

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND

Form N-30D

January 06, 2003

ANNUAL REPORT October 31, 2002

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

INSURED QUALITY
NQI

INSURED OPPORTUNITY
NIO

PREMIER INSURED
INCOME
NIF

INSURED PREMIUM
INCOME 2
NPX

INSURED DIVIDEND
ADVANTAGE
NVG

PHOTO OF: 2 WOMAN ON GRADUATION DAY.

PHOTO OF: MAN AND CHILD SEATED BY LAPTOP COMPUTER.

Dependable,
tax-free income
because
it's not what you earn,
it's what you keep. (R)

Logo: NUVEEN Investments

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PHOTO OF: Timothy R. Schwertfeger

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Chairman of the Board

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Dear
SHAREHOLDER

Once again, I am pleased to state that during the period covered by this report your Nuveen Fund continued to meet its objective of providing attractive tax-free monthly income. Detailed information on your Fund's performance can be found in the Portfolio Manager's Comments and on the Performance Overview pages within this report. Please take the time to read them.

In addition to providing regular tax-free income, we believe that a municipal bond investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of municipal bonds may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also urge you to consider receiving future Fund reports and other Fund information through the Internet and by e-mail rather than in hard copy. Not only will you be able to receive the information faster, but this also may help lower your Fund expenses. Sign up is quick and easy -- see the inside front cover of this report for step-by-step instructions.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Nuveen Fund to those seeking to accumulate and preserve wealth. Our commitment to careful research, constant surveillance and judicious trading by our seasoned portfolio management team has never been stronger. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you meet your financial objectives. We thank you for choosing us as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

December 16, 2002

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Nuveen National Insured Municipal Closed-End Exchange-Traded Funds (NQI, NIO, NIF, NPX, NVG)

Portfolio Manager's
COMMENTS

Portfolio manager Steve Krupa discusses U.S. economic conditions, key investment

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strategies, and the recent performance of these Insured Funds. With 23 years of investment experience at Nuveen, Steve assumed portfolio management responsibility for NQI in 1990, NIO in 1991, NIF and NPX in 1998, and NVG upon its inception in March 2002.

WHAT WERE THE MAJOR FACTORS AFFECTING THE U.S. ECONOMY AND THE MUNICIPAL MARKET DURING THIS REPORTING PERIOD?

In a number of ways, market conditions have not changed significantly since our last shareholder report.

We believe the most influential factors affecting the economy and the municipal market continued to be the slow pace of economic growth and the relatively low levels of interest rates. In addition, the ongoing threat of terrorism and the current uncertain geopolitical climate also had an impact on the economy and the markets over this reporting period.

Looking more closely at the municipal market, the sluggish economic recovery and lack of inflationary pressures helped many bonds perform well during most of the twelve-month period that ended October 31, 2002. However, during the month of October 2002, the market environment for all fixed-income investments soured as a rally in the equity markets seemingly caused some investors to sell fixed-income products and purchase common stocks.

In the first ten months of 2002, new municipal bond issuance nationwide reached \$289.4 billion, an increase of 30% over January-October 2001. Demand for municipal bonds also remained strong over most of this period, as many individual investors continued to seek investments offering diversification for their portfolios and tax-free income. In addition, institutional investors, especially traditional municipal bond purchasers such as property/casualty insurance companies, have been active buyers in the municipal market.

HOW DID THESE FUNDS PERFORM OVER THE TWELVE MONTHS ENDED OCTOBER 31, 2002?

The price spread between AAA rated bonds and lower rated bonds grew through much of this reporting period. This helped insured bonds and insured funds post generally strong total returns over the twelve months ended October 31, 2002.

Individual results for Nuveen's insured Funds, as well as for relevant benchmarks, are presented in the accompanying table.

| | MARKET YIELD | | TOTAL RETURN ON NAV | LEHMAN TOTAL RETURN1 | LIPPER AVERAGE2 |
|-----|--------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 10/31/02 | TAXABLE- EQUIVALENT3 | 1 YEAR ENDED 10/31/02 | 1 YEAR ENDED 10/31/02 | 1 YEAR ENDED 10/31/02 |
| NQI | 6.17% | 8.81% | 6.83% | 6.16% | 6.27% |
| NIO | 6.31% | 9.01% | 7.01% | 6.16% | 6.27% |
| NIF | 6.30% | 9.00% | 6.57% | 6.16% | 6.27% |
| NPX | 6.14% | 8.77% | 7.83% | 6.16% | 6.27% |
| NVG | 6.22% | 8.89% | NA | - | - |

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Past performance is not predictive of future results.

For additional information, see the individual Performance Overview for your Fund in this report.

- 1 The total annual returns on common share net asset value for these insured Funds are compared with the total annual return of the Lehman Brothers Insured Municipal Bond Index, an unleveraged index comprising a broad range of insured municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Funds' total returns are compared with the average annualized return of the 22 funds in the Lipper Insured Leveraged Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a federal income tax rate of 30%.

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All four of the Funds with at least one year's history reported strong total returns for the year ended October 31, 2002. Each exceeded the Lipper peer group average return and the return of the unleveraged, unmanaged Lehman Insured Municipal Index.

We believe part of this outperformance can be attributed to each Fund's significant holding of transportation bonds. Over the past year, many insured bonds in this area performed well as some investors tended to switch out of uninsured transportation bonds into insured bonds within this same sector. Each of the older Funds also had sizeable holdings of healthcare bonds, which saw a similar migration from uninsured to insured bonds over the course of the reporting period.

NVG was introduced in March 2002, and since then has offered its MuniPreferred(R), shares, completed its initial investment process, and begun paying regular monthly dividends. We are pleased with the composition of the portfolio and how the Fund has performed to date, and we look forward to sharing first year results with you in the next shareholder report.

HOW DID THE MARKET ENVIRONMENT AFFECT THE DIVIDENDS AND SHARE PRICES OF THESE FUNDS?

As the Fed continued to keep short-term interest rates relatively low, the dividend-paying capabilities of these Funds benefited from their use of leverage, a strategy that can potentially enhance the dividends paid to common shareholders. This benefit is tied in part to the short-term rates the leveraged Funds pay their MuniPreferred(R) shareholders. Low short-term rates, such as those currently in effect, can enable the Funds to reduce the amount of income they pay preferred shareholders, leaving more earnings to support common share dividends.

During the fiscal year ended October 31, 2002, low short-term interest rates enabled us to implement four dividend increases in all four of the older Funds. NVG has paid a stable, attractive monthly dividend since its first distribution in June.

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Given the volatility of the equity market over the past year, we believe investors continued to evaluate their asset allocation plans and make slow shifts to take better advantage of the balance offered by fixed-income investments. Over this period, the share prices of the four older Funds

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stayed roughly flat or rose modestly. NVG's share price remained fairly stable until October, when it was affected by the general weakening of bond prices. As of October 31, 2002, all of these Funds were trading at modest discounts to their common share net asset values (see charts on individual Performance Overview pages).

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED OCTOBER 31, 2002?

We believed that all these Funds were well positioned at the start of this reporting period; therefore, trading activity was fairly minimal over the fiscal year. As opportunities arose, our strategic focus continued to be on enhancing dividend-paying capability, extending call protection and purchasing bonds that we thought were undervalued by the market, particularly in the 20-year part of the yield curve. We think that as we add these relatively shorter maturities to the Funds their portfolios should become less sensitive to potential changes in the interest rates. At the same time, we believe that adding bonds from this part of the yield curve will allow us to continue providing competitive yields and returns.

As noted earlier, transportation bonds remain one of the top sector holdings within each Fund. We do not anticipate this will change dramatically in the coming months. We believe there will continue to be a steady supply of insured airport and airline-backed bonds that can provide value investing opportunities.

Given the current geopolitical and economic climate, we think strong credit quality remained a requirement for many investors. Each of the four older insured Funds is 100% invested in insured and/or U.S. guaranteed securities, which means that credit quality is not an issue. NVG, which can invest up to 20% of its assets in uninsured, investment-grade quality bonds, was 92% invested in insured or AAA rated securities as of October 31. The balance of the portfolio was in bonds rated AA. One of this Fund's investments - sewer bonds issued by Jefferson County, Alabama - already has been advance refunded, resulting in price appreciation. NIO also has benefited from the advance refunding of this issue.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THESE FUNDS IN PARTICULAR?

In general, our outlook for the fixed-income markets over the coming months remains positive. We believe

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the U.S. economy is headed for an eventual recovery, but one that may be slower to arrive and less robust than some are now predicting. We expect inflation and interest rates to remain relatively low over the near term, while new municipal volume should continue to be strong as issuers take advantage of the low rate environment for both new issues and refinancings. Currently, national issuance totals are on pace to surpass \$300 billion in 2002, eclipsing the record of \$292

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billion set in 1993. We also expect demand for tax-exempt municipal bonds to remain solid as investors continue to look for ways to rebalance their portfolios and reduce their overall investment risk.

Over the next two years, we believe these Funds offer excellent levels of call protection, with exposures during 2003 and 2004 ranging from zero in NVG to 16% in NPX. The number of actual calls experienced by these Funds will depend largely on market interest rates over this time. We believe this call exposure is manageable, and we foresee no problems in working through it.

In the coming months, our focus will remain on strategies that utilize Nuveen's experience and research expertise to try to enhance the Funds' dividend-paying capabilities, position the Funds for future interest rate moves and take advantage of value opportunities as they arise. We believe the continued heavy issuance anticipated in the municipal market should enhance our ability to find attractive supply-driven trading opportunities. Overall, we believe the attractive tax-free income, portfolio diversification, and risk reduction potential (for equity-dominated portfolios) represented by these Funds will continue to make them potentially valuable components in your long-term financial plans.

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Nuveen Insured Quality Municipal Fund, Inc.

Performance

OVERVIEW As of October 31, 2002

NQI

CREDIT QUALITY

PIE CHART:

| | |
|-----------------------------|-----|
| INSURED | 89% |
| INSURED AND U.S. GUARANTEED | 10% |
| U.S. GUARANTEED | 1% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.55 |
| Common Share Net Asset Value | \$15.87 |
| Market Yield | 6.17% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 8.81% |
| Net Assets Applicable to Common Shares (\$000) | \$601,495 |
| Average Effective Maturity (Years) | 22.43 |
| Leverage-Adjusted Duration | 8.53 |

AVERAGE ANNUAL TOTAL RETURN (Inception 12/90)

ON SHARE PRICE ON NAV

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| | | |
|---------|--------|-------|
| 1-Year | 10.82% | 6.83% |
| 5-Year | 6.37% | 6.59% |
| 10-Year | 7.08% | 7.30% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Transportation | 20% |
| Healthcare | 16% |
| Utilities | 14% |
| Tax Obligation/General | 12% |
| U.S. Guaranteed | 11% |

BAR CHART:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 11/01 | 0.0715 |
| 12/01 | 0.074 |
| 1/02 | 0.074 |
| 2/02 | 0.074 |
| 3/02 | 0.076 |
| 4/02 | 0.076 |
| 5/02 | 0.076 |
| 6/02 | 0.0785 |
| 7/02 | 0.0785 |
| 8/02 | 0.0785 |
| 9/02 | 0.08 |
| 10/02 | 0.08 |

LINE CHART:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/01 | 15 |
| | 15.08 |
| | 14.48 |
| | 14.5 |
| | 14.47 |
| | 14.52 |
| | 14.25 |
| | 14.14 |
| | 14.45 |
| | 14.76 |
| | 14.79 |
| | 15 |
| | 15 |
| | 15.05 |
| | 15.13 |
| | 15.15 |
| | 15.19 |
| | 15.3 |
| | 15.06 |
| | 14.89 |
| | 14.35 |

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| | |
|----------|-------|
| | 14.7 |
| | 14.75 |
| | 14.8 |
| | 14.75 |
| | 15 |
| | 15.22 |
| | 15.19 |
| | 15.26 |
| | 15.16 |
| | 15.3 |
| | 15.32 |
| | 15.63 |
| | 15.65 |
| | 15.76 |
| | 15.87 |
| | 16.1 |
| | 15.87 |
| | 15.91 |
| | 15.95 |
| | 16.11 |
| | 16.05 |
| | 15.88 |
| | 16 |
| | 16.13 |
| | 16.21 |
| | 16.24 |
| | 16.3 |
| | 16.39 |
| | 16.08 |
| | 15.26 |
| 10/31/02 | 15.19 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2001 of \$0.0243 per share.

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Nuveen Insured Municipal Opportunity Fund, Inc.

Performance

OVERVIEW As of October 31, 2002

NIO

CREDIT QUALITY

PIE CHART:

| | |
|-----------------------------|-----|
| INSURED | 87% |
| INSURED AND U.S. GUARANTEED | 12% |
| U.S. GUARANTEED | 1% |

PORTFOLIO STATISTICS

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| | |
|--|-------------|
| Share Price | \$15.21 |
| Common Share Net Asset Value | \$15.83 |
| Market Yield | 6.31% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.01% |
| Net Assets Applicable to Common Shares (\$000) | \$1,283,353 |
| Average Effective Maturity (Years) | 22.10 |
| Leverage-Adjusted Duration | 9.82 |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/91)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 9.80% | 7.01% |
| 5-Year | 5.72% | 6.31% |
| 10-Year | 7.63% | 7.56% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Transportation | 22% |
| U.S. Guaranteed | 13% |
| Healthcare | 12% |
| Tax Obligation/Limited | 11% |
| Utilities | 10% |

BAR CHART:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 11/01 | 0.0735 |
| 12/01 | 0.075 |
| 1/02 | 0.075 |
| 2/02 | 0.075 |
| 3/02 | 0.0765 |
| 4/02 | 0.0765 |
| 5/02 | 0.0765 |
| 6/02 | 0.079 |
| 7/02 | 0.079 |
| 8/02 | 0.079 |
| 9/02 | 0.08 |
| 10/02 | 0.08 |

LINE CHART:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/01 | 14.93 |
| | 14.92 |

| | |
|----------|-------|
| | 14.48 |
| | 14.21 |
| | 14.6 |
| | 14.36 |
| | 14.29 |
| | 14.26 |
| | 14.39 |
| | 14.47 |
| | 14.6 |
| | 14.94 |
| | 14.88 |
| | 14.92 |
| | 15.07 |
| | 15.02 |
| | 15.14 |
| | 15.02 |
| | 14.79 |
| | 14.62 |
| | 14.35 |
| | 14.62 |
| | 14.67 |
| | 14.75 |
| | 14.7 |
| | 14.82 |
| | 15.11 |
| | 15 |
| | 14.85 |
| | 15.01 |
| | 15.1 |
| | 15.18 |
| | 15.04 |
| | 15.3 |
| | 15.53 |
| | 15.6 |
| | 15.73 |
| | 15.68 |
| | 15.3 |
| | 15.78 |
| | 15.81 |
| | 15.65 |
| | 15.79 |
| | 15.81 |
| | 15.89 |
| | 15.84 |
| | 15.89 |
| | 15.96 |
| | 16.15 |
| | 15.75 |
| | 14.89 |
| 10/31/02 | 15.17 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2001 of \$0.0180 per share.

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Nuveen Premier Insured Municipal Income Fund, Inc.

Performance

OVERVIEW As of October 31, 2002

NIF

CREDIT QUALITY

PIE CHART:

| | |
|-----------------------------|-----|
| INSURED | 80% |
| INSURED AND U.S. GUARANTEED | 6% |
| U.S. GUARANTEED | 14% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.33 |
| Common Share Net Asset Value | \$15.59 |
| Market Yield | 6.30% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.00% |
| Net Assets Applicable to Common Shares (\$000) | \$301,121 |
| Average Effective Maturity (Years) | 18.33 |
| Leverage-Adjusted Duration | 9.02 |

AVERAGE ANNUAL TOTAL RETURN (Inception 12/91)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 6.84% | 6.57% |
| 5-Year | 5.84% | 5.85% |
| 10-Year | 7.44% | 7.41% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Transportation | 20% |
| U.S. Guaranteed | 19% |
| Healthcare | 15% |
| Tax Obligation/Limited | 14% |
| Tax Obligation/General | 12% |

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BAR CHART:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 11/01 | 0.075 |
| 12/01 | 0.0765 |
| 1/02 | 0.0765 |
| 2/02 | 0.0765 |
| 3/02 | 0.0785 |
| 4/02 | 0.0785 |
| 5/02 | 0.0785 |
| 6/02 | 0.0795 |
| 7/02 | 0.0795 |
| 8/02 | 0.0795 |
| 9/02 | 0.0805 |
| 10/02 | 0.0805 |

LINE CHART:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/01 | 15.3 |
| | 15.15 |
| | 14.63 |
| | 14.59 |
| | 14.85 |
| | 14.66 |
| | 14.63 |
| | 14.78 |
| | 14.9 |
| | 14.75 |
| | 14.88 |
| | 15.27 |
| | 15.2 |
| | 15.34 |
| | 15.5 |
| | 15.4 |
| | 15.37 |
| | 15.26 |
| | 15.2 |
| | 14.6 |
| | 14.71 |
| | 14.85 |
| | 14.89 |
| | 15.16 |
| | 14.95 |
| | 15.07 |
| | 15.25 |
| | 15.32 |
| | 15.35 |
| | 15.32 |
| | 15.27 |
| | 15.31 |
| | 15.24 |
| | 15.62 |
| | 15.68 |
| | 15.85 |
| | 15.9 |
| | 15.89 |
| | 15.9 |
| | 15.9 |
| | 15.98 |

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| | |
|----------|-------|
| | 15.75 |
| | 15.75 |
| | 15.76 |
| | 15.99 |
| | 15.9 |
| | 15.94 |
| | 15.9 |
| | 16.12 |
| | 16 |
| | 15.2 |
| 10/31/02 | 15.32 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

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Nuveen Insured Premium Income Municipal Fund 2

Performance

OVERVIEW As of October 31, 2002

NPX

CREDIT QUALITY

PIE CHART:

| | |
|-----------------------------|-----|
| INSURED | 92% |
| INSURED AND U.S. GUARANTEED | 8% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$13.77 |
| Common Share Net Asset Value | \$14.17 |
| Market Yield | 6.14% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 8.77% |
| Net Assets Applicable to Common Shares (\$000) | \$527,800 |
| Average Effective Maturity (Years) | 18.05 |
| Leverage-Adjusted Duration | 7.03 |

AVERAGE ANNUAL TOTAL RETURN (Inception 7/93)

| | ON SHARE PRICE | ON NAV |
|--------|----------------|--------|
| 1-Year | 6.32% | 7.83% |
| 5-Year | 8.22% | 6.56% |

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| | | |
|-----------------|-------|-------|
| Since Inception | 5.15% | 5.79% |
|-----------------|-------|-------|

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Utilities | 26% |
| Transportation | 15% |
| Healthcare | 12% |
| Tax Obligation/Limited | 11% |
| Housing/Multifamily | 10% |

BAR CHART:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 11/01 | 0.0655 |
| 12/01 | 0.0665 |
| 1/02 | 0.0665 |
| 2/02 | 0.0665 |
| 3/02 | 0.0685 |
| 4/02 | 0.0685 |
| 5/02 | 0.0685 |
| 6/02 | 0.0695 |
| 7/02 | 0.0695 |
| 8/02 | 0.0695 |
| 9/02 | 0.0705 |
| 10/02 | 0.0705 |

LINE CHART:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/01 | 13.8 |
| | 13.78 |
| | 13.63 |
| | 13.56 |
| | 13.67 |
| | 13.44 |
| | 13.02 |
| | 12.85 |
| | 13.28 |
| | 13.35 |
| | 13.3 |
| | 13.49 |
| | 13.38 |
| | 13.59 |
| | 13.62 |
| | 13.67 |
| | 13.74 |
| | 13.68 |
| | 13.15 |
| | 13.06 |
| | 12.91 |
| | 13.01 |
| | 13.1 |
| | 13.35 |
| | 13.36 |

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| | |
|----------|-------|
| | 13.4 |
| | 13.45 |
| | 13.68 |
| | 13.52 |
| | 13.61 |
| | 13.62 |
| | 13.74 |
| | 13.8 |
| | 13.9 |
| | 13.93 |
| | 13.99 |
| | 14.26 |
| | 14.06 |
| | 13.77 |
| | 14 |
| | 14.2 |
| | 14.05 |
| | 14.15 |
| | 14.23 |
| | 14.19 |
| | 14.2 |
| | 14.19 |
| | 14.27 |
| | 14.4 |
| | 14.18 |
| | 13.62 |
| 10/31/02 | 13.53 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

9

Nuveen Insured Dividend Advantage Municipal Fund

Performance

OVERVIEW As of October 31, 2002

NVG

CREDIT QUALITY

PIE CHART:

| | |
|-----------------------------|-----|
| INSURED | 84% |
| INSURED AND U.S. GUARANTEED | 2% |
| NOT INSURED | 14% |

PORTFOLIO STATISTICS

| | |
|------------------------------|---------|
| Share Price | \$14.96 |
| Common Share Net Asset Value | \$15.35 |
| Market Yield | 6.22% |
| Taxable-Equivalent Yield | |

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| | |
|---|-----------|
| (Federal Income Tax Rate) ¹ | 8.89% |
| ----- | |
| Net Assets Applicable to Common Shares (\$000) | \$457,432 |
| ----- | |
| Average Effective Maturity (Years) | 24.94 |
| ----- | |
| Leverage-Adjusted Duration | 11.68 |
| ----- | |

CUMULATIVE TOTAL RETURN (Inception 3/02)

| | | |
|-----------------|----------------|--------|
| | ON SHARE PRICE | ON NAV |
| ----- | | |
| Since Inception | 2.84% | 10.44% |
| ----- | | |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Tax Obligation/General | 23% |
| ----- | |
| Transportation | 21% |
| ----- | |
| Education and Civic Organizations | 15% |
| ----- | |
| Water and Sewer | 11% |
| ----- | |
| Tax Obligation/Limited | 10% |
| ----- | |

BAR CHART:

2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 5/02 | 0.0775 |
| 6/02 | 0.0775 |
| 7/02 | 0.0775 |
| 8/02 | 0.0775 |
| 9/02 | 0.0775 |
| 10/02 | 0.0775 |

LINE CHART:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 3/28/02 | 15.02 |
| | 15 |
| | 15.01 |
| | 15 |
| | 15.02 |
| | 15.03 |
| | 15.01 |
| | 15.06 |
| | 15.11 |
| | 15.11 |
| | 15.12 |
| | 15.06 |
| | 14.91 |
| | 14.98 |
| | 15.07 |
| | 15.15 |
| | 15.18 |

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15.14
 15.16
 15.19
 15.4
 15.07
 15.37
 15.21
 15.4
 15.46
 15.55
 15.44
 15.35
 14.83
 10/31/02 14.5

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

10

Shareholder
 MEETING REPORT

The annual shareholder meeting was held on July 31, 2002, at the Northern Trust Bank, Chicago, Illinois.

