

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST

CIK: **894146** | IRS No.: **133701273** | State of Incorporation: **MA** | Fiscal Year End: **1031**
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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
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DEAR SHAREHOLDER:

Strong economic growth in the fourth quarter of 1993 and a shift in Federal Reserve Board monetary policy in February of 1994 caused the fixed-income markets to reverse direction and led to the sharpest increase in interest rates in more than six years. At the beginning of the year, market concerns about inflation developed as the economy approached full employment and commodity prices moved upward. The Federal Reserve Board responded by tightening monetary policy. Since early February, the central bank has raised the federal-funds rate -- the interest rate banks charge each other for overnight loans -- 250 basis points from 3.00 percent to 5.50 percent in six separate moves through November. Between May and November, the discount rate -- the interest rate the Federal Reserve charges member banks for loans -- increased 175 basis points to 4.75 percent.

During InterCapital California Insured Municipal Income Trust's (NYSE symbol: IIC) fiscal year ended October 31, 1994, long-term municipal bond yields, as measured by The Bond Buyer Revenue Bond Index,* rose 139 basis points from 5.56 percent to 6.95 percent. In February and March yields jumped 89 basis points from 5.50 percent to 6.39 percent in response to the Federal Reserve Board's initial tightening and subsequent municipal bond selling pressure. A semblance of stability returned to the market between June and August. After Labor Day, however, continued economic growth, aggressive tax-loss selling, heavy mutual-fund redemptions and excessive dealer inventory led to further municipal market deterioration. The total yield increase of 139 basis points during the fiscal year was equivalent to a 17 percent price decline for a 30-year municipal bond. One-third of this price decline occurred in September and October.

The municipal market was also influenced by supply and demand conditions. New-issue underwriting totaled a record \$290 billion in 1993. The pace of new-issue activity over the first 10 months of 1994, however, slowed 44 percent. The estimated issuance for 1994 is \$160 billion. By way of comparison, bond maturities and calls for redemption are expected to reach \$190 billion this year resulting in a reduction in the amount of municipal debt outstanding. This scarcity would normally be expected to improve the relative performance of municipal bonds under stable-to-improving interest rate conditions.

PERFORMANCE

The Trust's net asset value (NAV) declined from \$14.87 to \$11.29 per share during the fiscal year ended October 31, 1994. Based on this change and reinvestment of tax-free dividends totaling \$0.87 per share, the Trust's total return for the fiscal year was -18.96 percent. Concurrently, the Trust's market price on the New York Exchange declined from \$15.375 to \$11.125 per share. Based on this market change and reinvestment of dividends, the Trust's total return for the fiscal year was -22.82 percent. The Trust began the fiscal year trading at a 3.40 percent premium to NAV and closed at a 1.46 percent discount to NAV.

* The Bond Buyer Revenue Bond Index is an arithmetic average of the yields of 25 selected municipal revenue bonds with 30-year maturities. Credit ratings of these bonds range from Aa1 to Baa1 by Moody's and AA+ to A- by Standard & Poor's.

PORTFOLIO STRUCTURE

As of October 31, 1994, the portfolio's long-term investments were diversified among 8 municipal sectors and 36 credits. The three largest sectors were water and sewer, tax allocation, and electric revenue bonds, representing 55 percent of net assets. The average maturity and call protection of the Trust's long-term holdings was 24 years and 9 years, respectively. At the end of the period, the Trust had net assets in excess of \$243 million.

Each position in the portfolio was backed either by bond insurers that are rated Aaa by Moody's Investors Service, Inc. and by Standard & Poor's Corp. As

of October 31, 1994, the distribution of long-term credit enhancements was:

<TABLE>
<CAPTION>

Municipal Bond Insurance	Percent
AMBAC Indemnity Corporation (AMBAC).....	25%
Financial Guaranty Insurance Company (FGIC).....	19
Financial Security Assurance Inc. (FSA).....	4
Municipal Bond Investors Assurance Corporation (MBIA).....	52

</TABLE>

On December 6, 1994, Orange County, California filed for protection under federal bankruptcy law as the result of market losses in its pooled investment fund. Only one of the Trust's holdings representing 3.0 percent of net assets has been identified as a possible participant in the pool. This triple -A rated bond is insured by AMBAC as to principal and interest in the event that the issuer experiences difficulty in meeting debt service payments.

THE IMPACT OF LEVERAGING

As reported previously, the Trust's common shares are leveraged. Leverage was created through the issuance of auction rate preferred shares (ARPS). The ARPS's auction periods normally range between one week and one year. Proceeds from ARPS underwritings were used to purchase additional long-term municipal bonds. Following the payment of ARPS dividends, the common shares earn incremental income when the portfolio yield is higher than the costs of the ARPS (yield plus operating and remarketing expenses). Although rising short-term interest rates have narrowed the yield spread this year, ARPS continue to provide positive incremental income to common shareholders.

