

INSURED MUNICIPAL INCOME FUND INC  
Form N-Q  
August 29, 2008

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-07528

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Insured Municipal Income Fund Inc.

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(Exact name of registrant as specified in charter)

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

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(Address of principal executive offices) (Zip code)

Mark F. Kemper, Esq.  
UBS Global Asset Management  
51 West 52<sup>nd</sup> Street  
New York, NY 10019-6114  
(Name and address of agent for service)

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

Date of fiscal year end: March 31

Date of reporting period: June 30, 2008

**Item 1. Schedule of Investments****Insured Municipal Income Fund Inc.****Schedule of investments June 30, 2008 (unaudited)**

	<b>Moody's rating</b>	<b>S&amp;P rating</b>	<b>Face amount (\$)</b>	<b>Value (\$)</b>
<b>Long-term municipal bonds 169.16%</b>				
<b>California 32.25%</b>				
California State General Obligation (FGIC Insured), 7.000%, due 11/01/12	A1	A+	30,000	30,436
Los Angeles Community College District Refunding-Election 2001-Series A (FSA Insured), 5.000%, due 08/01/25	Aaa	Aaa	5,000,000	5,165,400
5.000%, due 06/01/26	Aaa	Aaa	9,000,000	9,270,090
Los Angeles County Sanitation Districts Financing Authority Revenue-Capital Projects-Series A (FSA Insured), 5.000%, due 10/01/20	Aaa	Aaa	8,475,000	8,773,151
Los Angeles Wastewater System Revenue Refunding-Subseries A (MBIA Insured), 5.000%, due 06/01/26	A1	AA	11,625,000	11,786,355
Los Angeles Water & Power Revenue-Power System-Series A, Subseries A-2 (MBIA-IBC Insured), 5.000%, due 07/01/30	Aa3	AA	5,000,000	5,048,450
Los Angeles Water & Power Revenue-Power System-Series B (FSA Insured), 5.000%, due 07/01/25	Aaa	Aaa	6,000,000	6,119,580
Manteca Financing Authority Water Revenue-Series A (MBIA Insured), 4.750%, due 07/01/33	A2	AA	15,000,000	14,242,500
Metropolitan Water District of Southern California Waterworks Revenue-Series A (FSA Insured), 5.000%, due 07/01/35	Aaa	Aaa	10,000,000	10,117,700
Oxnard Financing Authority Wastewater Revenue-Redwood Trunk Sewer & Headworks-Series A (FGIC Insured), 5.250%, due 06/01/34	NR	A+	7,160,000	7,187,136
Sacramento County Sanitation District Financing Authority Revenue Refunding (AMBAC Insured), 5.000%, due 12/01/27	Aa3	AA	10,000,000	10,091,400
San Francisco City & County Public Utilities Commission Water Revenue-Series A (MBIA Insured), 5.000%, due 11/01/25	A1	AA	3,000,000	3,045,330
				90,877,528
<b>District of Columbia 4.22%</b>				
District of Columbia Hospital Revenue Refunding-Medlantic Healthcare-Series A (Escrowed to Maturity) (MBIA Insured), 5.750%, due 08/15/14	A2	AA	4,000,000	4,015,680
District of Columbia Water & Sewer Authority Public Utility Revenue-Subordinate Lien Revenue (FGIC Insured), 5.000%, due 10/01/33	A1	AA-	6,000,000	5,840,100
Metropolitan Washington, D.C. Airport Authority Airport System Revenue-Series A (MBIA Insured), 5.250%, due 10/01/16 <sup>(1)</sup>	Aa3	AA	2,000,000	2,041,160
				11,896,940