NQI

 APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common Shares | Preferred Shares Series-M | Preferred Shares Series-T | Preferred Shares Series |
|----------------------|------------------|---------------------------------|---------------------------------|-------------------------------|
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 32,999,454 | 2,483 | 2,413 | 2,2 |
| Withhold | 358,600 | -- | -- | |
| ----- | | | | |
| Total | 33,358,054 | 2,483 | 2,413 | 2,2 |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 33,042,091 | 2,483 | 2,413 | 2,2 |
| Withhold | 315,963 | -- | -- | |
| ----- | | | | |
| Total | 33,358,054 | 2,483 | 2,413 | 2,2 |
| ===== | | | | |
| Anne E. Impellizzeri | | | | |
| For | 33,007,622 | 2,483 | 2,413 | 2,2 |
| Withhold | 350,432 | -- | -- | |
| ----- | | | | |
| Total | 33,358,054 | 2,483 | 2,413 | 2,2 |
| ===== | | | | |
| Peter R. Sawers | | | | |
| For | 33,040,969 | 2,483 | 2,413 | 2,2 |
| Withhold | 317,085 | -- | -- | |
| ----- | | | | |
| Total | 33,358,054 | 2,483 | 2,413 | 2,2 |

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| | | | | | |
|-------------------------|------------|-------|-------|-----|--|
| ===== | | | | | |
| Judith M. Stockdale | | | | | |
| For | 33,022,484 | 2,483 | 2,413 | 2,2 | |
| Withhold | 335,570 | -- | -- | | |
| Total | 33,358,054 | 2,483 | 2,413 | 2,2 | |
| ----- | | | | | |
| William J. Schneider | | | | | |
| For | -- | 2,483 | 2,413 | 2,2 | |
| Withhold | -- | -- | -- | | |
| Total | -- | 2,483 | 2,413 | 2,2 | |
| ----- | | | | | |
| Timothy R. Schwertfeger | | | | | |
| For | -- | 2,483 | 2,413 | 2,2 | |
| Withhold | -- | -- | -- | | |
| Total | -- | 2,483 | 2,413 | 2,2 | |
| ===== | | | | | |

11

Shareholder MEETING REPORT (continued)

NIO

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common Shares | Preferred Shares Series-M | Preferred Shares Series-T | Preferred Shares Series-W | Preferred Shares Series-W2 |
|----------------------|------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| ----- | | | | | |
| Robert P. Bremner | | | | | |
| For | 73,520,624 | 3,750 | 3,835 | 3,791 | 3,168 |
| Withhold | 765,539 | 45 | 41 | 18 | -- |
| Total | 74,286,163 | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| Lawrence H. Brown | | | | | |
| For | 73,576,919 | 3,790 | 3,875 | 3,791 | 3,168 |
| Withhold | 709,244 | 5 | 1 | 18 | -- |
| Total | 74,286,163 | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| Anne E. Impellizzeri | | | | | |
| For | 73,505,334 | 3,790 | 3,875 | 3,791 | 3,168 |
| Withhold | 780,829 | 5 | 1 | 18 | -- |
| Total | 74,286,163 | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| Peter R. Sawers | | | | | |
| For | 73,521,489 | 3,790 | 3,875 | 3,791 | 3,168 |
| Withhold | 764,674 | 5 | 1 | 18 | -- |
| Total | 74,286,163 | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| Judith M. Stockdale | | | | | |
| For | 73,547,105 | 3,750 | 3,835 | 3,791 | 3,168 |
| Withhold | 739,058 | 45 | 41 | 18 | -- |

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| | | | | | |
|-------------------------|------------|-------|-------|-------|-------|
| Total | 74,286,163 | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| William J. Schneider | | | | | |
| For | -- | 3,790 | 3,875 | 3,791 | 3,168 |
| Withhold | -- | 5 | 1 | 18 | -- |
| ----- | | | | | |
| Total | -- | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |
| Timothy R. Schwertfeger | | | | | |
| For | -- | 3,790 | 3,875 | 3,791 | 3,168 |
| Withhold | -- | 5 | 1 | 18 | -- |
| ----- | | | | | |
| Total | -- | 3,795 | 3,876 | 3,809 | 3,168 |
| ===== | | | | | |

12

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common Shares | Preferred Shares Series |
|----------------------|------------------|-------------------------------|
| ===== | | |
| Robert P. Bremner | | |
| For | 17,473,670 | 7 |
| Withhold | 167,578 | |
| ----- | | |
| Total | 17,641,248 | 7 |
| ===== | | |
| Lawrence H. Brown | | |
| For | 17,473,293 | 7 |
| Withhold | 167,955 | |
| ----- | | |
| Total | 17,641,248 | 7 |
| ===== | | |
| Anne E. Impellizzeri | | |
| For | 17,470,309 | 7 |
| Withhold | 170,939 | |
| ----- | | |
| Total | 17,641,248 | 7 |
| ===== | | |
| Peter R. Sawers | | |
| For | 17,465,882 | 7 |
| Withhold | 175,366 | |
| ----- | | |
| Total | 17,641,248 | 7 |
| ===== | | |
| Judith M. Stockdale | | |
| For | 17,475,950 | 7 |
| Withhold | 165,298 | |
| ----- | | |
| Total | 17,641,248 | 7 |
| ===== | | |
| William J. Schneider | | |
| For | -- | 7 |

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| | | |
|-------------------------|----|---|
| Withhold | -- | 7 |
| Total | -- | 7 |
| ===== | | |
| Timothy R. Schwertfeger | | |
| For | -- | 7 |
| Withhold | -- | |
| Total | -- | 7 |
| ===== | | |

13

Shareholder MEETING REPORT (continued)

NPX

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common Shares | Preferred Shares Series-M | Preferred Shares Series-T | Preferred Shares Series |
|----------------------|------------------|---------------------------------|---------------------------------|-------------------------------|
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 34,535,491 | 2,023 | 2,127 | 1,8 |
| Withhold | 347,446 | 10 | 3 | |
| Total | 34,882,937 | 2,033 | 2,130 | 1,9 |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 34,543,289 | 2,023 | 2,115 | 1,9 |
| Withhold | 339,648 | 10 | 15 | |
| Total | 34,882,937 | 2,033 | 2,130 | 1,9 |
| ===== | | | | |
| Anne E. Impellizzeri | | | | |
| For | 34,517,012 | 2,023 | 2,115 | 1,9 |
| Withhold | 365,925 | 10 | 15 | |
| Total | 34,882,937 | 2,033 | 2,130 | 1,9 |
| ===== | | | | |
| Peter R. Sawers | | | | |
| For | 34,509,684 | 2,023 | 2,127 | 1,9 |
| Withhold | 373,253 | 10 | 3 | |
| Total | 34,882,937 | 2,033 | 2,130 | 1,9 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 34,530,311 | 2,023 | 2,127 | 1,8 |
| Withhold | 352,626 | 10 | 3 | |
| Total | 34,882,937 | 2,033 | 2,130 | 1,9 |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 2,023 | 2,127 | 1,9 |
| Withhold | -- | 10 | 3 | |
| Total | -- | 2,033 | 2,130 | 1,9 |
| ===== | | | | |

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| | | | | |
|-------------------------|----|-------|-------|-----|
| Timothy R. Schwertfeger | | | | |
| For | -- | 2,023 | 2,127 | 1,9 |
| Withhold | -- | 10 | 3 | |
| ----- | | | | |
| Total | -- | 2,033 | 2,130 | 1,9 |
| ===== | | | | |

14

Report of
INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS/TRUSTEES AND SHAREHOLDERS
NUVEEN INSURED QUALITY MUNICIPAL FUND, INC.
NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC.
NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC.
NUVEEN INSURED PREMIUM INCOME MUNICIPAL FUND 2
NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2 and Nuveen Insured Dividend Advantage Municipal Fund as of October 31, 2002, and the related statements of operations, changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of October 31, 2002, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2 and Nuveen Insured Dividend Advantage Municipal Fund at October 31, 2002, and the results of their operations, changes in their net assets and financial highlights for the periods indicated therein in conformity with accounting principles generally accepted in the United States.

/s/Ernst & Young LLP

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Ernst & Young LLP

Chicago, Illinois

December 11, 2002

15

Nuveen Insured Quality Municipal Fund, Inc. (NQI)
 Portfolio of
 INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ARIZONA - 3.3% | |
| \$ 9,200 | City of Phoenix Civic Improvement Corporation, Arizona, Airport Revenue Bonds, Series 2002B Senior Lien, 5.250%, 7/01/32 (Alternative Minimum Tax) | 7/12 at 100 |
| 10,000 | Industrial Development Authority of the County of Pima, Arizona, Health Care System Revenue Bonds, Carondelet Health Services, Inc., St. Joseph's and St. Mary's Hospitals and Health Centers Issue, Series 1991, 6.750%, 7/01/16 | 1/03 at 101 |
| ----- | | |
| | ARKANSAS - 1.4% | |
| 7,750 | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, 1995 Series B (Mortgage-Backed Securities Program), 6.700%, 7/01/27 (Alternative Minimum Tax) | 7/05 at 102 |
| ----- | | |
| | CALIFORNIA - 26.7% | |
| 8,370 | Alameda County Public Facilities Corporation, California, Certificates of Participation, Series 1991, 6.000%, 9/01/21 (Pre-refunded to 9/01/06) | 9/06 at 102 |
| 12,695 | Antioch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District No. 1989-1, 5.000%, 8/01/18 | 2/03 at 102 |
| 13,175 | California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 1999A, 5.450%, 9/01/29 | 9/09 at 101 |
| 20,000 | State of California, General Obligation Bonds, Series 2002, 5.000%, 10/01/32 (DD, settling 11/01/02) | 10/12 at 100 |
| 20,500 | State of California, General Obligation Bonds, Series 2002 Refunding, 5.000%, 4/01/27 | 4/12 at 100 |
| 5,500 | California Statewide Communities Development Authority, San Diego, California, Certificates of Participation, The Salk Institute for Biological Studies, 6.200%, 7/01/24 | 7/04 at 102 |
| | Foothill/Eastern Transportation Corridor Agency, California, Toll Road | |

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| Refunding Revenue Bonds, Series 1999: | | |
|---------------------------------------|---|-------------|
| 22,985 | 0.000%, 1/15/24 | 1/10 at 44 |
| 22,000 | 0.000%, 1/15/31 | 1/10 at 29 |
| 50,000 | 0.000%, 1/15/37 | 1/10 at 20 |
| 5,000 | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.125%, 3/01/32 | 3/12 at 101 |
| 5,000 | Inland Empire Solid Waste Financing Authority, California, Revenue Bonds, 1996 Series B (Landfill Improvement Financing Project), 6.000%, 8/01/16 (Alternative Minimum Tax) (Pre-refunded to 8/01/06) | 8/06 at 102 |
| 5,543 | Moreno Valley Public Finance Authority, California, Assisted Living Housing Revenue Bonds, GNMA Collateralized - CDC Assisted Living Project, Series 2000A, 7.500%, 1/20/42 | 1/12 at 105 |
| 6,430 | Ontario Redevelopment Financing Authority, San Bernardino County, California, 1993 Revenue Bonds, Ontario Redevelopment Project No. 1, 5.850%, 8/01/22 | 8/03 at 102 |
| 5,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 15A, 5.000%, 5/01/28 (Alternative Minimum Tax) | 1/08 at 102 |
| | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Refunding Bonds, Issue 27A: | |
| 7,200 | 5.125%, 5/01/21 (Alternative Minimum Tax) | 5/11 at 100 |
| 22,690 | 5.250%, 5/01/31 (Alternative Minimum Tax) | 5/11 at 100 |

16

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | COLORADO - 1.7% | |
| \$ 5,630 | E-470 Public Highway Authority, Arapahoe County, Colorado, Capital Improvement Trust Fund Highway Revenue Bonds (E-470 Project), Vehicle Registration Fee Bonds, 6.150%, 8/31/26 (Pre-refunded to 8/31/05) | 8/05 at 103 |
| 3,750 | City and County of Denver, Colorado, Airport Revenue Bonds, Series 1996D, 5.500%, 11/15/25 | 11/06 at 101 |
| 65 | Jefferson County, Colorado, Single Family Revenue Refunding Bonds, Series 1991A, 8.875%, 10/01/13 | 4/03 at 101 |
| | DISTRICT OF COLUMBIA - 1.3% | |
| 8,000 | Washington Convention Center Authority, Washington, D.C., Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 5.000%, 10/01/21 | 10/08 at 101 |

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 FLORIDA - 6.5%

| | | |
|--------|---|--------------|
| 6,185 | Florida Housing Finance Agency, Single Family Mortgage Revenue Bonds, 1994 Series B, 6.650%, 7/01/26 (Alternative Minimum Tax) | 7/04 at 102 |
| 20,000 | Lee County, Florida, Airport Revenue Bonds, Series 2000A, 5.750%, 10/01/25 (Alternative Minimum Tax) | 10/10 at 101 |
| 4,115 | Housing Finance Authority of Miami-Dade County, Florida, Multifamily Housing Revenue Bonds, Series 2001-2A, Monterey Pointe Apartments Project, 5.850%, 7/01/37 (Alternative Minimum Tax) | 7/11 at 100 |
| 7,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) | 10/12 at 100 |

 HAWAII - 7.0%

| | | |
|--------|---|--------------|
| | State of Hawaii, Airports System Revenue Bonds, Refunding Series 2000B: | |
| 8,785 | 6.625%, 7/01/18 (Alternative Minimum Tax) | 7/10 at 101 |
| 7,000 | 6.000%, 7/01/19 (Alternative Minimum Tax) | 7/10 at 101 |
| 6,130 | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds (Hawaiian Electric Company, Inc. and Subsidiaries Projects), Series 1992, 6.550%, 12/01/22 (Alternative Minimum Tax) | 12/02 at 102 |
| 16,180 | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds (Hawaii Electric Company, Inc. and Subsidiaries Project), Series 1996A, 6.200%, 5/01/26 (Alternative Minimum Tax) | 5/06 at 101 |

 ILLINOIS - 19.1%

| | | |
|--------|--|--------------|
| 10,000 | City of Chicago, Illinois, General Obligation Bonds, Project Series 1995, 6.125%, 1/01/16 (Pre-refunded to 7/01/05) | 7/05 at 102 |
| 6,000 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1994 Series A, 6.375%, 1/01/12 | 1/05 at 102 |
| 9,500 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1999 Series, 5.500%, 1/01/15 (Alternative Minimum Tax) | 1/10 at 101 |
| 6,825 | Public Building Commission of Chicago, Illinois, Building Revenue Bonds, Series A of 1993 (Board of Education of the City of Chicago), 5.750%, 12/01/18 (Pre-refunded to 12/01/03) | 12/03 at 102 |
| 7,165 | Illinois Development Finance Authority, Revenue Bonds (Bradley University Project), Series 1999, 5.500%, 8/01/29 | 8/09 at 101 |
| 25,000 | Illinois Health Facilities Authority, Revenue Bonds, Series 2000 (Iowa Health System), 5.875%, 2/15/30 | 2/10 at 101 |

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| | | |
|--------|---|-------------|
| 15,785 | State of Illinois, General Obligation Bonds (Illinois FIRST), Series of April 2002, 5.250%, 4/01/27 | 4/12 at 100 |
| 13,275 | State of Illinois, General Obligation Bonds (Illinois FIRST), Series of 2001, 5.250%, 5/01/26 | 5/11 at 100 |
| 18,000 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A, 0.000%, 12/15/24 | No Opt. C |
| 10,000 | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001B, 5.250%, 8/15/21 | 8/11 at 100 |

17

Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | INDIANA - 1.8% | |
| \$ 6,000 | Jasper County, Indiana, Collateralized Pollution Control Refunding Revenue Bonds (Northern Indiana Public Service Company Project), Series 1991, 7.100%, 7/01/17 | 1/03 at 101 |
| 4,230 | City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana/Michigan Power Company Project), Series B, 7.600%, 3/01/16 | 3/03 at 100 |
| ----- | | |
| | KENTUCKY - 3.7% | |
| | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000C: | |
| 6,345 | 0.000%, 10/01/27 | 10/13 at 101 |
| 18,185 | 0.000%, 10/01/28 | 10/13 at 101 |
| ----- | | |
| | LOUISIANA - 3.3% | |
| 13,170 | City of New Orleans, Louisiana, General Obligation Refunding Bonds, Series 1995, 6.200%, 10/01/21 | 10/05 at 101 |
| 4,720 | Orleans Levee District (A Political Subdivision of the State of Louisiana), Levee Improvement Bonds, Series 1986, 5.950%, 11/01/15 | 12/05 at 103 |
| ----- | | |
| | MAINE - 1.4% | |
| 8,000 | Maine Health and Higher Educational Facilities Authority, Revenue Bonds Series 1999B, 6.000%, 7/01/29 | 7/09 at 101 |

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 MARYLAND - 1.8%

| | | |
|-------|--|-------------|
| 2,570 | City of Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2002A Refunding, 5.125%, 7/01/42 | 7/12 at 100 |
| 7,535 | Maryland Transportation Authority, Baltimore-Washington International Airport Parking Revenue Bonds, Series 2002B, 5.500%, 3/01/18 (Alternative Minimum Tax) | 3/12 at 101 |

 MASSACHUSETTS - 3.0%

| | | |
|--------|---|-------------|
| 18,000 | Massachusetts Bay Transportation Authority, Senior Sales Tax Revenue Bonds, Series 2002A Refunding, 5.000%, 7/01/27 (WI, settling 11/14/02) | 7/12 at 100 |
|--------|---|-------------|

 MICHIGAN - 2.2%

| | | |
|-------|--|-------------|
| 8,500 | School District of the City of Detroit, Wayne County, Michigan, General Obligation Bonds, Series 2002A, 5.000%, 5/01/32 | 5/13 at 100 |
| 4,750 | Michigan Strategic Fund, Limited Obligation Refunding Revenue Bonds (The Detroit Edison Company Pollution Control Bonds Project), Collateralized Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) | 9/09 at 102 |

 MINNESOTA - 0.1%

| | | |
|-----|---|-------------|
| 437 | City of St. Louis Park, Minnesota, Single Family Residential Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program), Series 1991-A, 7.250%, 4/20/23 | 4/03 at 100 |
|-----|---|-------------|

 MISSISSIPPI - 2.5%

| | | |
|-------|--|-------------|
| 2,545 | Harrison County Wastewater Management District, Mississippi, Wastewater Treatment Facilities Revenue Refunding Bonds, Series 1991A, 8.500%, 2/01/13 | No Opt. C |
| 2,715 | Harrison County Wastewater Management District, Mississippi, Wastewater Treatment Facilities Revenue Refunding Bonds, Series 1991B, 7.750%, 2/01/14 | No Opt. C |
| 7,245 | Mississippi Home Corporation, Single Family Mortgage Revenue Bonds, GNMA Collateralized Home Mortgage Program, Series 1996C, 7.600%, 6/01/29 (Alternative Minimum Tax) | 6/06 at 105 |

 MISSOURI - 0.9%

| | | |
|-------|--|-------------|
| 5,000 | St. Louis Municipal Finance Corporation, City Justice Center, City of St. Louis, Missouri (Lessee), Leasehold Revenue Improvement Bonds, Series 1996A, 6.000%, 2/15/19 | 2/06 at 102 |
|-------|--|-------------|

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(Pre-refunded to 2/15/06)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| NEVADA - 9.0% | | |
| 33,700 | Director of the State of Nevada, Department of Business and Industry, Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000, 5.375%, 1/01/40 | 1/10 at 100 |
| 18 | | |
| ----- | | |
| NEVADA (continued) | | |
| \$ 5,720 | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Senior Lien Series 2002, 5.125%, 6/01/32 | 6/12 at 100 |
| 13,185 | Washoe County, Nevada, Hospital Refunding Revenue Bonds (Washoe Medical Center, Inc. Project), Series 1994A, 6.000%, 6/01/19 | 6/04 at 102 |
| ----- | | |
| NEW JERSEY - 0.7% | | |
| 3,750 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Monmouth Medical Center Issue, Series C, 6.250%, 7/01/24 (Pre-refunded to 7/01/04) | 7/04 at 102 |
| ----- | | |
| NEW MEXICO - 2.6% | | |
| 6,000 | City of Farmington, New Mexico, Pollution Control Refunding Revenue Bonds (Southern California Edison Company Four Corners Project), 1991 Series A, 7.200%, 4/01/21 | 4/03 at 100 |
| 3,850 | New Mexico Mortgage Finance Authority, Multifamily Housing Refunding Revenue Bonds, 1990 Series A (Fannie Mae Collateralized), 7.625%, 1/01/24 | 1/03 at 100 |
| 5,750 | City of Santa Fe, New Mexico, Revenue Bonds, Series 1994A, 6.300%, 6/01/24 (Pre-refunded to 6/01/04) | 6/04 at 100 |
| ----- | | |
| NEW YORK - 12.9% | | |
| 6,500 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.000%, 11/15/32 (DD, settling 11/01/02) | 11/12 at 100 |
| 2,000 | City of New York, New York, General Obligation Bonds, Fiscal 1991 Series A: 8.000%, 3/15/11 | 3/03 at 100 |