The leveraged capital structure of closed-end municipal bond funds additionally impacts NAV. ARPS normally account for one-third of a fund's underwritten capital structure. This produces a volatility factor for common shares of 1.5 times the price change of bonds held in the portfolio. The common stock's NAV per share reflects the full price change of the portfolio's investments since the value of the preferred shares does not fluctuate.

As the bond market has eroded, the degree of leverage and volatility has increased. The purchase and retirement of ARPS counteracts this trend. During the fiscal year, IIC purchased and retired \$15 million in par amount of ARPS so that \$85 million in ARPS remain outstanding. Additional ARPS purchases may occur if the degree of leverage increases or ARPS profitability (spread) declines significantly.

DIVIDEND RESERVES

At the end of the fiscal year, IIC had undistributed net investment income of \$0.069 per share available for future distributions. This dividend reserve or "cushion" helped sustain the Trust's current

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monthly dividend. Higher yields in future ARPS auctions and ARPS retirements may further erode the cushion. Declines in the dividend reserve may cause the Trust to adjust the common share dividend.

LOOKING AHEAD

The overall direction of interest rates will primarily be determined by the strength of the economy, the trend of inflation and the Federal Reserve Board's responses. These conditions may continue to move interest rates higher through mid-1995. Investor demand for municipal securities should be sustained by significant bond maturities, calls for redemption and diminished new-issue supply. Changing market conditions and the profitability of ARPS are among the factors that will determine the Trust's future level of income and influence the direction of the common stock market price.

The Trust's procedure for reinvestment of all dividends and distributions on common shares is by purchase in the open market. This method helps to support the market value of the Trust's shares. In addition, the Trustees have approved a procedure whereby the Trust, when appropriate, purchases shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may

also utilize procedures to reduce or eliminate the amount of outstanding ARPS, including their purchase in the open market or in privately negotiated transactions.

We appreciate your ongoing support of InterCapital California Insured Municipal Income Trust and look forward to continuing to serve your investment needs.

Very truly yours,

Charles A. Fiomefreddo
Chairman of the Board

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
PORTFOLIO OF INVESTMENTS October 31, 1994

<TABLE>
<CAPTION>

Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
	CALIFORNIA EXEMPT MUNICIPAL BONDS (92.4%)			
	GENERAL OBLIGATION (6.2%)			
\$ 10,000	California, Various Purpose 4/1/93 (FSA Insured).....	5.50 %	4/ 1/19	\$ 8,419,200
3,000	Industry, Refg Issue of 1993 (MBIA Insured).....	5.50	7/ 1/13	2,593,500
4,900	Refg Issue of 1993 (MBIA Insured).....	5.50	7/ 1/16	4,167,793
-----				-----
17,900				15,180,493
-----				-----
	ELECTRIC REVENUE (16.5%)			
8,000	Los Angeles Department of Water & Power, Refg Issue of 1993 (Secondary MBIA Insured).....	5.875	9/ 1/30	6,924,560
8,000	M-S-R Public Power Agency, San Juan Refg Ser F (AMBAC Insured).....	6.00	7/ 1/20	7,280,960
7,000	Northern California Transmission Agency, California-Oregon Transmission Refg Ser 1993 A (MBIA Insured).....	5.25	5/ 1/20	5,615,540
3,500	Sacramento Municipal Utility District, Refg 1993 Ser D (FGIC Insured).....	5.25	11/15/12	2,916,795
8,000	Refg 1993 Ser D (MBIA Insured).....	5.485	11/15/15	7,326,240
12,000	Southern California Public Power Authority, Power 1993 Sub Refg Ser A (FGIC Insured).....	5.31	7/ 1/17	10,043,640
-----				-----
46,500				40,107,735
-----				-----
	HOSPITAL REVENUE (6.6%)			
4,150	Bakersfield, Adventist Health West Ser 1993 (MBIA Insured).....	5.50	3/ 1/19	3,494,632
3,000	California Health Facilities Financing Authority, Children's Hospital-San Diego Ser 1993 (MBIA Insured).....	5.75	7/ 1/23	2,591,070
5,000	California Statewide Communities Development Authority, Motion Picture & Television Fund COPs (AMBAC Insured)	5.375	1/ 1/20	4,089,600
5,000	UniHealth America 1993 Ser A COPs (AMBAC Insured)....	5.50	10/ 1/14	4,286,250
2,000	Marysville, Fremont-Rideout Health Group Refg Ser 1993-A (AMBAC Insured).....	5.55	1/ 1/13	1,739,280
-----				-----
19,150				16,200,832
-----				-----
	PUBLIC FACILITIES REVENUE (13.4%)			
10,000	Alameda County, Santa Rita Jail 1993 Refg COPs (MBIA Insured).....	5.70	12/ 1/14	8,793,600
14,000	Beverly Hills Public Financing Authority, Lease 1993 Refg Ser A (MBIA Insured).....	5.51	6/ 1/15	12,257,980
9,000	California Public Works Board, Dept of Corrections Refg 1993 Ser B (MBIA Insured).....	5.50	12/ 1/12	7,825,590
5,000	Modesto, Community Center Refg 1993 Ser A COPs (AMBAC Insured).....	5.00	11/ 1/23	3,820,600
-----				-----

