured), 10.000%, due 01/01/10	Aaa	AAA	15,000	16,955
				18,638,751
<b>Illinois 3.89%</b>				
Chicago General Obligation-Series A (Pre-refunded with US Government Securities to 01/01/14 @ 100) (FSA Insured), 5.000%, due 01/01/25	Aaa	AAA	1,240,000	1,346,863
5.000%, due 01/01/26	Aaa	AAA	1,650,000	1,792,197
Chicago General Obligation-Unrefunded Balance-Series A (FSA Insured), 5.000%, due 01/01/25	Aaa	AAA	260,000	269,118
5.000%, due 01/01/26	Aaa	AAA	350,000	361,715
Illinois Health Facilities Authority Revenue-Franciscan Sisters Health Care-Series C (Escrowed to Maturity) (MBIA Insured), 5.750%, due 09/01/18	Aaa	AAA	4,500,000	5,093,100
Metropolitan Pier & Exposition Authority Dedicated State Tax-Series A-2002  (Escrowed to Maturity) (FGIC Insured), 5.500%, due 12/15/23	Aaa	AAA	2,395,000	2,759,447
				11,622,440
<b>Indiana 4.66%</b>				
Indiana Health & Educational Facilities Financing Authority Hospital Revenue Refunding-Clarian Health Obligation Group-Series B, 5.000%, due 02/15/30	A2	A+	5,000,000	4,780,550

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	Moody rating	S&P rating	Face amount (\$)	Value (\$)
<b>Long-term municipal bonds (continued)</b>				
<b>Indiana (concluded)</b>				
Indianapolis Airport Authority Revenue Refunding-Special Facilities-Fed Ex Corp. Project, 5.100%, due 01/15/17 <sup>(1)</sup>	Baa2	BBB	8,000,000	8,077,120
Indiana University Revenue-Student Fee-Series O (FGIC Insured), 5.250%, due 08/01/18	Aaa	AAA	1,000,000	1,073,340
				13,931,010
<b>Maine 5.15%</b>				
Maine Health & Higher Educational Facilities Authority Revenue-Series A (Escrowed to Maturity) (FSA Insured), 5.500%, due 07/01/23	NR	AAA	4,785,000	4,831,462
Maine Health & Higher Educational Facilities Authority Revenue-Series A (MBIA Insured), 5.000%, due 07/01/29	Aaa	NR	10,200,000	10,560,978
				15,392,440
<b>Massachusetts 0.52%</b>				
Massachusetts State Port Authority Revenue-US Airways Project (MBIA Insured), 6.000%, due 09/01/21 <sup>(1)</sup>	Aaa	AAA	1,500,000	1,552,500
<b>Michigan 3.92%</b>				
Michigan State Hospital Finance Authority Revenue Refunding-Trinity Health Credit Group-Series D, 5.000%, due 08/15/25	Aa3	AA-	5,525,000	5,619,257
Michigan State Hospital Finance Authority Revenue-Trinity Health Credit Group-Series A, 5.000%, due 12/01/26	Aa2	AA-	6,000,000	6,094,680
				11,713,937
<b>Minnesota 1.75%</b>				
Minneapolis & St. Paul Metropolitan Airport Commission Airport Revenue-Series B (FGIC Insured), 6.000%, due 01/01/19 <sup>(1),(2)</sup>	Aaa	AAA	5,000,000	5,219,900



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<b>Long-term municipal bonds (continued)</b>				
<b>Nevada 2.68%</b>				
Clark County-Bond Bank-Unrefunded Balance (MBIA Insured), 5.000%, due 06/01/32	Aaa	AAA	7,820,000	8,020,427
<b>New Mexico 2.92%</b>				
University of New Mexico Revenue-Hospital Mortgage (FSA-FHA Insured), 5.000%, due 01/01/23	Aaa	AAA	4,130,000	4,306,681
5.000%, due 07/01/23	Aaa	AAA	4,230,000	4,410,960
				8,717,641
<b>New York 19.50%</b>				
Erie County Industrial Development Agency School Facilities Revenue-City School District Buffalo Project-Series A (FSA Insured), 5.750%, due 05/01/19	Aaa	AAA	5,500,000	6,334,405
Metropolitan Transportation Authority Dedicated Tax Fund-Series A (FSA Insured), 5.250%, due 11/15/24	Aaa	AAA	5,650,000	6,029,115
New York City General Obligation-Subseries F-1, 5.000%, due 09/01/25	A1	AA-	4,615,000	4,747,866
New York City Industrial Development Agency Special Facilities Revenue-Terminal One Group Association Project, <sup>(1)</sup> 5.000%, due 01/01/10	A3	BBB+	2,780,000	2,836,156
5.500%, due 01/01/15	A3	BBB+	5,000,000	5,297,400
5.500%, due 01/01/16	A3	BBB+	6,685,000	7,102,278
New York City Industrial Development Agency Special Facilities Revenue-Terminal One Group Association Project (Mandatory Put 01/01/16 @ 100) 5.500%, due 01/01/18 <sup>(1)(3)</sup>	A3	BBB+	2,750,000	2,889,672
New York City Municipal Water Finance Authority Water & Sewer System Revenue- Series C (MBIA Insured), 5.000%, due 06/15/26	Aaa	AAA	7,000,000	7,318,640
5.000%, due 06/15/27	Aaa	AAA	10,080,000	10,512,734
Triborough Bridge & Tunnel Authority Revenue-Subordinate Bonds (AMBAC Insured), 5.125%, due 11/15/26	Aaa	AAA	5,000,000	5,231,700
				58,299,966

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<b>Long-term municipal bonds (continued)</b>				
<b>Ohio 3.16%</b>				
Buckeye Tobacco Settlement Financing Authority-Asset Backed Senior Turbo-Series A-2, 5.125%, due 06/01/24	Baa3	BBB	10,000,000	9,452,800
<b>Pennsylvania 6.85%</b>				
Allegheny County Sanitation Authority Sewer Revenue Refunding-Series A (MBIA Insured), 5.000%, due 12/01/23	Aaa	AAA	15,390,000	16,232,603
Philadelphia Authority For Industrial Development Airport Revenue-Philadelphia Airport System Project-Series A (FGIC Insured), 5.500%, due 07/01/18 <sup>(1)</sup>	Aaa	AAA	4,000,000	