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| | | |
|---------------------|---|--------------|
| 6,000 | 7.250%, 3/15/19 | 3/03 at 100 |
| 10,335 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1996 Series A, 6.000%, 6/15/25 (Pre-refunded to 6/15/05) | 6/05 at 101 |
| 11,760 | Dormitory Authority of the State of New York, Court Facilities Lease Revenue Bonds (City of New York Issue), Series 1999, 5.750%, 5/15/30 | 5/10 at 101 |
| 7,000 | New York State Energy Research and Development Authority, Facilities Refunding Revenue Bonds, Series 1995 A (Consolidated Edison Company of New York, Inc. Project), 6.100%, 8/15/20 | 7/05 at 102 |
| 11,950 | New York State Housing Finance Agency, Housing Project Mortgage Revenue Bonds, 1996 Series A Refunding, 6.125%, 11/01/20 | 5/06 at 102 |
| 4,200 | State of New York Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 82, 5.550%, 10/01/19 (Alternative Minimum Tax) | 10/09 at 100 |
| 12,000 | New York State Medical Care Facilities Finance Agency, New York, Hospital FHA-Insured Mortgage Revenue Bonds, Series 1994A, 6.900%, 8/15/34 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| ----- | | |
| NORTH DAKOTA - 3.6% | | |
| 20,000 | Mercer County, North Dakota, Pollution Control Refunding Revenue Bonds, Second 1995 Series (Basin Electric Power Cooperative - Antelope Valley Unit 1 and Common Facilities), 6.050%, 1/01/19 | 1/05 at 102 |
| ----- | | |
| OHIO - 0.9% | | |
| 5,000 | County of Lorain, Ohio, Health Facilities Revenue Bonds, Series 1999 A (Catholic Healthcare Partners), 5.500%, 9/01/29 | 9/09 at 102 |
| ----- | | |
| PENNSYLVANIA - 2.5% | | |
| 7,000 | County of Allegheny, Pennsylvania, Airport Revenue Refunding Bonds, Series 1997A (Pittsburgh International Airport), 5.250%, 1/01/16 (Alternative Minimum Tax) | 1/08 at 101 |
| 7,250 | Lehigh County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, 1995 Series A (Pennsylvania Power and Light Company Project), 6.150%, 8/01/29 | 8/05 at 102 |
| ----- | | |
| RHODE ISLAND - 0.9% | | |
| 5,050 | Rhode Island Port Authority and Economic Development Corporation, Airport Revenue Bonds, 1994 Series A, 6.625%, 7/01/24 (Alternative Minimum Tax) | 7/04 at 102 |

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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TENNESSEE - 0.9% | |
| \$ 5,170 | Health, Educational and Housing Facilities Board of the County of Sullivan, Tennessee, Hospital Revenue Bonds, Series 1993 (Holston Valley Health Care, Inc.), 5.750%, 2/15/13 | 2/03 at 102 |
| ----- | | |
| | TEXAS - 19.4% | |
| 8,000 | Abilene Health Facilities Development Corporation, Texas, Hospital Revenue Refunding and Improvement Bonds, Hendrick Medical Center Project, Series 1995C, 6.150%, 9/01/25 | 9/05 at 102 |
| 5,275 | City of Austin, Texas, Combined Utility System Revenue Refunding Bonds, Series 1997, 5.125%, 11/15/20 | 11/07 at 100 |
| | Harris County Hospital District, Texas, Revenue Bonds, Refunding Series 1990: | |
| 2,100 | 7.400%, 2/15/10 | No Opt. C |
| 2,900 | 7.400%, 2/15/10 | No Opt. C |
| 4,500 | City of Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.000%, 3/01/22 | 3/11 at 100 |
| 4,685 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000A, 5.500%, 7/01/19 (Alternative Minimum Tax) | 7/10 at 100 |
| 17,000 | City of Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2002A, 5.750%, 12/01/32 | No Opt. C |
| 19,200 | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.400%, 8/15/31 | 8/11 at 100 |
| 6,000 | Laredo Community College District, Texas, Limited Tax General Obligation Bonds, Series 2001, 5.375%, 8/01/31 | 8/10 at 100 |
| 22,045 | North Central Texas Health Facility Development Corporation, Revenue Bonds, Children's Medical Center of Dallas, Series 2002, 5.250%, 8/15/32 | 8/12 at 101 |
| 17,715 | Tarrant County Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, Series 2001, GNMA Collateralized Mortgage Loan - Bardin Green Apartments Project, 6.600%, 9/20/42 | 3/12 at 105 |
| ----- | | |
| | UTAH - 1.1% | |

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| | | |
|-------------------|---|--------------|
| 6,000 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals, Inc.), Series 1988 A, 8.000%, 5/15/07 | 11/02 at 100 |
| ----- | | |
| WASHINGTON - 9.6% | | |
| 10,730 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001C Refunding, 5.650%, 7/01/32 (Alternative Minimum Tax) | 7/11 at 101 |
| 4,740 | Housing Authority of the City of Seattle, Washington, Low Income Housing Assistance Revenue Bonds, Series 2000A, GNMA Collateralized Mortgage Loan - RHF/Esperanza Apartments Project, 6.125%, 3/20/42 (Alternative Minimum Tax) | 9/11 at 102 |
| 15,025 | Housing Authority of the City of Seattle, Washington, Low Income Housing Assistance Revenue Bonds, 2000 Series A, GNMA Collateralized Mortgage Loan - Park Place Project, 7.000%, 5/20/42 | 11/11 at 105 |
| 5,000 | City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2000, 5.250%, 12/01/21 | 12/10 at 100 |
| 3,625 | Municipality of Metropolitan Seattle, Washington, Sewer Refunding Revenue Bonds, Series Z, 5.500%, 1/01/33 (Pre-refunded to 1/01/03) | 1/03 at 102 |
| 2,500 | Washington Health Care Facilities Authority, Revenue Bonds, Series 1999 (Providence Services), 5.375%, 12/01/19 | 12/09 at 101 |
| 11,750 | Washington Public Power Supply System, Nuclear Project No.1 Refunding Revenue Bonds, Series 1998A., 5.125%, 7/01/17 | 7/08 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| WEST VIRGINIA - 2.2% | | |
| \$ 12,845 | West Virginia Water Development Authority, Infrastructure Revenue Bonds, West Virginia Infrastructure and Jobs Development Council Program, 2000 Series A, 5.500%, 10/01/39 | 10/10 at 100 |
| ----- | | |
| \$ 968,180 | Total Long-Term Investments (cost \$864,783,979) - 154.0% | |
| ----- | | |
| Other Assets Less Liabilities - (1.1)% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (52.9)% | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or

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Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(DD) Security purchased on a delayed delivery basis.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO)
Portfolio of
INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 13.2% | |
| \$ 3,850 | Alabama Housing Finance Authority, Multifamily Housing Revenue Refunding Bonds (GNMA Collateralized - Royal Hills), 1995 Series F, 6.500%, 7/20/30 | 7/05 at 103 |
| 11,000 | Special Care Facilities Financing Authority of the City of Birmingham, Alabama, Baptist Medical Centers Revenue Bonds, Series 1995-B, Baptist Health System, Inc., 5.875%, 11/15/20 | 5/05 at 102 |
| | Special Care Facilities Financing Authority of the City of Birmingham, Alabama, Baptist Medical Centers Revenue Bonds, Series 1996-A, Baptist Health System, Inc.: | |
| 7,465 | 5.875%, 11/15/19 | 11/06 at 102 |
| 1,750 | 5.875%, 11/15/26 | 11/06 at 102 |
| 11,175 | City Board of Education of the City of Hoover, Alabama, Capital Outlay Tax Anticipation Warrants, Series 2001, 5.250%, 2/15/22 | 2/11 at 100 |
| 36,020 | Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997-A, 5.375%, 2/01/27 | 2/07 at 100 |
| | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999-A: | |
| 20,605 | 5.000%, 2/01/33 | 2/09 at 101 |
| 12,000 | 5.375%, 2/01/36 (Pre-refunded to 2/01/09) | 2/09 at 101 |
| 29,860 | 5.750%, 2/01/38 (Pre-refunded to 2/01/09) | 2/09 at 101 |

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| | | |
|--------|--|--------------|
| 24,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2001A, 5.000%, 2/01/41 | 2/11 at 101 |
| 4,250 | Shelby County Board of Education, Alabama, General Obligation Warrants, Series 1995 Refunding, 5.875%, 2/01/17 | 2/05 at 102 |
| ----- | | |
| | ALASKA - 5.8% | |
| | Alaska Housing Finance Corporation, General Mortgage Revenue Bonds 1999 Series A: | |
| 24,110 | 6.050%, 6/01/35 (Pre-refunded to 12/01/02) | 12/02 at 100 |
| 11,500 | 6.050%, 6/01/39 | 6/09 at 100 |
| 11,460 | Alaska Housing Finance Corporation, Governmental Purpose Bonds, 1995 Series A, 5.875%, 12/01/30 | 12/05 at 102 |
| 17,385 | Alaska Housing Finance Corporation, Collateralized Bonds, 1999First Series (Veterans Mortgage Program A-2), 6.250%, 6/01/39 (Alternative Minimum Tax) | 12/09 at 100 |
| 3,435 | Alaska Housing Finance Corporation, Collateralized Bonds, 1999First Series (Veterans Mortgage Program A-1), 6.150%, 6/01/39 | 12/09 at 100 |
| 3,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, 1998 Series A, 5.250%, 7/01/14 (Alternative Minimum Tax) | 7/08 at 100 |
| ----- | | |
| | ARIZONA - 0.7% | |
| 8,345 | Industrial Development Authority of the County of Pima, Arizona, Industrial Development Lease Obligation Refunding Revenue Bonds, 1988 Series A (Irvington Project), 7.250%, 7/15/10 | 1/03 at 102 |
| ----- | | |
| | CALIFORNIA - 26.6% | |
| 6,135 | California Housing Finance Agency, Housing Insured Revenue Bonds, 1994 Series C, 6.250%, 8/01/25 | 8/04 at 102 |
| | California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 1996 Series A: | |
| 1,180 | 7.550%, 11/01/26 (Alternative Minimum Tax) | No Opt. C |
| 960 | 7.750%, 5/01/27 (Alternative Minimum Tax) | No Opt. C |
| 4,500 | State of California, General Obligation Bonds, 5.000%, 10/01/19 | 10/08 at 101 |
| 10,000 | Department of Veterans Affairs of the State of California, Home Purchase Revenue Bonds, Series 2002A, 5.300%, 12/01/21 | 6/12 at 101 |
| | California Housing Finance Agency, Home Mortgage Revenue Bonds, 2000 Series Y: | |
| 22,365 | 0.000%, 8/01/20 (Alternative Minimum Tax) | 11/10 at 55 |
| 4,675 | 0.000%, 8/01/31 (Alternative Minimum Tax) | 11/10 at 27 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CALIFORNIA (continued) | |
| \$ 3,100 | Campbell Union School District, Santa Clara County, California, 1994 General Obligation Bonds, Series A, 6.250%, 8/01/19 (Pre-refunded to 8/01/04) | 8/04 at 102 |
| 8,200 | Castaic Lake Water Agency, California, Refunding Revenue Certificates of Participation (Water System Improvement Projects), Series 1994A, 6.300%, 8/01/20 | 8/04 at 102 |
| 20,000 | Cucamonga County Water District, California, Certificates of Participation, 2000 Water Shares Purchase, 5.125%, 9/01/35 | 9/11 at 101 |
| 5,500 | Fallbrook Union High School District, San Diego County, California, 1994 General Obligation Bonds, Series A, 6.250%, 9/01/19 (Pre-refunded to 9/01/04) | 9/04 at 102 |
| 5,000 | Long Beach Bond Finance Authority, California, Lease Revenue Refunding Bonds, The Aquarium of the South Pacific, 5.250%, 11/01/30 | 11/11 at 101 |
| 9,000 | County of Orange, California, Refunding Recovery Bonds, 1995 Series A, 5.750%, 6/01/15 | 6/05 at 102 |
| 12,500 | County of Orange, California, 1996 Recovery Certificates of Participation, Series A, 6.000%, 7/01/26 | 7/06 at 102 |
| 13,205 | Port of Oakland, California, Revenue Bonds, Series 2002L: 5.000%, 11/01/22 (Alternative Minimum Tax) | 11/12 at 100 |
| 6,000 | 5.000%, 11/01/23 (Alternative Minimum Tax) | 11/12 at 100 |
| 15,250 | Port of Oakland, California, Revenue Bonds, Series 2002L, 5.000%, 11/01/32 (Alternative Minimum Tax) | 11/12 at 100 |
| 15,000 | Poway Redevelopment Agency, California, Tax Allocation Bonds, Series 2001, Paguay Redevelopment Project: 5.200%, 6/15/30 | 12/11 at 101 |
| 5,000 | 5.125%, 6/15/33 | 12/11 at 101 |
| 19,300 | Sacramento Power Authority, California, Cogeneration Project Revenue Bonds, 1995 Series, 5.875%, 7/01/15 | 7/06 at 102 |
| 6,500 | City of Salinas, California, Housing Facility Refunding Revenue Bonds, Series 1994A (GNMA Collateralized - Villa Serra Project), 6.600%, 7/20/30 | 7/04 at 102 |
| 10,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 13B, 5.500%, 5/01/26 (Alternative Minimum Tax) | 5/06 at 101 |
| 11,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 15A, 5.000%, 5/01/28 (Alternative Minimum Tax) | 1/08 at 102 |

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| | | |
|--------|--|--------------|
| 18,710 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Refunding Bonds, Issue 27A, 5.250%, 5/01/26 (Alternative Minimum Tax) | 5/11 at 100 |
| 11,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.125%, 7/01/36 | 7/11 at 100 |
| 66,685 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Senior Lien Toll Road Revenue Bonds, 0.000%, 1/01/21 | No Opt. C |
| | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Refunding Revenue Bonds, Series 1997A: | |
| 31,615 | 5.250%, 1/15/30 | 1/07 at 102 |
| 21,500 | 0.000%, 1/15/32 | No Opt. C |
| 12,525 | San Diego Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/20 | 8/10 at 101 |
| 11,000 | Santa Ana Financing Authority, California, Police Administration and Housing Facility Lease Revenue Bonds, Series 1994A, 6.250%, 7/01/24 | No Opt. C |
| 5,500 | Santa Clara County Financing Authority, California, Lease Revenue Bonds (VMC Facility Replacement Project), 1994 Series A, 6.750%, 11/15/20 (Pre-refunded to 11/15/04) | 11/04 at 102 |
| 11,090 | Regents of the University of California, Multiple Purpose Projects Revenue Bonds, 2002 Series O, 5.000%, 9/01/24 | 9/10 at 101 |

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | COLORADO - 6.1% | |
| \$ 15,000 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/15 (Alternative Minimum Tax) | 11/11 at 100 |
| 10,545 | City and County of Denver, Colorado, Airport Revenue Bonds, Series 1996D, 5.500%, 11/15/25 | 11/06 at 101 |
| 35,995 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/23 | No Opt. C |
| 30,800 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35 | 9/10 at 102 |
| 11,800 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, 2000 Series B, 0.000%, 9/01/15 | 9/10 at 74 |

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CONNECTICUT - 0.2%

| | | |
|-------|--|-------------|
| 2,500 | State of Connecticut Health and Educational Facilities Authority, Revenue Bonds, Choate Rosemary Hall Issue, Series A, 7.000%, 7/01/25 (Pre-refunded to 7/01/04) | 7/04 at 101 |
|-------|--|-------------|

DISTRICT OF COLUMBIA - 0.8%

| | | |
|-------|--|--------------|
| 4,540 | District of Columbia Housing Finance Agency, Collateralized Single Family Mortgage Revenue Bonds, Series 1990B, 7.100%, 12/01/24 (Alternative Minimum Tax) | 12/02 at 101 |
|-------|--|--------------|

| | | |
|-------|--|--------------|
| 4,840 | Metropolitan Washington Airports Authority, District of Columbia, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/19 (Alternative Minimum Tax) | 10/11 at 101 |
|-------|--|--------------|

FLORIDA - 3.1%

| | | |
|-----|--|--------------|
| 184 | Housing Finance Authority of Dade County, Florida, Single Family Mortgage Revenue Refunding Bonds, 1991 Series D, 6.950%, 12/15/12 | 12/02 at 101 |
|-----|--|--------------|

| | | |
|----|--|-------------|
| 90 | Escambia County Housing Finance Authority, Florida, Single Family Mortgage Revenue Bonds (Multi-County Program), Series 1995, 6.950%, 10/01/27 (Alternative Minimum Tax) | 4/05 at 102 |
|----|--|-------------|

| | | |
|-------|--|-----------|
| 2,980 | Florida Housing Finance Agency, Home Ownership Revenue Refunding Bonds, 1987 Series G1, 8.595%, 11/01/17 | No Opt. C |
|-------|--|-----------|

| | | |
|--------|---|--------------|
| 35,920 | Miami-Dade County, Florida, Miami International Airport Aviation Revenue Bonds, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) | 10/12 at 100 |
|--------|---|--------------|

GEORGIA - 1.1%

| | | |
|-------|--|-------------|
| 8,900 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2001A, 5.000%, 11/01/39 | 5/12 at 100 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 5,000 | Glynn-Brunswick Memorial Hospital Authority, Georgia, Revenue Anticipation Certificates (Southeast Georgia Health Systems Project), Series 1996, 5.250%, 8/01/13 | 8/06 at 102 |
|-------|--|-------------|

HAWAII - 2.1%

| | | |
|--------|--|-------------|
| 24,250 | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds (Hawaii Electric Company, Inc. and Subsidiaries Project), Series 1996A, 6.200%, 5/01/26 (Alternative Minimum Tax) | 5/06 at 101 |
|--------|--|-------------|

IDAHO - 0.6%

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| | | |
|-------|---|-------------|
| 2,185 | Idaho Housing Agency, Single Family Mortgage Bonds, 1994 Series B-1, 6.750%, 7/01/22 | No Opt. C |
| 2,050 | Idaho Housing Agency, Single Family Mortgage Bonds, 1994 Series B-2, 6.900%, 7/01/26 (Alternative Minimum Tax) | No Opt. C |
| 2,745 | Idaho Housing Agency, Single Family Mortgage Bonds, 1995 Series B, 6.600%, 7/01/27 (Alternative Minimum Tax) | 1/05 at 102 |

ILLINOIS - 10.7%

| | | |
|--------|--|-------------|
| 4,055 | Central Lake County Joint Action Water Agency, Lake County, Illinois, General Obligation Water Refunding Bonds, Series 1992, 6.000%, 2/01/19 | 2/03 at 102 |
| 10,000 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.250%, 1/01/33 (DD, settling 11/01/02) | 1/11 at 101 |
| 12,500 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1993 Series C, 5.000%, 1/01/18 | 1/04 at 102 |
| | City of Chicago, Illinois, Chicago-O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001E Refunding: | |
| 4,615 | 5.500%, 1/01/17 (Alternative Minimum Tax) | 1/11 at 101 |
| 4,870 | 5.500%, 1/01/18 (Alternative Minimum Tax) | 1/11 at 101 |

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| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

ILLINOIS (continued)

| | | | |
|----|--------|---|--------------|
| \$ | 5,000 | Community Unit School District No. 204, Indian Prairie, Illinois, General Obligation Bonds, Series 2001, 5.000%, 12/30/15 | 12/11 at 100 |
| | | Board of Governors of State Colleges and Universities, Eastern Illinois University, Auxiliary Facilities System Revenue Bonds, Series 1989: | |
| | 12,355 | 0.000%, 10/01/09 | 10/04 at 74 |
| | 16,470 | 0.000%, 4/01/16 (Pre-refunded to 10/01/04) | 10/04 at 47 |
| | 10,000 | Illinois Development Finance Authority, Revenue Bonds, Series 1998A (Provena Health), 5.500%, 5/15/21 | 5/08 at 101 |
| | 2,095 | Illinois Educational Facilities Authority, Robert Morris College Revenue Bonds, Series 2000, 5.800%, 6/01/30 | 12/07 at 100 |
| | 2,180 | Illinois Educational Facilities Authority, DePaul University Revenue Bonds, Series 2000, 5.500%, 10/01/19 | 10/10 at 101 |
| | 20,000 | Illinois Health Facilities Authority, Brokaw-Mennonite Association Revenue Refunding Bonds, Series 1992 (BroMenn Healthcare), | 2/03 at 102 |

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6.250%, 8/15/18

| | | |
|--------|---|--------------|
| 7,000 | Illinois Health Facilities Authority, Revenue Bonds, Series 1998A, Hospital Sisters Services, Inc. Obligated Group, 5.000%, 6/01/18 | 6/08 at 101 |
| 4,500 | Illinois Health Facilities Authority, Revenue Bonds, Series 1999 (Alexian Brothers Health System), 5.000%, 1/01/19 | 1/09 at 101 |
| 22,410 | State of Illinois, General Obligation Bonds (Illinois FIRST), Series 2002, 5.125%, 2/01/27 | 2/12 at 100 |
| 4,560 | County of Macon, Illinois, Millikin University Revenue Bonds, Series 1995, 6.250%, 10/01/16 (Pre-refunded to 10/01/05) | 10/05 at 100 |
| 5,000 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1994D, 6.750%, 6/01/25 (Pre-refunded to 6/01/04) | 6/04 at 102 |

INDIANA - 3.3%

| | | |
|--------|---|-------------|
| 3,250 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Series 2002A, Waterworks Project, 5.250%, 7/01/33 | 7/12 at 100 |
| 20,000 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Series 1999E, 0.000%, 2/01/28 | No Opt. C |
| 12,250 | City of Lawrenceburg, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series D, 7.000%, 4/01/15 | 4/03 at 101 |
| 9,545 | New Prairie School Building Corporation, LaPorte and St. Joseph Counties, Indiana, First Mortgage Bonds, Series 1994, 7.200%, 7/15/21 (Pre-refunded to 7/15/04) | 7/04 at 102 |
| 10,000 | Trustees of Purdue University, Indiana, Purdue University Student Fee Bonds, Series O, 5.000%, 7/01/19 | 1/12 at 100 |

KANSAS - 0.4%

| | | |
|-------|---|-------------|
| 5,000 | University of Kansas Hospital Authority, Health Facilities Revenue Bonds (Kansas University Health System), Series 1999A, 5.650%, 9/01/29 | 9/09 at 100 |
|-------|---|-------------|