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	<u>Moody's</u> <u>rating</u>	<u>S&amp;P</u> <u>rating</u>	<u>Face</u> <u>amount (\$)</u>	<u>Value (\$)</u>
<b>Long-term municipal bonds (continued)</b>				
<b>Florida 16.27%</b>				
Florida State Board of Education-Capital Outlay-Series E (FGIC Insured), 5.000%, due 06/01/24	Aa1	Aaa	8,000,000	8,142,3
Florida State Board of Education Lottery Revenue-Series B (BHAC-CR MBIA Insured), 5.000%, due 07/01/26	Aaa	Aaa	14,000,000	14,422,3
Hillsborough County Port District Revenue-Tampa Port Authority Project-Series A (MBIA Insured), <sup>(1)</sup> 5.750%, due 06/01/16	A2	AA	1,060,000	1,103,3
5.750%, due 06/01/17	A2	AA	1,115,000	1,155,3
5.750%, due 06/01/18	A2	AA	1,175,000	1,213,3
5.750%, due 06/01/19	A2	AA	1,240,000	1,277,3
Miami-Dade County Aviation Revenue Refunding-Miami International Airport-Series B (XLCA Insured), 5.000%, due 10/01/18 <sup>(1)</sup>	A2	A-	10,000,000	9,523,3
Miami-Dade County Expressway Authority Toll System Revenue-Series B (FGIC Insured), 5.250%, due 07/01/26	A3	A	3,000,000	3,066,3
Miami-Dade County School Board-Certificates of Participation-Series A (FGIC Insured), 5.000%, due 05/01/21	A3	A	6,000,000	5,960,3
				<u>45,864,3</u>
<b>Georgia 6.39%</b>				
Atlanta Airport Revenue Refunding-Series D (FGIC Insured), 5.250%, due 01/01/15 <sup>(1)</sup>	A1	A+	11,545,000	11,643,3
Columbus Building Authority Lease Revenue-Series A (FGIC Insured), 5.250%, due 01/01/16	Aa3	AA	1,015,000	1,082,3
George L Smith II World Congress Center Authority Revenue Refunding-Domed Stadium Project (MBIA Insured), 5.750%, due 07/01/14 <sup>(1)</sup>	A2	AA	5,000,000	5,258,3
Georgia Municipal Electric Authority Power Revenue-Series Y (Escrowed to Maturity) (MBIA-IBC Insured), 10.000%, due 01/01/10	A2	Aaa	15,000	16,3
				<u>18,001,3</u>
<b>Illinois 23.53%</b>				
Chicago Board of Education-Series D (FSA Insured), 5.000%, due 12/01/21	Aaa	Aaa	9,885,000	10,354,3
5.000%, due 12/01/25	Aaa	Aaa	8,705,000	8,995,3
Chicago General Obligation-Unrefunded Balance-Series A (FSA Insured), 5.000%, due 01/01/25	Aaa	Aaa	260,000	265,3
5.000%, due 01/01/26	Aaa	Aaa	350,000	356,3
Chicago O'Hare International Airport Revenue, Series A (FSA Insured), 5.000%, due 01/01/19			8,960,000	9,317,3
Series B (FSA Insured), 5.000%, due 01/01/18	Aaa	Aaa	10,670,000	11,120,3
Chicago Transit Authority Capital Grant Receipts Revenue-Federal Transit Administration Section 5309 (Assured Guaranty Insured), 5.250%, due 06/01/25	Aaa	Aaa	6,000,000	6,288,3
5.250%, due 06/01/26	Aaa	Aaa	6,500,000	6,796,3

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<b>Long-term municipal bonds (continued)</b>				
<b>Illinois (concluded)</b>				
Chicago Wastewater Transmission Revenue Refunding-Second Lien-Series B (FSA-CR FGIC Insured), 5.000%, due 01/01/25	Aaa	Aaa	5,000,000	5,142,9
Illinois Health Facilities Authority Revenue-Franciscan Sisters Health Care-Series C (Escrowed to Maturity) (MBIA Insured), 5.750%, due 09/01/18	A2	AA	4,500,000	4,989,7
Metropolitan Pier & Exposition Authority Dedicated State Tax-Series A-2002 (Escrowed to Maturity) (FGIC Insured), 5.500%, due 12/15/23	A1	Aaa	2,395,000	2,678,7
				<u>66,305,1</u>
<b>Indiana 6.51%</b>				
Indiana Health & Educational Facilities Financing Authority Hospital Revenue Refunding-Clarian Health Obligation Group-Series B, 5.000%, due 02/15/30	A2	A+	5,000,000	4,697,8
Indianapolis Airport Authority Revenue Refunding-Special Facilities-Fed Ex Corp. Project, 5.100%, due 01/15/17 <sup>(1)</sup>	Baa2	BBB	8,000,000	7,583,9
Indiana State Finance Authority Revenue-Ascension Health-Series E-8 (Mandatory Put 12/15/09 @ 100), 3.500%, due 11/15/36 <sup>(2)</sup>	Aa1	AA+	5,000,000	5,012,3
Indiana University Revenue-Student Fee-Series O (FGIC Insured), 5.250%, due 08/01/18	Aa1	AA	1,000,000	1,046,2
				<u>18,340,2</u>