KENTUCKY - 1.5%

| | | |
|--------|--|--------------|
| | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, 2001 Series A: | |
| 12,980 | 5.500%, 5/15/34 | 11/11 at 101 |
| 5,225 | 5.000%, 5/15/36 | 11/11 at 101 |

LOUISIANA - 1.7%

| | | |
|-------|--|-------------|
| 5,000 | Parish of De Soto, State of Louisiana, Pollution Control Revenue | 9/09 at 102 |
|-------|--|-------------|

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Refunding Bonds (Cleco Utility Group, Inc. Project),
Series 1999, 5.875%, 9/01/29

| | | |
|-------|--|--------------|
| 8,050 | Orleans Levee District (A Political Subdivision of the State of Louisiana), Levee Improvement Bonds, Series 1986, 5.950%, 11/01/15 | 12/05 at 103 |
| 3,000 | Parish of St. Charles, State of Louisiana, Pollution Control Revenue Bonds (Louisiana Power and Light Company Project), Series 1991, 7.500%, 6/01/21 (Alternative Minimum Tax) | 12/02 at 101 |
| 3,500 | Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, Hospital Revenue Bonds, Series 1994, 6.250%, 2/01/24 | 2/04 at 102 |

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MASSACHUSETTS - 6.7% | |
| \$ 22,500 | Massachusetts Development Finance Authority, Revenue Bonds, Series 2002A, WGBH Educational Foundation, 5.375%, 1/01/42 | 1/12 at 101 |
| 10,500 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, New England Medical Center Hospitals Issue, Series F, 6.625%, 7/01/25 | 1/03 at 102 |
| 8,400 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health Systems Issue, Series D, 6.000%, 10/01/13 | 10/05 at 102 |
| 2,960 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, South Shore Hospital Issue, Series D, 6.500%, 7/01/22 | 1/03 at 102 |
| 4,865 | Massachusetts Housing Finance Agency, Housing Revenue Refunding Bonds, 1995 Series A, 6.100%, 12/01/16 | 12/05 at 102 |
| 34,815 | Massachusetts Turnpike Authority, Metropolitan Highway System Senior Revenue Bonds, 1997 Series A 5.000%, 1/01/37 | 1/07 at 102 |
| ----- | | |
| | MICHIGAN - 8.0% | |
| 6,000 | City of Detroit, Michigan, General Obligation Bonds, 2001 Series A-1, 5.375%, 4/01/18 | 10/11 at 100 |
| 5,490 | School District of the City of Detroit, Wayne County, Michigan, School Building and Site Improvement Bonds (Unlimited Tax - General Obligation), Series 2001A, 6.000%, 5/01/29 | No Opt. C |
| 15,825 | City of Detroit, Michigan, Sewage Disposal System Revenue Bonds, Series 1999-A: 5.750%, 7/01/26 (Pre-refunded to 1/01/10) | 1/10 at 101 |

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| | | |
|--------|--|--------------|
| 20,000 | 5.875%, 7/01/27 (Pre-refunded to 1/01/10) | 1/10 at 101 |
| 1,500 | City of Detroit, Michigan, Water Supply System Revenue and Revenue Refunding Bonds, Series 1993, 5.000%, 7/01/23 | 7/04 at 102 |
| 8,700 | City of Detroit, Michigan, Water Supply System Senior Lien Revenue Bonds, Series 1997-A, 5.000%, 7/01/27 | 7/07 at 101 |
| 8,000 | Gaylord Community Schools, Counties of Ostego and Antrim, State of Michigan, 1992 School Building and Site and Refunding Bonds, 0.000%, 5/01/21 (Pre-refunded to 5/01/07) | 5/07 at 37 |
| 27,000 | Okemos Public School, County of Ingham, State of Michigan, 1991 School Building and Site Bonds, Series I, 0.000%, 5/01/21 (Pre-refunded to 5/01/06) | 5/06 at 34 |
| | Charter County of Wayne, Michigan, Detroit Metropolitan Wayne County Airport, Airport Hotel Revenue Bonds (Limited Tax-General Obligation), Series 2001A: | |
| 10,000 | 5.250%, 12/01/25 | 12/11 at 101 |
| 10,000 | 5.000%, 12/01/30 | 12/11 at 101 |
| 6,850 | Charter County of Wayne, Michigan, Detroit Metropolitan Wayne County Airport, Airport Revenue Bonds, Series 1998A, 5.375%, 12/01/15 (Alternative Minimum Tax) | 12/08 at 101 |
| ----- | | |
| | MINNESOTA - 1.3% | |
| 3,375 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, 1994 Series M, 6.700%, 7/01/26 (Alternative Minimum Tax) | 1/04 at 102 |
| 13,020 | Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Multifamily Housing Revenue Bonds, GNMA Collateralized Mortgage Loan - Marian Center-GEAC Project, Series 2001A, 3.870%, 6/20/43 | 12/11 at 102 |
| ----- | | |
| | MISSOURI - 0.2% | |
| 2,220 | Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), 1991 Series C, 6.900%, 7/01/18 | 1/03 at 101 |
| ----- | | |
| | MONTANA - 2.1% | |
| 26,000 | City of Forsyth, Rosebud County, Montana, Pollution Control Revenue Refunding Bonds (Puget Sound Power and Light Company Colstrip Project), Series 1992, 6.800%, 3/01/22 | 3/03 at 101 |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

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NEVADA - 6.7%

Director of the State of Nevada, Department of Business and Industry, Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000:

| | | | |
|----|--------|--|-------------|
| \$ | 15,000 | 5.625%, 1/01/34 | 1/10 at 102 |
| | 13,000 | 5.375%, 1/01/40 | 1/10 at 100 |
| | 2,875 | Nevada Housing Division, Single Family Mortgage Bonds, 1994 Senior Series B-1, 6.700%, 10/01/17 | 4/04 at 102 |
| | 2,225 | Nevada Housing Division, Single Family Mortgage Bonds, 1994 Senior Series B-2, 6.950%, 10/01/26 (Alternative Minimum Tax) | 4/04 at 102 |
| | 40,285 | Reno, Nevada, Capital Improvement Revenue Bonds, Series 2002, 5.375%, 6/01/32 | 6/12 at 100 |
| | 10,000 | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Senior Lien Series 2002, 5.125%, 6/01/27 | 6/12 at 100 |

NEW HAMPSHIRE - 0.4%

| | | | |
|--|-------|---|-------------|
| | 4,950 | New Hampshire Higher Educational and Health Facilities Authority, Hospital Revenue Bonds, Lakes Region Hospital Association Issue, Series 1993, 5.750%, 1/01/11 | 1/03 at 102 |
|--|-------|---|-------------|

NEW YORK - 8.0%

| | | | |
|--|--------|--|--------------|
| | 8,685 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.300%, 12/01/19 | 6/08 at 101 |
| | 10,000 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, 5.000%, 11/15/31 | 11/11 at 100 |
| | 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1996 Series B, 5.750%, 6/15/26 | 6/06 at 101 |
| | 15,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1997 Series A, 5.375%, 6/15/26 | 6/06 at 101 |
| | | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1994 Series 2: | |
| | 3,000 | 6.250%, 7/01/19 (Pre-refunded to 7/01/04) | 7/04 at 100 |
| | 6,400 | 6.750%, 7/01/24 (Pre-refunded to 7/01/04) | 7/04 at 102 |
| | 5,000 | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 7, 5.700%, 1/01/27 | 1/07 at 102 |
| | 15,600 | Port Authority of New York and New Jersey, Consolidated Bonds, Ninety-Seventh Series, 6.650%, 1/15/23 (Alternative Minimum Tax) | 1/05 at 101 |

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| | | |
|--|--|------------------------|
| 25,000 | Triborough Bridge and Tunnel Authority, New York, Subordinate Revenue Refunding Bonds, Series 2002E, 5.000%, 11/15/32 (DD, settling 12/02/02) | 11/12 at 100 |
| ----- | | |
| OHIO - 3.9% | | |
| 20,100 | County of Lucas, Ohio, Hospital Revenue Bonds, Series 1999 (ProMedica Healthcare Obligated Group), 5.375%, 11/15/39 | 11/09 at 101 |
| 5,645 | Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, 1995 Series A-2, 6.625%, 3/01/26 (Alternative Minimum Tax) | 3/05 at 102 |
| | Ohio Air Quality Development Authority, Air Quality Development Revenue Refunding Bonds (JMG Funding Limited Partnership Project), Series 1994: | |
| 13,750 | 6.375%, 1/01/29 (Alternative Minimum Tax) | 10/04 at 102 |
| 8,000 | 6.375%, 4/01/29 (Alternative Minimum Tax) | 10/04 at 102 |
| ----- | | |
| OKLAHOMA - 1.7% | | |
| 14,930 | Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax) | No Opt. C |
| 5,245 | Oklahoma Industries Authority, Revenue Bonds, Oklahoma Medical Research Foundation Project, Series 2001, 5.250%, 2/01/21 | 2/11 at 100 |
| ----- | | |
| OREGON - 0.3% | | |
| 3,460 | State of Oregon Housing and Community Services Department, Mortgage Revenue Bonds (Single-Family Mortgage Program), 1995 Series A, 6.450%, 7/01/26 (Alternative Minimum Tax) | 7/05 at 102 |
| 27 | | |
| Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued) Portfolio of INVESTMENTS October 31, 2002 | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| PENNSYLVANIA - 1.0% | | |
| \$ 7,120 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Hospital, Series 1994A, 6.250%, 7/01/22 (Pre-refunded to 7/01/04) | 7/04 at 102 |
| 5,250 | City of Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2001A, 5.250%, 11/01/24 | 11/12 at 100 |
| ----- | | |
| RHODE ISLAND - 2.0% | | |

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| | | |
|--------|---|--------------|
| 2,195 | Providence Housing Development Corporation, Rhode Island, Mortgage Revenue Refunding Bonds, Series 1994A (FHA-Insured Mortgage Loan - Barbara Jordan Apartments Project), 6.750%, 7/01/25 | 7/04 at 102 |
| 20,475 | Rhode Island Depositors Economic Protection Corporation, Special Obligation Refunding Bonds, 1992 Series B, 5.250%, 8/01/21 (Pre-refunded to 2/01/11) | 2/11 at 100 |
| ----- | | |
| | SOUTH CAROLINA - 2.8% | |
| | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, 1988 Refunding Series: | |
| 9,190 | 0.000%, 1/01/13 (Pre-refunded to 1/01/10) | 1/10 at 79 |
| 12,810 | 0.000%, 1/01/13 | No Opt. C |
| 17,300 | South Carolina Jobs-Economic Development Authority, Hospital Revenue Bonds, South Carolina Baptist Hospital, Series 1993D, 5.550%, 8/01/21 | 8/03 at 102 |
| | South Carolina Jobs-Economic Development Authority, Hospital Revenue Bonds, Oconee Memorial Hospital, Inc., Series 1995: | |
| 3,000 | 6.150%, 3/01/15 | 3/05 at 102 |
| 600 | 6.150%, 3/01/25 | 3/05 at 102 |
| ----- | | |
| | TENNESSEE - 0.5% | |
| 6,455 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/18 (Alternative Minimum Tax) | 3/11 at 100 |
| ----- | | |
| | TEXAS - 18.7% | |
| 22,650 | Brazos River Authority, Texas, Revenue Refunding Bonds (Houston Industries Incorporated Project), Series 1998C, 5.125%, 5/01/19 (Optional put 5/01/08) | 5/08 at 102 |
| 11,500 | Capital Area Housing Finance Corporation, Texas, Single Family Mortgage Revenue Bonds, 2002 Series A-2 Refunding, 3.500%, 4/01/35 (Alternative Minimum Tax) | 4/12 at 106 |
| 11,460 | Dallas County Utility and Reclamation District, Texas, Unlimited Tax Refunding Bonds, Series 1999B, 5.875%, 2/15/29 | 2/05 at 100 |
| 25,000 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 | 11/11 at 100 |
| | Harris County, Texas, Toll Road Senior Lien Revenue Bonds, Series 1989: | |
| 9,000 | 0.000%, 8/15/18 (Pre-refunded to 8/15/09) | 8/09 at 53 |
| 39,000 | 0.000%, 8/15/19 (Pre-refunded to 8/15/09) | 8/09 at 50 |
| 7,280 | 0.000%, 8/15/20 (Pre-refunded to 8/15/09) | 8/09 at 46 |
| 5,085 | 0.000%, 8/15/21 (Pre-refunded to 8/15/09) | 8/09 at 43 |
| 6,570 | City of Houston, Texas, General Obligation Public Improvement | 3/11 at 100 |

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| | | |
|--------|--|-------------|
| | Bonds, Series 2001A, 5.375%, 3/01/19 | |
| 4,170 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 | 7/10 at 100 |
| 20,000 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2002A, 5.125%, 7/01/32 (Alternative Minimum Tax) | 7/12 at 100 |
| 8,225 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1997 Refunding, 5.125%, 7/01/22 | 7/07 at 100 |
| 17,500 | City of Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds (Convention Project), Series 2001B, 5.250%, 9/01/33 | 9/11 at 100 |
| 12,826 | Houston Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, RRG Apartments Project, GNMA Collateralized Mortgage, Series 2001, 6.350%, 3/20/42 | 9/11 at 105 |
| 23,865 | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.500%, 8/15/41 | 8/11 at 100 |
| 8,205 | Lower Colorado River Authority, Texas, Refunding and Improvement Revenue Bonds, Series 2001A, 5.000%, 5/15/21 | 5/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| | Port of Houston Authority of Harris County, Texas, Unlimited Tax General Obligation Port Improvement Bonds, Series 2001B: | |
| \$ 3,205 | 5.500%, 10/01/18 (Alternative Minimum Tax) | 10/11 at 100 |
| 3,375 | 5.500%, 10/01/19 (Alternative Minimum Tax) | 10/11 at 100 |
| 7,205 | City of San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/15 (Alternative Minimum Tax) | 7/11 at 101 |
| | Tarrant County Health Facilities Development Corporation, Texas, Texas Health Resources System Revenue Bonds, Series 1997A: | |
| 2,900 | 5.250%, 2/15/22 | 2/08 at 102 |
| 6,500 | 5.000%, 2/15/26 | 2/08 at 101 |
| 13,590 | Texas Department of Housing and Community Affairs, Single Family Mortgage Revenue Bonds, 1996 Series D, 6.250%, 9/01/28 (Alternative Minimum Tax) | 9/06 at 102 |
| 1,840 | Ysleta Independent School District, Texas, Public Facility Corporation, Lease Revenue Refunding Bonds, Series 2001, 5.375%, 11/15/24 | 11/09 at 100 |
| ----- | | |
| | UTAH - 0.5% | |
| 5,740 | Utah Housing Finance Agency, Multifamily Housing Refunding Bonds, 1992 Issue A (FHA-Insured Mortgage Loans), | 1/03 at 101 |

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7.400%, 7/01/24

| | | |
|-----|---|-------------|
| 740 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1994 Issue D (Federally Insured or Guaranteed Mortgage Loans), 6.750%, 1/01/27 (Alternative Minimum Tax) | 7/04 at 102 |
|-----|---|-------------|

 VIRGINIA - 0.8%

| | | |
|--------|--|-------------|
| 10,000 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series H, Subseries H-1, 5.375%, 7/01/36 | 7/11 at 100 |
|--------|--|-------------|

 WASHINGTON - 1.7%

| | | |
|-------|---|-------------|
| 3,195 | Kitsap County, Washington, Limited Tax General Obligation Bonds, Series 2000, 5.500%, 7/01/25 | 7/10 at 100 |
|-------|---|-------------|

| | | |
|-------|--|-------------|
| 4,250 | Public Utility District No. 1 of Snohomish County, Washington, Generation System Revenue Bonds, Series 1989, 6.650%, 1/01/16 | 1/03 at 101 |
|-------|--|-------------|

| | | |
|-------|---|-------------|
| 4,345 | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1997A, 5.125%, 7/01/17 | 7/07 at 102 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 8,500 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1993B, 5.600%, 7/01/17 | 7/03 at 102 |
|-------|---|-------------|

 WEST VIRGINIA - 0.8%

| | | |
|--------|---|-------------|
| 10,000 | County Commission of Harrison County, West Virginia, Solid Waste Disposal Revenue Bonds (West Penn Power Company Harrison Station Project), Series B, 6.300%, 5/01/23 (Alternative Minimum Tax) | 5/03 at 102 |
|--------|---|-------------|

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
 Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

 WISCONSIN - 2.9%

| | | |
|----------|--|-------------|
| \$ 1,765 | Wisconsin Housing and Economic Development Authority, Housing Revenue Bonds, 1992 Series A, 6.850%, 11/01/12 | 1/03 at 101 |
|----------|--|-------------|

| | | |
|--------|--|-------------|
| 15,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1997 (Marshfield Clinic Project), 5.750%, 2/15/27 | 2/07 at 102 |
|--------|--|-------------|

| | | |
|--------|---|-------------|
| 18,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1997 (Aurora Health Care, Inc.), 5.250%, 8/15/17 | 8/07 at 102 |
|--------|---|-------------|

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WYOMING - 0.9%

| | | |
|--------------|--|--------------|
| 11,200 | Wyoming Community Development Authority, Housing Revenue Bonds, 1997 Series 6, 5.600%, 6/01/29 | 12/07 at 101 |
| ----- | | |
| \$ 2,045,690 | Total Long-Term Investments (cost \$1,793,426,324) - 149.8% | |
| ===== | | |
| | Other Assets Less Liabilities - 3.2% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (53.0)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(DD) Security purchased on a delayed delivery basis.

See accompanying notes to financial statements.

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF)
Portfolio of
INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | ALABAMA - 0.8% | |
| \$ 2,450 | BMC Special Care Facilities Financing Authority of the City of Montgomery, Alabama, Revenue Bonds, Series 1992-B (Baptist Medical Center), 6.700%, 12/01/10 | 12/02 at 102 |
| ----- | | |
| | ALASKA - 1.0% | |
| 2,890 | Alaska Housing Finance Corporation, Governmental Purpose Bonds, | 12/05 at 102 |

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1995 Series A, 5.875%, 12/01/24

| CALIFORNIA - 37.6% | | |
|--------------------|---|--------------|
| | ABAG Finance Authority for Nonprofit Corporations, Insured Certificates of Participation (Children's Hospital Medical Center of Northern California), Series 1999: | |
| 6,750 | 5.875%, 12/01/19 | 12/09 at 101 |
| 10,000 | 6.000%, 12/01/29 | 12/09 at 101 |
| 4,755 | Antioch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District No. 1989-1, 5.700%, 8/01/22 | 8/09 at 101 |
| 3,250 | California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds, Pacific Gas and Electric Company, 1996A Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) | 4/11 at 102 |
| 11,070 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 | 1/10 at 100 |
| 680 | Housing Authority of the County of Kern, California, Guaranteed Mortgage Obligations, 1994 Series A, Subseries I, 7.150%, 12/30/24 (Alternative Minimum Tax) | No Opt. C |
| 425 | Housing Authority of the County of Kern, California, Guaranteed Mortgage Obligations, 1994 Series A Subseries III, 7.450%, 6/30/25 (Alternative Minimum Tax) | No Opt. C |
| 5,530 | La Verne-Grand Terrace Housing Finance Agency, California, Single Family Residential Mortgage Revenue Bonds, 1984 Series A, 10.250%, 7/01/17 | No Opt. C |
| 5,840 | Lancaster Redevelopment Agency, California, Lancaster Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 1992, 6.100%, 8/01/19 | 2/03 at 101 |
| 11,080 | City of Lodi, California, Electric System Revenue Certificates of Participation, 1999 Series B, 0.000%, 1/15/24 (Pre-refunded to 1/15/09) | 1/09 at 40 |
| 5,000 | Ontario Redevelopment Financing Authority, San Bernardino County, California, 1995 Revenue Refunding Bonds, Project No. 1, 7.400%, 8/01/25 | No Opt. C |
| 8,880 | City of Pomona, California, Single Family Mortgage Revenue Refunding Bonds (GNMA and FHLMC Mortgage-Backed Securities), Series 1990B, 7.500%, 8/01/23 | No Opt. C |
| 10,305 | City of San Bernardino, California, Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities), Series 1990A, 7.500%, 5/01/23 | No Opt. C |
| 14,755 | County of San Bernardino, California, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities), 1988 Series A, 8.300%, 9/01/14 (Alternative Minimum Tax) | No Opt. C |
| 4,300 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Refunding Bonds, Issue 27A, 5.125%, 5/01/19 | 5/11 at 100 |

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(Alternative Minimum Tax)

| | | |
|-----------------|--|--------------|
| COLORADO - 2.6% | | |
| 6,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/29 | 9/10 at 102 |
| 1,225 | Summit School District RE-1, Summit County, Colorado, General Obligation Improvement Bonds, Series 1994, 6.700%, 12/01/14 (Pre-refunded to 12/01/04) | 12/04 at 100 |

| | | |
|----------------|--|-------------|
| FLORIDA - 4.8% | | |
| 4,145 | City of Miami, Florida, General Obligation Bonds, Series 2002, 5.000%, 1/01/22 | 1/12 at 100 |
| 9,985 | Orange County, Florida, Sales Tax Revenue Bonds, Series 2002B, 5.125%, 1/01/32 (WI, settling 11/07/02) | 1/13 at 100 |

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| GEORGIA - 5.7% | | |
| \$ 10,000 | Development Authority of Burke County, Georgia, Pollution Control Revenue Bonds (Oglethorpe Power Corporation Vogtle Project), Series 1992, 8.000%, 1/01/15 (Pre-refunded to 1/01/03) | 1/03 at 103 |
| 6,500 | The Medical Center Hospital Authority, Georgia, Revenue Anticipation Certificates (Columbus Regional Healthcare System, Inc. Project), Series 1999, 5.500%, 8/01/25 | 8/09 at 102 |
| ----- | | |
| HAWAII - 3.9% | | |
| 8,030 | State of Hawaii, Airports System Revenue Bonds, Refunding Series 2000B, 6.500%, 7/01/15 (Alternative Minimum Tax) | 7/10 at 101 |
| 2,250 | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds (Hawaii Electric Company, Inc. and Subsidiaries Project), Series 1999D, 6.150%, 1/01/20 (Alternative Minimum Tax) | 1/09 at 101 |
| ----- | | |
| ILLINOIS - 20.3% | | |
| 10,000 | City of Chicago, Illinois, General Obligation Refunding Bonds, Series 2000D, 5.500%, 1/01/35 | 1/10 at 101 |

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| | | |
|---|---|--------------|
| 8,200 | Board of Education of the City of Chicago, Illinois, General Obligation Lease Certificates, 1992 Series A, 6.250%, 1/01/15 | No Opt. C |
| 23,110 | Illinois Development Finance Authority, Local Government Program Bonds, Elgin School District No. U46, Kane, Cook and DuPage Counties, Series 2002, 0.000%, 1/01/17 | No Opt. C |
| 10,010 | Illinois Development Finance Authority, Revenue Bonds, Catholic Health Partners Services, Series 1995A, 5.300%, 2/15/18 | 2/05 at 102 |
| 10,150 | Onterie Center Housing Finance Corporation, Mortgage Revenue Refunding Bonds (An Illinois Not For Profit Corporation), Series 1992A (FHA-Insured Mortgage Loan - Onterie Center Project), 7.050%, 7/01/27 | 1/03 at 102 |
| 3,225 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1992A, 9.000%, 6/01/09 | No Opt. C |
| 4,000 | Public Building Commission of St. Clair County, Illinois, Public Building Revenue Bonds, Series 1992, 6.350%, 12/01/09 (Alternative Minimum Tax) (Pre-refunded to 12/01/02) | 12/02 at 102 |
| ----- | | |
| INDIANA - 1.8% | | |
| 5,375 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Series 1992 (Community Hospitals Projects), 6.400%, 5/01/12 | 11/02 at 102 |
| ----- | | |
| LOUISIANA - 3.1% | | |
| Louisiana Public Facilities Authority, Hospital Revenue Bonds (Our Lady of Lourdes Regional Medical Center Project), Series 1992: | | |
| 5,000 | 6.375%, 2/01/12 (Pre-refunded to 2/01/03) | 2/03 at 102 |
| 4,000 | 6.450%, 2/01/22 (Pre-refunded to 2/01/03) | 2/03 at 102 |
| ----- | | |
| MARYLAND - 1.7% | | |
| 5,000 | Maryland Transportation Authority, Baltimore-Washington International Airport Parking Revenue Bonds, Series 2002B, 5.125%, 3/01/21 (Alternative Minimum Tax) | 3/12 at 101 |
| ----- | | |
| MASSACHUSETTS - 2.8% | | |
| 8,335 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, New England Medical Center Hospitals Issue, Series F, 6.625%, 7/01/25 | 1/03 at 102 |
| ----- | | |
| MICHIGAN - 4.4% | | |

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| | | |
|-------|---|-------------|
| 2,250 | City of Kalamazoo Hospital Finance Authority, Michigan, Hospital Revenue Refunding and Improvement Bonds (Bronson Methodist Hospital), Series 1996, 5.750%, 5/15/16 | 5/06 at 102 |
| 6,500 | Michigan Higher Education Student Loan Authority, Revenue Bonds, 2000 Series XII-T, 5.300%, 9/01/10 (Alternative Minimum Tax) | No Opt. C |
| 3,810 | Michigan State Housing Development Authority, Limited Obligation Multifamily Housing Revenue Bonds, GNMA Collateralized Program - Cranbrook Apartments, Series 2001A, 5.500%, 2/20/43 (Alternative Minimum Tax) | 8/12 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MINNESOTA - 2.2% | |
| \$ 4,860 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001B, 5.750%, 1/01/15 (Alternative Minimum Tax) | 1/11 at 100 |
| 1,285 | Minnesota Housing Finance Agency, Rental Housing Bonds, 1995 Series D, 5.950%, 2/01/18 | 2/05 at 102 |
| ----- | | |
| | MISSOURI - 3.4% | |
| 7,495 | Industrial Development Authority of Jefferson County, Missouri, Housing Revenue Bonds Road Apartments Project), Series 1985, 11.000%, 12/15/15 (Pre-refunded to 8/15/07) | 8/07 at 100 |
| ----- | | |
| | MONTANA - 4.4% | |
| 13,000 | City of Forsyth, Rosebud County, Montana, Pollution Control Revenue Refunding Bonds (Puget Sound Power and Light Company Colstrip Project), Series 1992, 6.800%, 3/01/22 | 3/03 at 101 |
| ----- | | |
| | NEVADA - 7.8% | |
| 10,000 | Clark County, Nevada, Airport System Subordinated Lien Revenue Bonds, Series 2001B, 5.125%, 7/01/21 | 7/11 at 100 |
| 7,990 | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Senior Lien Series 2002, 5.250%, 6/01/41 | 6/12 at 100 |
| 5,050 | Washoe County, Nevada, Gas and Water Facilities Refunding Revenue Bonds, Sierra Pacific Power Company Project, Series 1987 Remarketed, 6.300%, 12/01/14 | 1/03 at 102 |

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| | | |
|--------|---|--------------|
| ----- | | |
| | NEW YORK - 3.0% | |
| 7,645 | Metropolitan Transportation Authority, New York, Transit Facilities Revenue Bonds, Series J, 9.100%, 7/01/05 | No Opt. C |
| ----- | | |
| | OKLAHOMA - 4.2% | |
| 3,160 | Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax) | No Opt. C |
| 5,440 | Sapulpa Municipal Authority, Oklahoma, Capital Improvement Revenue Bonds, Series 2000 Refunding, 5.625%, 7/01/20 | 7/10 at 101 |
| 3,000 | Tulsa Industrial Authority, Oklahoma, Multifamily Housing Revenue Refunding Bonds (GNMA Collateralized - Country Club of Woodland Hills Development), Series 1995, 6.250%, 11/01/27 | 11/05 at 103 |
| ----- | | |
| | OREGON - 1.8% | |
| 5,000 | Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, GNMA Mortgaged-Backed Securities Program, Necanicum Village Assisted Living Project, 2001 Series A, 5.000%, 6/20/42 | 3/12 at 105 |
| ----- | | |
| | TENNESSEE - 1.8% | |
| 5,000 | Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Bonds (Ascension Health Credit Group), Series 1999A, 6.000%, 11/15/30 | 11/09 at 101 |
| ----- | | |
| | TEXAS - 9.5% | |
| 5,000 | Bexar County Health Facilities Development Corporation, Texas, Revenue Refunding Bonds (Baptist Health System), Series A-1, 5.250%, 11/15/27 | 11/07 at 102 |
| 580 | Corpus Christi Housing Finance Corporation, Texas, Single Family Mortgage Senior Revenue Refunding Bonds, Series 1991A, 7.700%, 7/01/11 | 1/03 at 102 |
| 12,500 | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) | 11/09 at 100 |
| 625 | City of El Paso Property Finance Authority, Inc., Texas, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Series 1992A, 8.700%, 12/01/18 (Alternative Minimum Tax) | 12/02 at 103 |
| 1,600 | Harris County, Texas, Toll Road Senior Lien Revenue Refunding | 12/02 at 100 |

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Bonds, Series 1992B, 6.625%, 8/15/17 to 12/23/02)

7,600 City of San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/16 (Alternative Minimum Tax) 7/11 at 101

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | VIRGINIA - 1.2% | |
| \$ 3,635 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series C, Subseries C-2, 5.450%, 7/01/23 (Alternative Minimum Tax) | 7/11 at 100 |
| ----- | | |
| | WASHINGTON - 15.3% | |
| 5,000 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) | 7/11 at 101 |
| 12,060 | Bellevue School District No. 405, King County, Washington, General Obligation Bonds, Series 2002: 5.000%, 12/01/19 | 12/12 at 100 |
| 12,785 | 5.000%, 12/01/20 | 12/12 at 100 |
| 4,715 | Port of Seattle, Washington, Revenue Bonds, Series 2001B, 5.625%, 4/01/17 (Alternative Minimum Tax) | 10/11 at 100 |
| 1,650 | Port of Seattle, Washington, Special Facility Revenue Bonds (Terminal 18 Project), Series 1999C, 6.000%, 9/01/29 (Alternative Minimum Tax) | 3/10 at 101 |
| 1,265 | City of Tacoma, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/18 | 12/12 at 100 |
| 6,990 | Washington Public Power Supply System, Nuclear Project No.1 Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/17 | 7/08 at 102 |
| ----- | | |
| | WEST VIRGINIA - 2.0% | |
| 6,000 | Mason County, West Virginia, Pollution Control Revenue Bonds (Appalachian Power Company Project), Series I, 6.850%, 6/01/22 | 12/02 at 102 |
| ----- | | |
| \$ 425,990 | Total Long-Term Investments (cost \$413,311,346) - 147.1% | |
| ===== | | |
| | Other Assets Less Liabilities - 6.4% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (53.5)% | |
| ----- | | |

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Net Assets Applicable to Common Shares - 100%

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Insured Premium Income Municipal Fund 2 (NPX)
Portfolio of
INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ALABAMA - 3.8% | | |
| \$ 5,000 | Jefferson County, Alabama, Sewer Revenue Warrants, Series 1997D: 5.700%, 2/01/20 | 2/07 at 101 |
| 8,800 | 5.750%, 2/01/22 | 2/07 at 101 |
| 2,500 | City of Mobile, Alabama, General Obligation Refunding Warrants, Series 1996, 5.750%, 2/15/16 (Pre-refunded to 2/15/06) | 2/06 at 102 |
| 2,000 | City of Scottsboro, Alabama, General Obligation School Warrants, Series 1996- B, 5.750%, 7/01/14 | 7/06 at 102 |
| ALASKA - 0.5% | | |
| 2,350 | Alaska Housing Finance Corporation, Mortgage Revenue Bonds, 1996 Series A, 6.050%, 12/01/17 | 6/06 at 102 |
| ARIZONA - 0.9% | | |

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| | | |
|-----------------------------|--|--------------|
| 4,500 | Salt River Project Agricultural Improvement and Power District, Arizona, Salt River Project Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/31 (DD, settling 11/01/02) | 1/13 at 100 |
| ----- | | |
| CALIFORNIA - 7.7% | | |
| 6,450 | California Housing Finance Agency, Multi-Unit Rental Housing Revenue Bonds, Series 1992A-II, 6.625%, 2/01/24 (Alternative Minimum Tax) | 2/03 at 102 |
| 31,200 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/34 | 1/10 at 24 |
| 6,850 | County of Orange, California, 1996 Recovery Certificates of Participation, Series A, 6.000%, 7/01/26 | 7/06 at 102 |
| 13,000 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Series 1999 Solid Waste and Redevelopment Projects, 5.800%, 12/01/19 | 12/09 at 102 |
| | San Leandro Housing Finance Corporation, California, Mortgage Revenue Refunding Bonds, Series 1993A (FHA-Insured Mortgage Loan - Ashland Village Apartments Section 8 Assisted Project): | |
| 1,270 | 6.550%, 1/01/12 | 1/03 at 101 |
| 5,100 | 6.650%, 1/01/25 | 1/03 at 101 |
| ----- | | |
| COLORADO - 3.8% | | |
| | Colorado Health Facilities Authority, Hospital Revenue Bonds (Poudre Valley Health Care, Inc.), Series 1999A: | |
| 2,480 | 5.625%, 12/01/19 | 12/09 at 101 |
| 3,500 | 5.750%, 12/01/23 | 12/09 at 101 |
| 12,955 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1995A, 5.600%, 11/15/20 | 11/05 at 102 |
| ----- | | |
| DISTRICT OF COLUMBIA - 0.7% | | |
| 3,540 | District of Columbia Housing Finance Agency, Collateralized Single Family Mortgage Revenue Bonds, Series 1990C-4, 6.350%, 12/01/24 (Alternative Minimum Tax) | 6/03 at 102 |
| ----- | | |
| GEORGIA - 0.6% | | |
| 3,000 | Valdosta and Lowndes County Hospital Authority, Georgia, Series 2002, South Georgia Medical Center Project Revenue Certificates, 5.200%, 10/01/22 | 10/12 at 101 |
| ----- | | |
| HAWAII - 8.2% | | |
| | State of Hawaii, Airports System Revenue Bonds, Refunding | |

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| | | |
|--------|---|-------------|
| | Series 2000B: | |
| 6,105 | 6.100%, 7/01/16 (Alternative Minimum Tax) | 7/10 at 101 |
| 9,500 | 6.625%, 7/01/17 (Alternative Minimum Tax) | 7/10 at 101 |
| 24,000 | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds, Hawaiian Electric Company, Inc. and Subsidiary Projects), Refunding Series 2000, 5.700%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 101 |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | IDAHO - 0.4% | |
| \$ 1,790 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 1998 Series E, 5.450%, 7/01/18 (Alternative Minimum Tax) | 1/08 at 101 |
| | ILLINOIS - 18.8% | |
| 2,500 | City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, General Obligation Corporate Purpose Bonds, Series 1996, 5.800%, 1/01/14 (Pre-refunded to 1/01/05) | 1/05 at 100 |
| 1,500 | City of Chicago, Illinois, General Obligation Bonds, Series 1995, 6.125%, 1/01/16 (Pre-refunded to 7/01/05) | 7/05 at 102 |
| 25,585 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 1996B, 5.125%, 1/01/25 | 1/06 at 102 |
| 8,370 | City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, Series 1996A, 5.625%, 1/01/17 | 1/07 at 101 |
| | City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, 1994 Series A: | |
| 280 | 6.100%, 1/01/08 (Alternative Minimum Tax) | 1/04 at 102 |
| 710 | 6.250%, 1/01/14 (Alternative Minimum Tax) | 1/04 at 102 |
| 8,235 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1994 Series A, 6.375%, 1/01/15 | 1/05 at 102 |
| 10,000 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1999 Series, 5.500%, 1/01/17 (Alternative Minimum Tax) | 1/10 at 101 |
| 4,115 | Chicago Park District, Illinois, General Obligation Limited Tax Park Bonds, Series 2001C, 5.500%, 1/01/18 | 7/11 at 100 |
| 9,680 | Illinois Educational Facilities Authority, Chicago, Columbia College Revenue Bonds, Series 1998, 5.000%, 12/01/20 | 6/08 at 100 |
| 1,950 | Illinois Health Facilities Authority, Health Facilities Refunding Revenue Bonds (SSM Health Care), Series 1992AA, | No Opt. C |

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| | | |
|--------|---|--------------|
| | 6.550%, 6/01/14 | |
| | Illinois Health Facilities Authority, Revenue Bonds (Lutheran General Health System), Series 1993A: | |
| 4,355 | 6.125%, 4/01/12 | No Opt. C |
| 5,000 | 6.250%, 4/01/18 | No Opt. C |
| 2,815 | Illinois Housing Development Authority, Housing Development Bonds, 1993 Series A, 6.000%, 7/01/18 | 1/04 at 102 |
| 1,770 | Illinois Health Facilities Authority, Revenue Bonds, Series 1991 (Elmhurst Memorial Hospital), 6.625%, 1/01/22 | 1/03 at 101 |
| 6,335 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1992A, 6.500%, 6/15/22 (Pre-refunded to 6/15/03) | 6/03 at 102 |
| 1,275 | City of Peoria, City of Moline and City of Freeport, Illinois, Collateralized Single Family Mortgage Revenue Bonds, Series 1995A, 7.600%, 4/01/27 (Alternative Minimum Tax) | 10/05 at 105 |
| ----- | | |
| | INDIANA - 1.6% | |
| 1,000 | Fort Wayne South Side School Building Corporation, Allen County, Indiana, First Mortgage Bonds, Series 1994, 6.125%, 1/15/12 (Pre-refunded to 1/15/04) | 1/04 at 102 |
| 2,220 | Indiana Municipal Power Agency, Power Supply System Revenue Bonds, 1993 Series A, 6.125%, 1/01/19 | 1/03 at 102 |
| 5,285 | Logansport School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/22 | 7/11 at 100 |
| ----- | | |
| | KANSAS - 0.2% | |
| 400 | City of Olathe, Kansas and Labette County, Kansas, Collateralized Single Family Mortgage Refunding Revenue Bonds, Series A-I, 8.100%, 8/01/23 (Alternative Minimum Tax) | 2/05 at 105 |
| 815 | Sedgwick County and Shawnee County, Kansas, Collateralized Single Family Mortgage Refunding Revenue Bonds, Series A-II, 8.050%, 5/01/24 (Alternative Minimum Tax) | 11/04 at 105 |
| ----- | | |
| | KENTUCKY - 1.1% | |
| 23,340 | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000B, 0.000%, 10/01/28 | No Opt. C |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

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MASSACHUSETTS - 3.4%

| | | | |
|----|-------|--|-------------|
| \$ | 5,000 | Massachusetts Housing Finance Agency, Housing Project Revenue Bonds, Series 1993A Refunding, 6.150%, 10/01/15 | 4/03 at 102 |
| | 5,630 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 48, 6.350%, 6/01/26 (Alternative Minimum Tax) | 6/06 at 102 |
| | 4,265 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 53, 6.150%, 12/01/29 (Alternative Minimum Tax) | 6/07 at 102 |
| | 2,550 | Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue Bonds, Series 2001A, 6.000%, 1/01/43 (Alternative Minimum Tax) | 1/03 at 100 |

MICHIGAN - 6.7%

| | | | |
|--|--------|---|--------------|
| | 4,705 | Board of Control of Grand Valley State University, Michigan, General Revenue Bonds, Series 2000, 5.250%, 12/01/20 | 12/10 at 100 |
| | 9,250 | Michigan Public Power Agency, Belle River Project Refunding Revenue Bonds, 1993 Series A, 5.250%, 1/01/18 | 1/03 at 102 |
| | 10,000 | Michigan State Housing Development Authority, Rental Housing Revenue Bonds, 1997 Series A, 6.000%, 4/01/16 (Alternative Minimum Tax) | 4/07 at 102 |
| | 10,000 | County of Monroe, Michigan, Pollution Control Revenue Bonds (The Detroit Edison Company Project), Series CC-1992, 6.550%, 9/01/24 (Alternative Minimum Tax) | 9/03 at 102 |

MINNESOTA - 1.5%

| | | | |
|--|-------|--|-------------|
| | 7,775 | Minnesota Housing Finance Agency, Rental Housing Bonds, 1995 Series D, 5.950%, 2/01/18 | 2/05 at 102 |
|--|-------|--|-------------|

MISSOURI - 1.6%

| | | | |
|--|-------|---|--------------|
| | 1,000 | Industrial Development Authority of the City of Hazelwood, Missouri, Multifamily Housing Revenue Refunding Bonds (GNMA Collateralized - The Lakes Apartments Project), Series 1996, 6.000%, 9/20/16 | 9/06 at 102 |
| | 4,500 | Land Clearance for Redevelopment Authority of Kansas City, Missouri, Lease Revenue Bonds, Municipal Auditorium and Muehlebach Hotel Redevelopment Projects, Series 1995A, 5.900%, 12/01/18 | 12/05 at 102 |
| | 1,000 | Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Capital Improvement Series 1996B, 5.750%, 1/15/14 | 1/06 at 101 |
| | 1,030 | Missouri Housing Development Commission, Multifamily Housing | 12/06 at 102 |

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Revenue Bonds (Brookstone Village Apartments Project),
1996 Series A, 6.000%, 12/01/16 (Alternative Minimum Tax)

| NEVADA - 7.9% | | |
|---------------|---|--------------|
| 5,000 | Clark County, Nevada, Industrial Development Revenue Bonds (Nevada Power Company Project), Series 1992A, 6.700%, 6/01/22 (Alternative Minimum Tax) | 12/02 at 102 |
| 5,000 | Clarke County, Nevada, Industrial Development Revenue Bonds, Series 2000C (Southwest Gas Corporation), 5.950%, 12/01/38 (Alternative Minimum Tax) | 7/10 at 102 |
| 5,500 | Director of the State of Nevada, Department of Business and Industry, Revenue Bonds (Las Vegas Monorail Project), 1st Tier Series 2000, 5.625%, 1/01/32 | 1/10 at 102 |
| | Las Vegas Convention and Visitors Authority, Nevada, Revenue Bonds, Series 1999: | |
| 2,695 | 5.750%, 7/01/15 | 7/09 at 101 |
| 6,035 | 5.750%, 7/01/16 | 7/09 at 101 |
| 6,500 | 5.750%, 7/01/17 | 7/09 at 101 |
| 3,535 | 7/01/18 | 7/09 at 101 |
| 4,000 | 6.000%, 7/01/19 | 7/09 at 101 |

| NEW YORK - 17.1% | | |
|------------------|---|-------------|
| 4,090 | Metropolitan Transportation Authority, New York, Commuter Facilities Revenue Bonds, Series 1994A, 8.000%, 7/01/07 | No Opt. C |
| 4,985 | Metropolitan Transportation Authority, New York, Transit Facilities Revenue Bonds, Series O, 8.000%, 7/01/07 | No Opt. C |
| | County of Nassau, New York, General Improvement Bonds, Series E: | |
| 1,755 | 6.000%, 3/01/16 | 3/10 at 100 |
| 2,740 | 6.000%, 3/01/18 | 3/10 at 100 |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| NEW YORK (continued) | | |
| \$ 2,265 | County of Nassau, New York, General Obligations, Serial General Improvement Bonds, Series F, 7.000%, 3/01/14 | 3/10 at 100 |
| 7,500 | Nassau Health Care Corporation, Nassau County, New York, Health System Revenue Bonds (Guaranteed), Series 1999, 5.750%, 8/01/29 | 8/09 at 102 |
| 4,000 | City of New York, New York, General Obligation Bonds, | No Opt. C |

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| | | |
|--------|--|--------------|
| | Fiscal 1995 Series E, 8.000%, 8/01/05 | |
| 7,900 | City of New York, New York, General Obligation Bonds, Fiscal 1996 Series I, 5.875%, 3/15/18 | 3/06 at 101 |
| 7,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 2000 Series A, 5.750%, 6/15/31 | 6/09 at 101 |
| | Dormitory Authority of the State of New York, New Island Hospital Insured Revenue Bonds, Series 1999B: | |
| 3,400 | 5.750%, 7/01/19 | 7/09 at 101 |
| 5,750 | 6.000%, 7/01/24 | 7/09 at 101 |
| 10,000 | New York State Housing Finance Agency, Housing Project Mortgage Revenue Bonds, 1996 Series A Refunding, 6.125%, 11/01/20 | 5/06 at 102 |
| 6,095 | New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, 1995 Series A, 6.000%, 8/15/15 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| | New York State Medical Care Facilities Finance Agency, New York, Hospital FHA-Insured Mortgage Revenue Bonds, Series 1994A: | |
| 3,000 | 6.750%, 8/15/14 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| 2,500 | 6.800%, 8/15/24 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 7: | |
| 3,505 | 5.700%, 1/01/27 | 1/07 at 102 |
| 5,000 | 5.700%, 1/01/27 | 1/07 at 102 |
| ----- | | |
| | NORTH DAKOTA - 3.7% | |
| 10,715 | City of Fargo, North Dakota, Health System Revenue Bonds, MertiCare Obligated Group, Series 2000A, 5.600%, 6/01/21 | 6/10 at 101 |
| 8,000 | State of North Dakota, Student Loan Revenue Bonds, Series 2000B, 5.850%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |
| ----- | | |
| | OKLAHOMA - 1.0% | |
| | Oklahoma City, Oklahoma, Airport Trust Junior Lien Bonds, Twenty Seventh Series 2000A: | |
| 1,320 | 5.125%, 7/01/20 | 7/10 at 100 |
| 4,040 | 5.250%, 7/01/21 | 7/10 at 100 |
| ----- | | |
| | OREGON - 3.6% | |
| | City of Portland, Oregon, Airport Way Urban Renewal and Redevelopment Bonds, 2000 Series A: | |
| 4,405 | 5.700%, 6/15/17 | 6/10 at 101 |
| 3,665 | 5.750%, 6/15/18 | 6/10 at 101 |
| 4,265 | 5.750%, 6/15/19 | 6/10 at 101 |
| 1,375 | 5.750%, 6/15/20 | 6/10 at 101 |

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| | | |
|-------|--|-------------|
| | Housing Authority of Portland, Oregon, Multifamily Housing Revenue Bonds, Series 2000, Lovejoy Station Apartments Project: | |
| 1,500 | 5.900%, 7/01/23 (Alternative Minimum Tax) | 7/10 at 100 |
| 2,520 | 6.000%, 7/01/33 (Alternative Minimum Tax) | 7/10 at 100 |

PENNSYLVANIA - 5.7%

| | | |
|--------|--|--------------|
| 12,620 | Allegheny County Hospital Development Authority, Pennsylvania, Health System Insured Revenue Bonds, Series 2000A, West Penn Allegheny Health System, 6.500%, 11/15/30 | 11/10 at 102 |
| 3,015 | Allegheny County Residential Finance Authority, Pennsylvania, Single Family Mortgage Revenue Bonds, 1996 Series AA, 6.450%, 5/01/28 (Alternative Minimum Tax) | 11/06 at 102 |
| 9,485 | Berks County Municipal Authority, Pennsylvania, Hospital Revenue Bonds (The Reading Hospital and Medical Center Project), Series of 1999, 6.000%, 11/01/19 (Pre-refunded to 11/01/09) | 11/09 at 102 |
| 1,000 | Luzerne County Industrial Development Authority, Pennsylvania, Exempt Facilities Revenue Refunding Bonds, 1994 Series A (Pennsylvania Gas and Water Company Project), 7.000%, 12/01/17 (Alternative Minimum Tax) | 12/04 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

SOUTH CAROLINA - 1.3%

| | | |
|----------|---|-------------|
| \$ 6,500 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, 1992 Refunding Series, 6.300%, 1/01/22 (Pre-refunded to 1/01/03) | 1/03 at 102 |
|----------|---|-------------|

TEXAS - 16.7%

| | | |
|--------|--|--------------|
| | Brazos River Authority, Texas, Revenue Refunding Bonds (Houston Industries Incorporated Project), Series 1998C: | |
| 10,000 | 5.125%, 5/01/19 | 5/08 at 102 |
| 9,000 | 5.125%, 11/01/20 (Optional put 11/01/08) | 11/08 at 102 |
| | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A: | |
| 3,000 | 5.750%, 11/01/13 (Alternative Minimum Tax) | 11/11 at 100 |
| 12,500 | 5.500%, 11/01/35 (Alternative Minimum Tax) | 11/09 at 100 |
| 3,895 | City of Denton, Texas, Utility System Revenue Bonds, Series 2000A, 5.625%, 12/01/19 | 12/10 at 100 |
| 7,210 | City of Houston, Texas, Water and Sewer System Junior Lien Revenue Bonds, Series 1997A Refunding, 5.250%, 12/01/22 | 12/07 at 101 |

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| | | |
|--------|---|--------------|
| 4,176 | Panhandle Regional Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, Ginnie Mae Collateralized Mortgage - Renaissance of Amarillo Apartments, Series 2001A, 6.650%, 7/20/42 | 7/12 at 105 |
| | Tarrant County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds (Cook Children's Medical Center Project), Series 2000A: | |
| 6,725 | 5.750%, 12/01/17 | 12/10 at 101 |
| 7,500 | 5.750%, 12/01/24 | 12/10 at 101 |
| 10,627 | Tarrant County Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, Series 2001, GNMA Collateralized Mortgage Loan - Legacy Senior Residence Apartments Project, 6.625%, 4/20/42 | 10/11 at 105 |
| | State of Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund, Series 1993: | |
| 1,315 | 6.800%, 12/01/23 (Alternative Minimum Tax) | 12/03 at 102 |
| 6,585 | 6.800%, 12/01/23 (Alternative Minimum Tax) | 12/03 at 102 |
| ----- | | |
| | UTAH - 3.6% | |
| | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, 1993 Series A: | |
| 4,970 | 5.500%, 7/01/20 | 7/03 at 102 |
| 4,595 | 5.500%, 7/01/20 | 7/03 at 102 |
| 3,600 | Utah State Board of Regents, Student Loan Revenue Bonds, Series 1993B, 5.900%, 11/01/13 (Alternative Minimum Tax) | 11/03 at 102 |
| 5,525 | Utah Transit Authority, Sales Tax Revenue Bonds, Series 2002A, 5.000%, 6/15/24 | 12/12 at 100 |
| ----- | | |
| | VERMONT - 0.3% | |
| 1,320 | Vermont Educational and Health Buildings Financing Agency, Hospital Revenue Bonds (Fletcher Allen Health Care Project), Series 2000A, 6.000%, 12/01/23 | 12/10 at 101 |
| ----- | | |
| | VIRGINIA - 0.5% | |
| 2,250 | Virginia Housing Development Authority, Multifamily Housing Bonds, Series 1997B, 6.050%, 5/01/17 (Alternative Minimum Tax) | 1/08 at 102 |
| ----- | | |
| | WASHINGTON - 12.4% | |
| 10,000 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) | 7/11 at 101 |
| 1,370 | Sedro-Wooley School District No. 101, Clark County, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/22 (WI, settling 12/02/02) | 12/12 at 100 |

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| | | |
|-------|--|--------------|
| 5,230 | Public Utility District No. 1 of Douglas County, Washington, Wells Hydro-Electric Revenue Bonds, Series 1999A, 6.125%, 9/01/29 (Alternative Minimum Tax) | 9/09 at 102 |
| 3,485 | Public Utility District No. 2 of Grant County, Washington, Priest Rapids Hydroelectric Development Revenue Bonds, Second Series B of 1996, 5.900%, 1/01/21 (Alternative Minimum Tax) | 1/06 at 102 |
| 2,500 | City of Tacoma, Washington, Sewer Revenue Bonds, 1995 Series B, 6.375%, 12/01/15 (Pre-refunded to 12/01/05) | 12/05 at 100 |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | WASHINGTON (continued) | |
| \$ 8,100 | Washington Health Care Facilities Authority, Seattle, Revenue Bonds, Series 1992 (Virginia Mason Obligated Group), 6.300%, 2/15/17 | 2/03 at 102 |
| 10 | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1993B: 5.600%, 7/01/15 (Pre-refunded to 7/01/03) | 7/03 at 102 |
| 3,740 | 5.600%, 7/01/15 | 7/03 at 102 |
| 10,455 | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1993A, 5.700%, 7/01/17 | 7/03 at 102 |
| 10,500 | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1996-A, 5.750%, 7/01/11 | 7/06 at 102 |
| 6,295 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1993B, 5.600%, 7/01/17 | 7/03 at 102 |
| ----- | | |
| | WEST VIRGINIA - 4.2% | |
| 20,000 | County Commission of Pleasants County, West Virginia, Pollution Control Revenue Bonds (Monongahela Power Company Pleasants Station Project), 1995 Series C, 6.150%, 5/01/15 | 5/05 at 102 |
| ----- | | |
| | WISCONSIN - 6.4% | |
| 7,000 | La Crosse, Wisconsin, Resource Recovery Revenue Refunding Bonds, Series 1996, Northern States Power Company Project, 6.000%, 11/01/21 (Alternative Minimum Tax) | No Opt. C |
| 12,750 | Milwaukee County, Wisconsin, Airport Revenue Bonds, Series 2000A, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |

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| | | |
|------------|---|-------------|
| 6,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1996 (Sinai Samaritan Medical Center, Inc. Project), 5.750%, 8/15/16 | 8/06 at 102 |
| 5,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1995 (Mercy Health System Corporation), 6.125%, 8/15/13 | 8/05 at 102 |
| ----- | | |
| \$ 761,783 | Total Long-Term Investments (cost \$715,711,108) - 145.9% | |
| ===== | | |
| | Other Assets Less Liabilities - 5.0% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (50.9)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(DD) Security purchased on a delayed delivery basis.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

Nuveen Insured Dividend Advantage Municipal Fund (NVG)
 Portfolio of
 INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | ALABAMA - 3.7% | |
| \$ 5,310 | Athens, Alabama, Water and Sewer Revenue Warrants, Series 2002, 5.300%, 5/01/32 | 5/12 at 101 |

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| | | |
|--------------------|--|--------------|
| 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999-A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) | 2/09 at 101 |
| ----- | | |
| ALASKA - 3.3% | | |
| 15,000 | State of Alaska, International Airport System Revenue Bonds, Series 2002B, 5.250%, 10/01/27 | 10/12 at 100 |
| ----- | | |
| ARIZONA - 1.1% | | |
| 5,000 | City of Phoenix Civic Improvement Corporation, Arizona, Airport Revenue Bonds, Series 2002B Senior Lien, 5.250%, 7/01/32 (Alternative Minimum Tax) | 7/12 at 100 |
| ----- | | |
| CALIFORNIA - 11.0% | | |
| 10,000 | State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.400%, 12/01/14 (Alternative Minimum Tax) | 12/08 at 101 |
| 3,200 | State of California, General Obligation Various Purpose Bonds, 5.250%, 9/01/17 | 9/10 at 100 |
| | State of California, General Obligation Bonds, Series 2002 Refunding: | |
| 10,000 | 5.000%, 2/01/23 | No Opt. C |
| 5,000 | 5.000%, 4/01/27 | 4/12 at 100 |
| 3,000 | State of California, Veterans General Obligation Bonds, 2001 Series BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) | 6/07 at 101 |
| 7,935 | City of Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.300%, 4/01/32 | 4/12 at 100 |
| 7,500 | Northern California Power Agency, Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A, 5.200%, 7/01/32 | 7/08 at 101 |
| 2,320 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001P, 5.250%, 8/15/18 | 8/11 at 100 |
| ----- | | |
| FLORIDA - 13.2% | | |
| 11,600 | Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds, Series 2002B, 5.125%, 10/01/21 (Alternative Minimum Tax) | 10/12 at 100 |
| 10,000 | JEA, Florida, Water and Sewer System Revenue Bonds, Series 2002A, 5.500%, 10/01/41 | 4/07 at 100 |
| 8,155 | Lee County, Florida, Solid Waste System Revenue Bonds, Series 2001 Refunding, 5.625%, 10/01/13 (Alternative Minimum Tax) | 10/11 at 100 |
| | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami | |

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| | | | |
|--------|---|--|--------------|
| | International Airport, Series 2002: | | |
| 7,165 | 5.625%, 10/01/15 (Alternative Minimum Tax) | | 10/12 at 100 |
| 5,600 | 5.750%, 10/01/16 (Alternative Minimum Tax) | | 10/12 at 100 |
| 10,000 | 5.125%, 10/01/21 (Alternative Minimum Tax) | | 10/12 at 100 |
| 2,000 | 5.250%, 10/01/22 (Alternative Minimum Tax) | | 10/12 at 100 |
| 3,370 | School Board of Osceola County, Florida, Certificates of Participation, Series 2002A, 5.125%, 6/01/20 | | 6/12 at 101 |

 GEORGIA - 0.4%

| | | | |
|-------|--|--|--------------|
| 1,700 | Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.500%, 6/01/32 (Alternative Minimum Tax) | | 12/11 at 100 |
|-------|--|--|--------------|

 ILLINOIS - 22.4%

| | | | |
|--------|--|--|-------------|
| 19,185 | Village of Bolingbrook, Illinois, General Obligation Bonds, Series 2002A, 5.375%, 1/01/38 | | 1/12 at 100 |
| 5,000 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.500%, 1/01/38 | | 1/11 at 101 |

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Nuveen Insured Dividend Advantage Municipal Fund (NVG) (continued)
 Portfolio of INVESTMENTS October 31, 2002

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | ----- | |
| | ILLINOIS (continued) | |
| | City of Chicago, Illinois, Chicago-O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001C: | |
| \$ 4,250 | 5.500%, 1/01/16 (Alternative Minimum Tax) | 1/11 at 101 |
| 4,485 | 5.500%, 1/01/17 (Alternative Minimum Tax) | 1/11 at 101 |
| 4,730 | 5.500%, 1/01/18 (Alternative Minimum Tax) | 1/11 at 101 |
| 2,930 | 5.500%, 1/01/19 (Alternative Minimum Tax) | 1/11 at 101 |
| 3,000 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Third Lien Revenue Refunding Bonds, Series 2002A, 5.750%, 1/01/17 (Alternative Minimum Tax) | 1/12 at 100 |
| 12,765 | City of Chicago, Illinois, Skyway Toll Bridge Revenue Bonds, Series 1996, 5.500%, 1/01/23 | 1/07 at 102 |
| 4,000 | Town of Cicero, Cook County, Illinois, General Obligation Corporate Purpose Bonds, Series 2002, 5.000%, 12/01/21 | 12/12 at 101 |
| 29,740 | Illinois Educational Facilities Authority, Revenue Bonds, University of Chicago, Series 1998A, 5.125%, 7/01/38 | 7/08 at 101 |
| 5,000 | State of Illinois, General Obligation Bonds (Illinois FIRST), | 4/12 at 100 |

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Series 2002, 5.250%, 4/01/23

| | | |
|-------|---|-------------|
| 2,700 | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001A, 5.000%, 8/15/20 | 8/11 at 100 |
| 4,460 | Will County School District No. 086, Joliet, Illinois, General Obligation Bonds, Series 2002, 0.000%, 11/01/19 | No Opt. C |

INDIANA - 13.3%

| | | |
|--------|--|-------------|
| | Indiana Bond Bank, Special Program Bonds, 2002 Series D, Hendricks County Redevelopment District: | |
| 2,500 | 5.375%, 4/01/23 | 4/12 at 100 |
| 7,075 | 5.250%, 4/01/26 | 4/12 at 100 |
| 7,000 | 5.250%, 4/01/30 | 4/12 at 100 |
| 10,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Marion General Hospital Project, Series 2002, 5.250%, 7/01/32 | 7/12 at 100 |
| 25,000 | Indianapolis Local Public Improvement Bond Bank, Indiana, Series 2002A, Waterworks Project, 5.250%, 7/01/33 | 7/12 at 100 |
| | New Albany-Floyd County School Building Corporation, Indiana, First Mortgage Bonds, Series 2002: | |
| 1,500 | 5.750%, 7/15/17 | 7/12 at 100 |
| 3,810 | 5.750%, 7/15/20 | 7/12 at 100 |
| | Northern Wells Community School Building Corporation, Wells County, Indiana, First Mortgage Bonds, Series 2001: | |
| 420 | 5.250%, 1/15/19 | 7/12 at 100 |
| 430 | 5.250%, 7/15/19 | 7/12 at 100 |
| 1,675 | 5.400%, 7/15/23 | 7/12 at 100 |

LOUISIANA - 0.7%

| | | |
|-------|--|-------------|
| 3,085 | City of New Orleans, Louisiana, General Obligation Bonds, Series 2002 Refunding, 5.125%, 9/01/21 | 9/12 at 100 |
|-------|--|-------------|

MASSACHUSETTS - 6.9%

| | | |
|--------|---|-------------|
| 17,430 | Massachusetts Development Finance Authority, Revenue Bonds, Series 2002A, WGBH Educational Foundation, 5.750%, 1/01/42 | No Opt. C |
| 11,005 | Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue Bonds, 2002 Series C, 5.600%, 1/01/45 (Alternative Minimum Tax) | 7/12 at 100 |

MINNESOTA - 0.7%

| | | |
|-------|--|-------------|
| 3,400 | Bemidji, Minnesota, Health Care Facilities First Mortgage Revenue Bonds, North Country Health Services, Series 2002, 5.000%, 9/01/31 (DD, settling 11/01/02) | 9/12 at 100 |
|-------|--|-------------|

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| ----- | | | |
|---------------------|--------|--|--------------|
| MISSOURI - 2.0% | | | |
| PRINCIPAL | | DESCRIPTION(1) | OPTIONAL C |
| AMOUNT (000) | | | PROVISIO |
| ----- | | | |
| NEVADA - 4.1% | | | |
| \$ | 8,735 | City of St. Louis, Missouri, Airport Revenue Bonds, Series 2001A, Airport Development Program, 5.250%, 7/01/31 | 7/11 at 100 |
| | 9,810 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.000%, 6/15/21 | 6/12 at 100 |
| | 8,750 | Truckee Meadows Water Authority, Nevada, Water Revenue Bonds, Series 2001A, 5.250%, 7/01/34 | 7/11 at 100 |
| ----- | | | |
| NEW YORK - 6.6% | | | |
| | 20,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2002A Refunding, 5.000%, 11/15/30 | 11/12 at 100 |
| | 10,000 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 2001A, 5.000%, 1/01/32 | 1/12 at 100 |
| ----- | | | |
| OREGON - 4.0% | | | |
| | 11,375 | State of Oregon, General Obligation Veterans Welfare Bonds, 2002 Series 82: 5.375%, 12/01/31 | 12/11 at 100 |
| | 6,500 | 5.500%, 12/01/42 | 12/11 at 100 |
| ----- | | | |
| PENNSYLVANIA - 2.2% | | | |
| | 4,500 | County of Allegheny, Pennsylvania, Airport Revenue Refunding Bonds, Series 1997A (Pittsburgh International Airport), 5.750%, 1/01/13 (Alternative Minimum Tax) | No Opt. C |
| | 5,000 | Pennsylvania Higher Educational Facilities Authority, University of Pennsylvania Revenue Bonds, Series 1998, 5.500%, 7/15/38 | 7/08 at 100 |
| ----- | | | |
| TENNESSEE - 8.0% | | | |
| | 10,000 | Memphis and Shelby County Sports Authority, Inc., Tennessee, Revenue Bonds, 2002 Series A, Memphis Arena Project, 5.125%, 11/01/28 | 11/12 at 100 |
| | 11,000 | Memphis and Shelby County Sports Authority, Inc., Tennessee, | 11/12 at 100 |

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Revenue Bonds, 2002 Series B, Memphis Arena Project,
5.125%, 11/01/29

15,195 Tennessee State School Bond Authority, Higher Educational
Facilities Bonds, Second Program, Series 2002A,
5.250%, 5/01/32 5/12 at 100

TEXAS - 26.3%

7,165 Arlington Independent School District, Tarrant County, Texas,
General Obligation Bonds, Series 1998 Refunding,
4.750%, 2/15/21 2/08 at 100

3,500 Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth
International Airport, Joint Revenue Refunding and Improvement
Bonds, Series 2001A, 5.750%, 11/01/13 (Alternative Minimum Tax) 11/11 at 100

10,000 Gainesville Hospital District, Texas, General Obligation Limited
Tax Bonds, Series 2002, 5.375%, 8/15/32 8/11 at 100

3,645 Galveston, Texas, General Obligation Bonds, Series 2001A
Refunding, 5.250%, 5/01/21 No Opt. C

13,000 Houston Area Water Corporation, Texas, City of Houston Contract
Revenue Bonds, Northeast Water Purification Plant Project,
Series 2002, 5.125%, 3/01/32 3/12 at 100

2,500 Houston Higher Education Finance Corporation, Texas, Revenue
Bonds, Rice University Project, Series 1999A, 5.375%, 11/15/29 11/09 at 101

9,145 State of Texas, General Obligation Bonds, Veterans Housing
Assistance Program Fund II, 2002 Series A-1, 5.250%, 12/01/22
(Alternative Minimum Tax) 6/12 at 100

7,500 Texas Department of Housing and Community Affairs, Residential
Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33
(Alternative Minimum Tax) 7/11 at 100

Texas Public Finance Authority, Revenue Financing System Bonds,
Series 2002, Texas Southern University:

3,520 5.125%, 11/01/20 5/12 at 100

3,520 5.125%, 11/01/21 5/12 at 100

8,910 Texas Department of Housing and Community Affairs, Single
Family Mortgage Bonds, 2002 Series B, 5.550%, 9/1/33
(Alternative Minimum Tax) 3/12 at 100

Texas Student Housing Authority, Austin, Texas, Student Housing
Revenue Bonds, Senior Series 2001A:

9,400 5.375%, 1/01/23 1/12 at 102

11,665 5.500%, 1/01/33 1/12 at 102

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| AMOUNT (000) | DESCRIPTION(1) | PROVISION |
|--------------|--|--------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 5,000 | Texas Water Development Board, State Revolving Fund, Senior Lien Revenue Bonds, Series 1999B, 5.250%, 7/15/17 | 1/10 at 100 |
| | Williamson County, Texas, General Obligation Road Bonds, Series 2002: | |
| 3,500 | 5.200%, 2/15/21 | 2/12 at 100 |
| 3,000 | 5.250%, 2/15/22 | 2/12 at 100 |
| 7,340 | 5.250%, 2/15/23 | 2/12 at 100 |
| 5,000 | 5.250%, 2/15/25 | 2/12 at 100 |
| ----- | | |
| | WASHINGTON - 12.5% | |
| 7,675 | Energy Northwest, Washington, Project No. 1 Refunding Electric Revenue Bonds, Series 2002A, 5.500%, 7/01/15 | 7/12 at 100 |
| 6,600 | Energy Northwest, Washington, Columbia Generation Station Electric Revenue Refunding Bonds, Series 2002B, 5.350%, 7/01/18 | 7/12 at 100 |
| 2,500 | Port of Seattle, Washington, Revenue Bonds, Series 2002D Refunding, 5.750%, 11/01/15 (Alternative Minimum Tax) | 11/12 at 100 |
| | Washington State Economic Development Finance Authority, Wastewater Revenue Bonds, LOTT Project, Series 2002: | |
| 2,000 | 5.500%, 6/01/17 | 6/12 at 100 |
| 4,325 | 5.125%, 6/01/22 | 6/12 at 100 |
| 17,630 | Washington Health Care Facilities Authority, Revenue Bonds, Series 1998 (Harrison Memorial Hospital), 5.000%, 8/15/28 | 8/13 at 102 |
| 10,000 | Washington State Health Care Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.125%, 10/01/31 | 10/11 at 100 |
| 5,170 | Whitman County School District No. 267, Pullman, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/20 | 6/12 at 100 |
| ----- | | |
| | WISCONSIN - 6.1% | |
| 15,000 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, 2002 Series E, 5.250%, 9/01/22 (Alternative Minimum Tax) | 3/12 at 100 |
| 11,950 | State of Wisconsin, Transportation Revenue Bonds, Series 2002-1 Refunding, 5.125%, 7/01/18 | 7/12 at 100 |
| ----- | | |
| \$ 661,455 | Total Long-Term Investments (cost \$650,104,920) - 148.5% | |
| ===== | | |
| | Other Assets Less Liabilities - 2.4% | |
| | ----- | |
| | Preferred Shares, at Liquidation Value - (50.9)% | |
| | ----- | |
| | Net Assets Applicable to Common Shares - 100% | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

At least 80% of the Fund's net assets are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(DD) Security purchased on a delayed delivery basis.

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES October 31, 2002

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) |
|---|-----------------------------|---------------------------------|------------------------------------|
| ASSETS | | | |
| Investments in municipal securities, at market value | \$926,184,951 | \$1,922,698,119 | \$442,807,75 |
| Cash | 13,487,039 | 18,709,739 | 11,725,39 |
| Receivables: | | | |
| Interest | 13,235,284 | 30,128,494 | 7,742,67 |
| Investments sold | 11,706,030 | 28,034,007 | 13,431,83 |
| Other assets | 44,946 | 63,545 | 18,09 |
| Total assets | 964,658,250 | 1,999,633,904 | 475,725,74 |
| LIABILITIES | | | |
| Payable for investments purchased | 44,317,804 | 34,556,722 | 13,178,54 |
| Accrued expenses: | | | |
| Management fees | 490,094 | 1,024,695 | 250,91 |

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| | | | |
|--|---------------|-----------------|---------------|
| Organization and offering cost | -- | -- | -- |
| Other | 312,448 | 608,601 | 140,248 |
| Preferred share dividends payable | 42,806 | 90,687 | 34,720 |
| <hr/> | | | |
| Total liabilities | 45,163,152 | 36,280,705 | 13,604,420 |
| <hr/> | | | |
| Preferred shares, at liquidation value | 318,000,000 | 680,000,000 | 161,000,000 |
| <hr/> | | | |
| Net assets applicable to Common shares | \$601,495,098 | \$1,283,353,199 | \$301,121,320 |
| <hr/> | | | |
| Common shares outstanding | 37,894,714 | 81,060,946 | 19,313,360 |
| <hr/> | | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.87 | \$ 15.83 | \$ 15.50 |
| <hr/> | | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | |
| <hr/> | | | |
| Common shares, \$.01 par value per share | \$ 378,947 | \$ 810,609 | \$ 193,130 |
| Paid-in surplus | 528,025,009 | 1,127,616,210 | 267,740,250 |
| Undistributed net investment income | 6,743,927 | 15,148,385 | 2,973,770 |
| Accumulated net realized gain (loss) from investments | 4,946,243 | 10,506,200 | 717,750 |
| Net unrealized appreciation of investments | 61,400,972 | 129,271,795 | 29,496,400 |
| <hr/> | | | |
| Net assets applicable to Common shares | \$601,495,098 | \$1,283,353,199 | \$301,121,320 |
| <hr/> | | | |
| Authorized shares: | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 |
| <hr/> | | | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Year Ended October 31, 2002

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIUM INSURED INC (NIO) |
|---|-----------------------------|---------------------------------|---------------------------------|
| INVESTMENT INCOME | \$49,711,350 | \$107,982,506 | \$25,596,000 |
| <hr/> | | | |
| EXPENSES | | | |
| Management fees | 5,658,929 | 11,833,850 | 2,902,000 |
| Preferred shares - auction fees | 795,000 | 1,700,000 | 402,000 |
| Preferred shares - dividend disbursing agent fees | 50,000 | 70,000 | 30,000 |
| Shareholders' servicing agent fees and expenses | 146,361 | 230,134 | 56,000 |
| Custodian's fees and expenses | 242,573 | 494,191 | 128,000 |
| Directors'/Trustees' fees and expenses | 8,777 | 18,669 | 4,000 |
| Professional fees | 28,455 | 52,150 | 16,000 |
| Shareholders' reports - printing and mailing expenses | 71,214 | 156,194 | 45,000 |
| Stock exchange listing fees | 19,368 | 38,140 | 19,000 |
| Investor relations expense | 113,205 | 226,810 | 57,000 |

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| | | | |
|--|--------------|---------------|----------|
| Portfolio insurance expense | 39,943 | 93,268 | |
| Other expenses | 52,325 | 95,951 | 28, |
| ----- | | | |
| Total expenses before custodian fee credit and expense reimbursement | 7,226,150 | 15,009,357 | 3,692, |
| Custodian fee credit | (83,754) | (92,684) | (45, |
| Expense reimbursement | -- | -- | |
| ----- | | | |
| Net expenses | 7,142,396 | 14,916,673 | 3,647, |
| ----- | | | |
| Net investment income | 42,568,954 | 93,065,833 | 21,949, |
| ----- | | | |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | | | |
| Net realized gain from investments | 4,974,138 | 11,512,148 | 1,473, |
| Change in net unrealized appreciation (depreciation) of investments | (3,800,192) | (10,056,251) | (2,260, |
| ----- | | | |
| Net gain (loss) from investments | 1,173,946 | 1,455,897 | (787, |
| ----- | | | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | |
| From net investment income | (4,177,031) | (8,962,116) | (2,181, |
| From accumulated net realized gains from investments | (252,858) | (425,567) | |
| ----- | | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (4,429,889) | (9,387,683) | (2,181, |
| ----- | | | |
| Net increase in net assets applicable to Common shares from operations | \$39,313,011 | \$ 85,134,047 | \$18,980 |
| ===== | | | |

* For the period March 25, 2002 (commencement of operations) through October 31, 2002.

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS

| | INSURED QUALITY (NQI) | |
|--|-----------------------|---------------|
| | YEAR | YEAR |
| | ENDED | ENDED |
| | 10/31/02 | 10/31/01 |
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 42,568,954 | \$ 44,506,740 |
| Net realized gain from investments | 4,974,138 | 8,468,012 |
| Change in net unrealized appreciation (depreciation) of investments | (3,800,192) | 36,864,158 |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (4,177,031) | (9,939,317) |

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| | | |
|--|---------------|---------------|
| From accumulated net realized gains from investments | (252,858) | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | 39,313,011 | 79,899,593 |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (34,809,135) | (32,021,289) |
| From accumulated net realized gains from investments | (824,876) | -- |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (35,634,011) | (32,021,289) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 817,396 | -- |
| Preferred shares offering costs | -- | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares from capital share transactions | 817,396 | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares | 4,496,396 | 47,878,304 |
| Net assets applicable to Common shares at the beginning of period | 596,998,702 | 549,120,398 |
| ----- | | |
| Net assets applicable to Common shares at the end of period | \$601,495,098 | \$596,998,702 |
| ===== | | |
| Undistributed net investment income at the end of period | \$ 6,743,927 | \$ 2,703,243 |
| ===== | | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (continued)

| | PREMIER INSURED INCOME (NIF) | |
|--|------------------------------|---------------|
| | YEAR ENDED | YEAR ENDED |
| | 10/31/02 | 10/31/01 |
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 21,949,356 | \$ 22,824,656 |
| Net realized gain from investments | 1,473,037 | 5,002,925 |
| Change in net unrealized appreciation (depreciation) of investments | (2,260,720) | 11,314,431 |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (2,181,015) | (5,000,703) |
| From accumulated net realized gains from investments | -- | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | 18,980,658 | 34,141,309 |

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| | | |
|---|---------------|---------------|
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (18,123,654) | (17,031,612) |
| From accumulated net realized gains from investments | -- | -- |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (18,123,654) | (17,031,612) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 610,174 | -- |
| Preferred shares offering costs | -- | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares from capital share transactions | 610,174 | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares | 1,467,178 | 17,109,697 |
| Net assets applicable to Common shares at the beginning of period | 299,654,143 | 282,544,446 |
| ----- | | |
| Net assets applicable to Common shares at the end of period | \$301,121,321 | \$299,654,143 |
| ===== | | |
| Undistributed net investment income at the end of period | \$ 2,973,772 | \$ 1,315,694 |
| ===== | | |

INSURED DIVIDEND
ADVANTAGE (NVG)
FOR THE
PERIOD
3/25/02
(COMMENCEMENT
OF OPERATIONS)
THROUGH
10/31/02

| | | |
|---|---------------|--|
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 16,506,478 | |
| Net realized gain from investments | 3,519,698 | |
| Change in net unrealized appreciation (depreciation) of investments | 28,956,407 | |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (1,473,247) | |
| From accumulated net realized gains from investments | -- | |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | 47,509,336 | |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (13,860,480) | |
| From accumulated net realized gains from investments | -- | |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (13,860,480) | |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |

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| | |
|---|---------------|
| Net proceeds from sale of shares | 426,270,921 |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 12,436 |
| Preferred shares offering costs | (2,600,117) |
| ----- | |
| Net increase in net assets applicable to Common shares from capital share transactions | 423,683,240 |
| ----- | |
| Net increase in net assets applicable to Common shares | 457,332,096 |
| Net assets applicable to Common shares at the beginning of period | 100,275 |
| ----- | |
| Net assets applicable to Common shares at the end of period | \$457,432,371 |
| ===== | |
| Undistributed net investment income at the end of period | \$ 1,172,751 |
| ===== | |

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The National Funds (the "Funds") covered in this report and their corresponding Common shares stock exchange symbols are Nuveen Insured Quality Municipal Fund, Inc. (NQI), Nuveen Insured Municipal Opportunity Fund, Inc. (NIO), Nuveen Premier Insured Municipal Income Fund, Inc. (NIF), Nuveen Insured Premium Income Municipal Fund 2 (NPX) and Nuveen Insured Dividend Advantage Municipal Fund (NVG). Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) are traded on the New York Stock Exchange while Insured Dividend Advantage (NVG) is traded on the American Stock Exchange.

Prior to the commencement of operations of Insured Dividend Advantage (NVG), the Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company, and the recording of the organization expenses (\$11,500) and its reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities. The Funds are registered under the Investment Company Act of 1940 as closed-end, diversified management investment companies.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with

accounting principles generally accepted in the United States.

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Directors/Trustees of the Funds or its designee may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2002, Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF), Insured Premium Income 2 (NPX) and Insured Dividend Advantage (NVD) had outstanding when-issued and delayed delivery purchase commitments of \$44,317,804, \$34,556,722, \$13,178,541, \$5,864,637 and \$3,393,359, respectively.

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2002, have been designated Exempt Interest Dividends.

Notes to

FINANCIAL STATEMENTS (continued)

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared and paid monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net

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realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) |
|-------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| ----- | | | | | |
| Number of shares: | | | | | |
| Series M | 2,600 | 4,000 | -- | 2,080 | 3,160 |
| Series T | 2,600 | 4,000 | -- | 2,200 | 3,080 |
| Series W | 2,600 | 4,000 | 840 | 2,080 | -- |
| Series W2 | -- | 3,200 | -- | -- | -- |
| Series TH | 2,320 | 4,000 | 2,800 | 2,200 | 3,080 |
| Series TH2 | -- | 4,000 | -- | -- | -- |
| Series F | 2,600 | 4,000 | 2,800 | 2,196 | -- |
| ----- | | | | | |
| Total | 12,720 | 27,200 | 6,440 | 10,756 | 9,320 |
| ===== | | | | | |

Effective May 17, 2002, Insured Dividend Advantage (NVG) issued 3,160 Series M, 3,080 Series T and 3,080 Series TH, \$25,000 stated value Preferred shares.

Insurance

Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) invest in municipal securities which are either covered by insurance or are backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest.

Insured Dividend Advantage (NVG) invests at least 80% of its net assets in municipal securities that are covered by insurance. The Fund may also invest up to 20% of its net assets in municipal securities which are either (i) backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

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Each insured municipal security is covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance. Such insurance does not guarantee the market value of the municipal securities or the value of the Funds' shares. Original Issue Insurance and Secondary Market Insurance remain in effect as long as the municipal securities covered thereby remain outstanding and the insurer remains in business, regardless of whether the Funds ultimately dispose of such municipal securities. Consequently, the market value of the municipal securities covered by Original Issue Insurance or Secondary Market Insurance may reflect value attributable to the insurance. Portfolio Insurance is effective only while the municipal securities are held by the Funds. Accordingly, neither the prices used in determining the market value of the underlying municipal securities nor the net asset value of the Funds' Common shares include value, if any, attributable to the Portfolio Insurance. Each policy of the Portfolio Insurance does, however, give the Funds the right to obtain permanent insurance with respect to the municipal security covered by the Portfolio Insurance policy at the time of its sale.

Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the period ended October 31, 2002.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

Offering Costs

Nuveen Investments has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for Insured Dividend Advantage (NVG). Insured Dividend Advantage's (NVG) share of offering costs (\$614,079) was recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Insured Dividend Advantage (NVG) in connection with its offering of Preferred shares (\$2,600,117) were recorded as a reduction to paid-in surplus.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

Change in Accounting Policy

As required, effective November 1, 2001, the following Funds have adopted the provisions of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. Prior to November 1, 2001, the Funds did not accrete taxable market discount on debt securities until they were sold. The cumulative effect of this accounting change had no impact on the total net assets applicable to Common shares or the Common share net asset values of the Funds, but resulted in an increase in the cost of securities and a corresponding decrease in net unrealized appreciation based on securities held by the following Funds on November 1, 2001, as follows:

PREMIER INSURED

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| INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | INSURED INCOME (NIF) | PREMIUM INCOME 2 (NPX) |
|-----------------------------|---------------------------------|----------------------------|------------------------------|
| \$462,342 | \$1,004,377 | \$29,696 | \$128,483 |

The Statement of Changes in Net Assets and Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

The net effect of this change for the fiscal year ended October 31, 2002, was to increase investment income with a corresponding decrease in net unrealized appreciation as follows:

| INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|-----------------------------|---------------------------------|---------------------------------------|---|
| \$117,500 | \$284,081 | \$19,989 | \$44,294 |

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Notes to
FINANCIAL STATEMENTS (continued)

Classification and Measurement of Redeemable Securities

The Funds have adopted the classification requirement of EITF D-98, Classification and Measurement of Redeemable Securities. EITFD-98 requires that Preferred shares, at liquidation value, be presented separately in the Statement of Assets and Liabilities. Accordingly, certain reclassifications have been made to the financial statements and financial highlights for all prior periods presented. The adoption of EITF D-98 had no impact on the Funds' Common share net asset values.

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

| INSURED QUALITY (NQI) | | INSURED OPPORTUNITY (NIO) | | P |
|--------------------------|---------------|------------------------------|---------------|------|
| YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | E |
| 10/31/02 | 10/31/01 | 10/31/02 | 10/31/01 | 10/3 |
| | | | | |

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Common shares:

| | | | | | |
|---|--------|----|----|----|----|
| Shares sold | -- | -- | -- | -- | |
| Shares issued to shareholders due to reinvestment of distributions | 51,548 | -- | -- | -- | 39 |
| | 51,548 | -- | -- | -- | 39 |
| Preferred shares sold | -- | -- | -- | -- | |

| | INSURED | | DIVID |
|--|---------------------|---------------------|-------|
| | PREMIUM | INCOME 2 (NPX) | |
| | YEAR ENDED 10/31/02 | YEAR ENDED 10/31/01 | |

Common shares:

| | | |
|---|----|----|
| Shares sold | -- | -- |
| Shares issued to shareholders due to reinvestment of distributions | -- | -- |
| Preferred shares sold | -- | -- |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities and short-term securities during the fiscal year ended October 31, 2002, were as follows:

| | INSURED QUALITY (NQI) | PREMIER INSURED OPPORTUNITY (NIO) | INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|--------------------------------|-----------------------|-----------------------------------|----------------------|--------------------------------|
| Purchases: | | | | |
| Long-term municipal securities | \$416,766,761 | \$706,604,069 | \$195,722,624 | \$204,743,696 |
| Short-term securities | 167,820,000 | 195,235,000 | 41,700,000 | 62,295,000 |
| Sales and maturities: | | | | |
| Long-term municipal securities | 398,185,631 | 759,085,764 | 204,355,912 | 218,940,914 |
| Short-term securities | 167,820,000 | 195,235,000 | 48,325,000 | 62,295,000 |

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* For the period March 25, 2002 (commencement of operations) through October 31, 2002.

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis as of October 31, 2002. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | |
|---------------------|-----------------------------|---------------------------------|---------------------------------------|-----|
| Cost of Investments | \$864,204,137 | \$1,793,133,469 | \$413,309,234 | \$7 |

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | |
|--|-----------------------------|---------------------------------|---------------------------------------|----|
| Gross unrealized: | | | | |
| Appreciation | \$ 62,109,719 | \$ 130,539,682 | \$ 29,498,516 | \$ |
| Depreciation | (128,905) | (975,032) | -- | |
| Net unrealized appreciation on investments | \$ 61,980,814 | \$ 129,564,650 | \$ 29,498,516 | \$ |

The tax components of undistributed net investment income and net realized gains at October 31, 2002, were as follows:

| | INSURED QUALITY (NQI) | PREMIER INSURED OPPORTUNITY (NIO) | INSURED INCOME (NIF) | |
|---|-----------------------------|--|----------------------------|----|
| Undistributed tax-exempt income | \$ 9,238,467 | \$ 20,499,679 | \$ 4,517,140 | \$ |
| Undistributed ordinary income * | 538,152 | 410,238 | 22,665 | |
| Undistributed net long-term capital gains | 4,408,091 | 11,027,375 | 739,056 | |

* Ordinary income consists of taxable market discount income and net short-term capital gains, if any.

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Notes to
FINANCIAL STATEMENTS (continued)

The tax character of distributions paid during the fiscal year ended October 31, 2002, were designated for purposes of the dividends paid deduction as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) |
|--|-----------------------------|---------------------------------|---------------------------------------|
| Distributions from tax-exempt income | \$38,550,143 | \$83,471,540 | \$20,196,415 |
| Distributions from ordinary income * | 123,801 | 5,439 | -- |
| Distributions from net long-term capital gains | 1,077,734 | 1,880,410 | -- |

* Ordinary income consists of taxable market discount income and net short-term capital gains, if any.

At October 31, 2002, the following Fund had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration year: | INSURED PREMIUM INCOME 2 (NPX) |
|------------------|---|
| 2003 | \$ 4,278,245 |
| 2004 | 2,080,786 |
| 2005 | -- |
| 2006 | -- |
| 2007 | -- |
| 2008 | 15,327,981 |
| Total | \$21,687,012 |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under the Funds' (excluding Insured Dividend Advantage (NVG)) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)

MANAGEMENT FEE

For the first \$125 million

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For the next \$125 million
 For the next \$250 million
 For the next \$500 million
 For the next \$1 billion
 For the next \$3 billion
 For net assets over \$5 billion

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Under Insured Dividend Advantage's (NVG) investment management agreement with the Adviser, the Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of the Fund as follows:

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)

For the first \$125 million
 For the next \$125 million
 For the next \$250 million
 For the next \$500 million
 For the next \$1 billion
 For net assets over \$2 billion

For the first ten years of Insured Dividend Advantage's (NVG) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

| YEAR ENDING | | YEAR ENDING | |
|-------------|------|-------------|------|
| MARCH 31, | | MARCH 31, | |
| 2002* | .30% | 2008 | .25% |
| 2003 | .30 | 2009 | .20 |
| 2004 | .30 | 2010 | .15 |
| 2005 | .30 | 2011 | .10 |
| 2006 | .30 | 2012 | .05 |
| 2007 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Insured Dividend Advantage (NVG) for any portion of its fees and expenses beyond March 31, 2012.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser.

6. INVESTMENT COMPOSITION

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At October 31, 2002, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME (NPX) |
|-----------------------------------|-----------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Education and Civic Organizations | 3% | 3% | 2% | 3% |
| Healthcare | 16 | 12 | 15 | 12 |
| Housing/Multifamily | 8 | 3 | 4 | 10 |
| Housing/Single Family | 3 | 10 | 3 | 3 |
| Tax Obligation/General | 12 | 6 | 12 | 8 |
| Tax Obligation/Limited | 8 | 11 | 14 | 11 |
| Transportation | 20 | 22 | 20 | 15 |
| U.S. Guaranteed | 11 | 13 | 19 | 8 |
| Utilities | 14 | 10 | 10 | 26 |
| Water and Sewer | 5 | 10 | -- | 4 |
| Other | -- | -- | 1 | -- |
| | 100% | 100% | 100% | 100% |

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Notes to
FINANCIAL STATEMENTS (continued)

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (100% for Insured Quality (NQI), 100% for Insured Opportunity (NIO), 100% for Premier Insured Income (NIF), 100% for Insured Premium Income 2 (NPX) and 86% for Insured Dividend Advantage (NVG)).

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 2, 2002, to shareholders of record on November 15, 2002, as follows:

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| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | A |
|--------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Dividend per share | \$.0800 | \$.0800 | \$.0805 | \$.0705 | |

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Financial
HIGHLIGHTS

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Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

| Investment Operations | | | | | | |
|--|-----------------------------|---|---|---|----------|------|
| Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | To | |
| ===== | | | | | | |
| INSURED QUALITY (NQI) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2002 (a) | \$15.78 | \$1.12 | \$.03 | \$ (.11) | \$ (.01) | \$ 1 |
| 2001 | 14.51 | 1.18 | 1.20 | (.26) | -- | 2 |
| 2000 | 13.95 | 1.20 | .60 | (.34) | -- | 1 |
| 1999 | 16.02 | 1.17 | (1.91) | (.22) | (.04) | (1) |
| 1998 | 15.68 | 1.18 | .36 | (.25) | -- | 1 |
| ===== | | | | | | |
| INSURED OPPORTUNITY (NIO) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2002 (a) | 15.72 | 1.15 | .03 | (.11) | (.01) | 1 |
| 2001 | 14.64 | 1.17 | 1.04 | (.26) | -- | 1 |
| 2000 | 14.25 | 1.21 | .39 | (.33) | -- | 1 |
| 1999 | 16.04 | 1.18 | (1.73) | (.24) | (.01) | (|
| 1998 | 15.78 | 1.21 | .28 | (.26) | -- | 1 |

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PREMIER INSURED INCOME (NIF)

Year Ended 10/31:

| | | | | | |
|----------|-------|------|--------|-------|-------|
| 2002 (a) | 15.55 | 1.14 | (.05) | (.11) | -- |
| 2001 | 14.66 | 1.18 | .85 | (.26) | -- |
| 2000 | 14.25 | 1.20 | .43 | (.33) | -- |
| 1999 | 16.18 | 1.16 | (1.89) | (.23) | (.01) |
| 1998 | 15.84 | 1.16 | .38 | (.25) | (.01) |

INSURED PREMIUM INCOME 2 (NPX)

Year Ended 10/31:

| | | | | | |
|----------|-------|------|--------|-------|----|
| 2002 (a) | 13.94 | .99 | .16 | (.10) | -- |
| 2001 | 13.05 | 1.01 | .86 | (.23) | -- |
| 2000 | 12.40 | .99 | .66 | (.29) | -- |
| 1999 | 14.10 | .97 | (1.71) | (.23) | -- |
| 1998 | 13.60 | .95 | .53 | (.25) | -- |

INSURED DIVIDEND ADVANTAGE (NVG)

Year Ended 10/31:

| | | | | | |
|----------|-------|-----|------|-------|----|
| 2002 (b) | 14.33 | .55 | 1.10 | (.05) | -- |
|----------|-------|-----|------|-------|----|

Less Distributions

| | Net Investment Income to Common Share- holders | Capital Gains to Common Share- holders | Total | Offering Costs and Preferred Share Underwriting Discounts |
|--|---|--|-------|--|
|--|---|--|-------|--|

INSURED QUALITY (NQI)

Year Ended 10/31:

| | | | | |
|----------|----------|----------|----------|-------|
| 2002 (a) | \$ (.92) | \$ (.02) | \$ (.94) | \$ -- |
| 2001 | (.85) | -- | (.85) | -- |
| 2000 | (.90) | -- | (.90) | -- |
| 1999 | (.92) | (.13) | (1.05) | (.02) |
| 1998 | (.94) | (.01) | (.95) | -- |

INSURED OPPORTUNITY (NIO)

Year Ended 10/31:

| | | | | |
|----------|-------|-------|-------|-------|
| 2002 (a) | (.93) | (.02) | (.95) | -- |
| 2001 | (.87) | -- | (.87) | -- |
| 2000 | (.88) | -- | (.88) | -- |
| 1999 | (.94) | (.04) | (.98) | (.01) |
| 1998 | (.97) | -- | (.97) | -- |

PREMIER INSURED INCOME (NIF)

Year Ended 10/31:

| | | | | |
|----------|-------|----|-------|----|
| 2002 (a) | (.94) | -- | (.94) | -- |
|----------|-------|----|-------|----|

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| | | | | |
|------|-------|-------|-------|-------|
| 2001 | (.88) | -- | (.88) | -- |
| 2000 | (.89) | -- | (.89) | -- |
| 1999 | (.90) | (.04) | (.94) | (.02) |
| 1998 | (.92) | (.02) | (.94) | -- |

INSURED PREMIUM INCOME 2 (NPX)

Year Ended 10/31:

| | | | | |
|----------|-------|----|-------|----|
| 2002 (a) | (.82) | -- | (.82) | -- |
| 2001 | (.75) | -- | (.75) | -- |
| 2000 | (.71) | -- | (.71) | -- |
| 1999 | (.73) | -- | (.73) | -- |
| 1998 | (.73) | -- | (.73) | -- |

INSURED DIVIDEND ADVANTAGE (NVG)

Year Ended 10/31:

| | | | | |
|----------|-------|----|-------|-------|
| 2002 (b) | (.47) | -- | (.47) | (.11) |
|----------|-------|----|-------|-------|

Total Returns

Based on
Based on Common
on Share Net
Market Asset
Value** Value**

INSURED QUALITY (NQI)

Year Ended 10/31:

| | | |
|----------|--------|--------|
| 2002 (a) | 10.82% | 6.83% |
| 2001 | 15.53 | 14.94 |
| 2000 | 10.94 | 10.86 |
| 1999 | (9.65) | (6.77) |
| 1998 | 6.13 | 8.43 |

INSURED OPPORTUNITY (NIO)

Year Ended 10/31:

| | | |
|----------|---------|--------|
| 2002 (a) | 9.80 | 7.01 |
| 2001 | 19.84 | 13.61 |
| 2000 | 5.06 | 9.25 |
| 1999 | (14.71) | (5.33) |
| 1998 | 12.03 | 7.99 |

PREMIER INSURED INCOME (NIF)

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 Year Ended 10/31:

| | | |
|----------|---------|--------|
| 2002 (a) | 6.84 | 6.57 |
| 2001 | 19.97 | 12.40 |
| 2000 | 9.92 | 9.41 |
| 1999 | (17.33) | (6.42) |
| 1998 | 14.06 | 8.35 |

INSURED PREMIUM INCOME 2 (NPX)

 Year Ended 10/31:

| | | |
|----------|---------|--------|
| 2002 (a) | 6.32 | 7.83 |
| 2001 | 29.46 | 12.85 |
| 2000 | 4.35 | 11.35 |
| 1999 | (11.16) | (7.21) |
| 1998 | 16.35 | 9.28 |

INSURED DIVIDEND ADVANTAGE (NVG)

 Year Ended 10/31:

| | | |
|----------|------|-------|
| 2002 (b) | 2.84 | 10.44 |
|----------|------|-------|

=====

Ratios/Supplemental Data

| | Before Credit/Reimbursement | After Credit/Reimbursement |
|--|---|--|
| | Ratio of Net Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ |

 INSURED QUALITY (NQI)

Year Ended 10/31:

| | | | | |
|----------|------------|-------|-------|-------|
| 2002 (a) | \$ 601,495 | 1.23% | 7.22% | 1.21% |
| 2001 | 596,999 | 1.24 | 7.72 | 1.23 |
| 2000 | 549,120 | 1.24 | 8.48 | 1.23 |
| 1999 | 527,789 | 1.19 | 7.67 | 1.18 |
| 1998 | 603,179 | 1.13 | 7.49 | 1.13 |

INSURED OPPORTUNITY (NIO)

 Year Ended 10/31:

| | | | | |
|----------|-----------|------|------|------|
| 2002 (a) | 1,283,353 | 1.20 | 7.42 | 1.19 |
| 2001 | 1,274,659 | 1.21 | 7.69 | 1.20 |
| 2000 | 1,186,701 | 1.20 | 8.47 | 1.20 |
| 1999 | 1,155,516 | 1.16 | 7.67 | 1.16 |
| 1998 | 1,292,589 | 1.13 | 7.60 | 1.13 |

PREMIER INSURED INCOME (NIF)

 Year Ended 10/31:

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| | | | | |
|----------|---------|------|------|------|
| 2002 (a) | 301,121 | 1.25 | 7.40 | 1.23 |
| 2001 | 299,654 | 1.26 | 7.79 | 1.24 |
| 2000 | 282,544 | 1.26 | 8.37 | 1.24 |
| 1999 | 274,668 | 1.19 | 7.49 | 1.18 |
| 1998 | 310,466 | 1.16 | 7.29 | 1.16 |

INSURED PREMIUM INCOME 2 (NPX)

Year Ended 10/31:

| | | | | |
|----------|---------|------|------|------|
| 2002 (a) | 527,800 | 1.20 | 7.13 | 1.19 |
| 2001 | 519,296 | 1.22 | 7.39 | 1.20 |
| 2000 | 486,009 | 1.22 | 7.87 | 1.20 |
| 1999 | 461,955 | 1.21 | 7.11 | 1.21 |
| 1998 | 524,962 | 1.20 | 6.89 | 1.20 |

INSURED DIVIDEND ADVANTAGE (NVG)

Year Ended 10/31:

| | | | | |
|----------|---------|-------|-------|------|
| 2002 (b) | 457,432 | 1.10* | 5.71* | .61* |
|----------|---------|-------|-------|------|

Preferred Shares at End of Period

| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
|--|---|---|--------------------------------|
|--|---|---|--------------------------------|

INSURED QUALITY (NQI)

Year Ended 10/31:

| | | | |
|----------|-----------|----------|----------|
| 2002 (a) | \$318,000 | \$25,000 | \$72,287 |
| 2001 | 318,000 | 25,000 | 71,934 |
| 2000 | 318,000 | 25,000 | 68,170 |
| 1999 | 318,000 | 25,000 | 66,493 |
| 1998 | 260,000 | 25,000 | 82,998 |

INSURED OPPORTUNITY (NIO)

Year Ended 10/31:

| | | | |
|----------|---------|--------|--------|
| 2002 (a) | 680,000 | 25,000 | 72,182 |
| 2001 | 680,000 | 25,000 | 71,862 |
| 2000 | 680,000 | 25,000 | 68,629 |
| 1999 | 680,000 | 25,000 | 67,482 |
| 1998 | 600,000 | 25,000 | 78,858 |

PREMIER INSURED INCOME (NIF)

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| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2002 (a) | 161,000 | 25,000 | 71,758 |
| 2001 | 161,000 | 25,000 | 71,530 |
| 2000 | 161,000 | 25,000 | 68,873 |
| 1999 | 161,000 | 25,000 | 67,650 |
| 1998 | 140,000 | 25,000 | 80,440 |

INSURED PREMIUM INCOME 2 (NPX)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2002 (a) | 268,900 | 25,000 | 74,070 |
| 2001 | 268,900 | 25,000 | 73,280 |
| 2000 | 268,900 | 25,000 | 70,185 |
| 1999 | 268,900 | 25,000 | 67,949 |
| 1998 | 268,900 | 25,000 | 73,806 |

INSURED DIVIDEND ADVANTAGE (NVG)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2002 (b) | 233,000 | 25,000 | 74,081 |

* Annualized.

** Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common share net asset value per share. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares, where applicable.

(a) As required, effective November 1, 2001, the Funds have adopted the provisions of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. The net effect of this change for the fiscal year ended October 31, 2002, was to increase net investment income per share with a corresponding decrease in net realized/unrealized investment gain (loss) per share and increase each ratio of net investment income to average net assets applicable to Common shares as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|------------------------------|-----------------------------|---------------------------------|---------------------------------------|---|
| 2002 per share impact (\$) | -- | -- | -- | -- |
| 2002 income ratio impact (%) | .02 | .02 | .01 | .01 |

The Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

(b) For the period March 25, 2002 (commencement of operations) through October 31, 2002.

See accompanying notes to financial statements.

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Directors/Trustees

AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds under the Management Agreement, is the responsibility of the Board of Directors/Trustees of the Funds. The number of directors/trustees of the Funds is currently set at seven, one of whom is an "interested person" (as the term is defined in the Investment Company Act of 1940) and six of whom are not interested persons. None of the directors/trustees who are not interested persons of the Funds have ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the directors/trustees and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED AND TERM OF OFFICE (A) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|-----------------------------------|--|---|
|--------------------------------|-----------------------------------|--|---|

DIRECTOR/TRUSTEE WHO IS AN INTERESTED PERSON OF THE FUNDS:

| | | | |
|--|--|-------------------------------|---|
| TIMOTHY R. SCHWERTFEGER (1) 3/28/1949 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Director/Trustee | 1994 Term: one year (2) | Chairman and Director (since 1994) of Nuveen Company, Nuveen Investment Advisory Corp. and Nuveen Institutional Capital Corp.; Chairman and Director (since 1994) of Nuveen Asset Management Inc.; Director (since 1996) of Institutional Capital Management Corp.; Chairman and Director (since 1994) of Financial Services Inc. |
|--|--|-------------------------------|---|

DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | |
|---|------------------|-------------------------------|---|
| ROBERT P. BREMNER 8/22/1940 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1997 Term: one year (2) | Private Investor and Management Consultant |
| LAWRENCE H. BROWN 7/29/1934 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1993 Term: one year (2) | Retired (1989) as Senior Vice President of Northern Trust Company. |
| ANNE E. IMPELLIZZERI 1/26/1933 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1994 Term: one year (2) | Retired (2002); formerly, Executive Director (since 1998) of Manitooga (Center for Environmental Design with Nature); President and Chief Executive Officer of Blanton-Peale Institutes of Religion |

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prior thereto, Vice President, Insurance Co.

| | | | |
|---|------------------|-------------------------------|--|
| PETER R. SAWERS 4/3/1933 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1991 Term: one year (2) | Adjunct Professor of Business at University of Dubuque, Iowa; Director of Service Corps of Chicago (not-f Hadley School for the Blind (not-f formerly (1991-2000) Adjunct Professor, Graduate School of Management, Illinois; prior thereto, Executive Director, Towers Perrin Australia, a management firm; Chartered Financial Analyst, Management Consultant. |
|---|------------------|-------------------------------|--|

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED AND TERM OF OFFICE (A) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|-----------------------------------|--|---|
|--------------------------------|-----------------------------------|--|---|

DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|------------------|-------------------------------|---|
| WILLIAM J. SCHNEIDER 9/24/1944 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1997 Term: one year (2) | Senior Partner and Chief Operating Officer, Miller-Valentine Group, Vice President, Miller-Valentine Realty, a consultant, Chair, Miami Valley Hospital; Vice President, Development Coalition; formerly on Community Advisory Board, National Association of Business Development, Dayton, Ohio; and Business Advisor, Cleveland Federal Reserve Bank. |
|---|------------------|-------------------------------|---|

| | | | |
|---|------------------|-------------------------------|---|
| JUDITH M. STOCKDALE 12/29/1947 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1997 Term: one year (2) | Executive Director, Gaylord and Donnelley Foundation (since 1997); prior thereto, Executive Director, Greater Chicago Protection Fund (from 1990 to 1997) |
|---|------------------|-------------------------------|---|

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED (B) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|-----------------------------------|--|---|
|--------------------------------|-----------------------------------|--|---|

OFFICERS OF THE FUNDS:

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| | | | |
|---|---------------------------------|------|---|
| MICHAEL T. ATKINSON 2/3/1966 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since January 2002); Assistant Vice President (since 2001); Associate of Nuveen Investments |
| PAUL L. BRENNAN 11/10/1966 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since January 2002); Assistant Vice President of Nuveen Investment Advisory Corp. |
| PETER H. D'ARRIGO 11/28/1967 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 1999 | Vice President of Nuveen Investments (1999), prior thereto, Assistant Vice President (from 1997); Chartered Financial Analyst |
| SUSAN M. DESANTO 9/8/1954 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2001 | Vice President of Nuveen Investment Advisory Corp. (since 2001); previously, Vice President of Nuveen Investment Advisory Corp. (since 1998); Assistant Vice President of Nuveen Investment Advisory Corp. |
| JESSICA R. DROEGER 9/24/1964 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 2002 | Vice President (since January 2002); General Counsel and Assistant Secretary (since 1998), formerly Assistant Vice President of Nuveen Investments; Vice President (since 1998); Assistant Secretary (since 1998); Assistant Vice President of Nuveen Investment Advisory Corp. and Nuveen Institutional Advisory Corp.; Associate at the law firm D'Andrea |

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Directors/Trustees

AND OFFICERS (continued)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED (B) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|---|-----------------------------------|--|--|
| OFFICERS OF THE FUNDS (CONTINUED): | | | |
| LORNA C. FERGUSON 10/24/1945 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1998 | Vice President of Nuveen Investments; President (since 1998) of Nuveen Investment Advisory Corp. and Nuveen Institutional Advisory Corp. |
| WILLIAM M. FITZGERALD 3/2/1964 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1995 | Managing Director (since January 2002); Managing Director of Nuveen Investments; Managing Director of Nuveen Investment Advisory Corp. and Nuveen Institutional Advisory Corp. (since 2001); prior thereto, Vice President of Nuveen Investment Advisory Corp.; Chartered Financial Analyst |

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| | | | |
|---|---|------|---|
| STEPHEN D. FOY 5/31/1954 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | Vice President of Nuveen Invest (since 1998) The John Nuveen Co Certified Public Accountant. |
| J. THOMAS FUTRELL 7/5/1955 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1992 | Vice President of Nuveen Adviso Chartered Financial Analyst. |
| RICHARD A. HUBER 3/26/1963 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1997 | Vice President of Nuveen Instit Corp. (since 1998) and Nuveen A |
| STEVEN J. KRUPA 8/21/1957 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1990 | Vice President of Nuveen Adviso |
| DAVID J. LAMB 3/22/1963 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of previously Assistant Vice Presi prior thereto, Associate of Nuve Certified Public Accountant. |
| TINA M. LAZAR 8/27/1961 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999), pr Assistant Vice President (since Nuveen Investments. |
| LARRY W. MARTIN 7/27/1951 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1992 | Vice President, Assistant Secre Assistant General Counsel of Nu Investments; Vice President and Secretary of Nuveen Advisory Co Institutional Advisory Corp.; V Assistant Secretary of The John Company and Nuveen Asset Manage |

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED (B) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|-----------------------------------|--|---|
|--------------------------------|-----------------------------------|--|---|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|---|----------------|------|---|
| EDWARD F. NEILD, IV 7/7/1965 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1996 | Managing Director (since Januar Investments; Managing Director Nuveen Advisory Corp. and Nuvee Advisory Corp.; Chartered Finan |
| THOMAS J. O'SHAUGHNESSY | Vice President | 2002 | Vice President (since January 2 |

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9/4/1960
333 W. Wacker Drive
Chicago, IL 60606

Assistant Vice President (since
Advisory Corp.; prior thereto,

THOMAS C. SPALDING
7/31/1951
333 W. Wacker Drive
Chicago, IL 60606

Vice President 1990

Vice President of Nuveen Adviso
Nuveen Institutional Advisory C
Financial Analyst.

GIFFORD R. ZIMMERMAN
9/9/1956
333 W. Wacker Drive
Chicago, IL 60606

Chief 1992
Administrative
Officer

Managing Director (since Januar
Vice President), Assistant Secre
General Counsel (formerly Assis
of Nuveen Investments; Managing
January 2002, formerly Vice Pre
Assistant Secretary of Nuveen A
Nuveen Institutional Advisory C
and Assistant Secretary of The
Company; Chartered Financial An

- (a) Year First Elected or Appointed is the year presented or each Fund's respective inception date if later.
- (b) Year First Elected or Appointed is the year presented or each Fund's respective inception date if later. Officers serve one year terms through July of each year.
- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and director of Nuveen Advisory Corp.
- (2) Directors/Trustees are elected each year by shareholders and serve a one year term until his/her successor is elected.

Build Your Wealth
AUTOMATICALLY

SIDEBAR TEXT:
NUVEEN MAKES
REINVESTING EASY.
A PHONE CALL IS
ALL IT TAKES TO
SET UP YOUR
REINVESTMENT
ACCOUNT.

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NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of tax-free compounding. Just like dividends or distributions in cash, there may be times when income or capital gains taxes may be payable on dividends or distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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Fund

INFORMATION

BOARD OF DIRECTORS

Robert P. Bremner
Lawrence H. Brown
Anne E. Impellizzeri
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

LEGAL COUNSEL

Morgan, Lewis &
Bockius LLP
Washington, D.C.

INDEPENDENT AUDITORS

Ernst & Young LLP
Chicago, IL

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

AVERAGE EFFECTIVE MATURITY: The average of all the maturities of the bonds in a fund's portfolio, computed by weighting each maturity date (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions.

LEVERAGE-ADJUSTED DURATION: Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's

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duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the twelve-month period ended October 31, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors
FOR GENERATIONS

PHOTO OF: John Nuveen, Sr.

For over a century, generations of Americans have relied on Nuveen Investments to help them grow and keep the money they've earned. Financial advisors, investors and their families have associated Nuveen Investments with quality, expertise and dependability since 1898. That is why financial advisors have entrusted the assets of more than 1.3 million investors to Nuveen.

With the know-how that comes from a century of experience, Nuveen continues to build upon its reputation for quality. Now, financial advisors and investors can count on Nuveen Investments to help them design customized solutions that meet the far-reaching financial goals unique to family wealth strategies - solutions that can translate into legacies.

To find out more about how Nuveen Investments' products and services can help you preserve your financial security, talk with your financial advisor, or call us at (800) 257-8787 for more information, including a prospectus where applicable. Please read that information carefully before you invest.

Logo: NUVEEN Investments

Nuveen Investments o 333 West Wacker Drive
Chicago, IL 60606 o www.nuveen.com

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