</TABLE>

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
 PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
	TAX ALLOCATION (17.2%)			
\$ 10,000	Long Beach Financing Authority, Ser 1992 (AMBAC Insured).....	5.50 %	11/ 1/22	\$ 8,338,400
10,000	Orange Redevelopment Agency, Southwest Refg Issue of 1993 A (AMBAC Insured).....	5.70	10/ 1/23	8,570,800
7,500	Port Hueneme Redevelopment Agency, Central Community 1993 Refg (AMBAC Insured).....	5.50	5/ 1/23	6,246,525
7,000	Poway Redevelopment Agency, Paguay Redev Sub Refg Ser 1993 (FGIC Insured).....	5.50	12/15/23	5,821,200
6,000	Riverside Redevelopment Agency, Merged Refg 1993 Ser A (MBIA Insured).....	5.625	8/ 1/23	5,087,520
5,000	Santa Clara Redevelopment Agency, Bayshore North 1992 Refg (AMBAC Insured).....	5.75	7/ 1/14	4,424,600
4,000	Simi Valley Public Financing Authority, 1993 Refg (MBIA Insured).....	5.50	9/ 1/15	3,412,760
49,500				41,901,805
	TRANSPORTATION FACILITIES REVENUE (7.5%)			
8,000	Los Angeles County Metropolitan Transportation Authority, Sales Tax Refg Ser 1993-A (MBIA Insured).....	5.625	7/ 1/18	6,867,120
7,000	Los Angeles County Transportation Commission, Second Sr Ser 1992-A (MBIA Insured).....	6.00	7/ 1/23	6,345,570
5,000	San Francisco Airports Commission, San Francisco Intl Airport Second Ser Refg Issue 2 (MBIA Insured).....	6.75	5/ 1/20	5,014,850
20,000				18,227,540
	WATER & SEWER REVENUE (21.4%)			
10,000	California Department of Water Resources, Central Valley Ser L (Secondary MBIA Insured).....	5.75	12/ 1/19	8,700,300
2,805	Contra Costa Water Authority, Water Treatment Refg 1993 Ser A (FGIC Insured).....	5.75	10/ 1/14	2,483,154
7,000	Eastern Municipal Water District, Ser 1993 A COPs (FGIC Insured).....	5.25	7/ 1/23	5,557,370
10,000	Los Angeles, Wastewater Refg Ser 1993-A (MBIA Insured).....	5.80	6/ 1/21	8,744,200
3,000	Oceanside, Water Refg COPs (AMBAC Insured).....	5.70	8/ 1/14	2,637,870
2,250	Palmdale Water District, Little Rock Dam Ser 1993 A COPs (MBIA Insured).....	5.75	10/ 1/23	1,942,538
3,500	Redding Joint Powers Financing Authority, Wastewater Refg 1992 Ser A (FGIC Insured).....	6.00	12/ 1/11	3,306,905
3,100	San Elijo Joint Powers Authority, 1993 Refg (FGIC Insured).....	5.00	3/ 1/20	2,396,021
5,000	Santa Maria, Local Water & Refg Ser 1993 COPs (FGIC Insured).....	5.50	8/ 1/21	4,181,800
9,000	South County Regional Wastewater Authority, Wastewater & Cap Impr Morgan Hill Ser 1992-B Reg 1 (FGIC Insured).....	5.50	8/ 1/22	7,508,250
5,000	West & Central Basin Financing Authority, Water Ser 1992 (AMBAC Insured).....	6.125	8/ 1/22	4,615,600
60,655				52,074,008

</TABLE>

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
 PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
\$ 10,000	OTHER REVENUE (3.6%) Puerto Rico Telephone Authority, Refg Ser M (MBIA Insured).....	5.45 %	1/16/15	\$ 8,746,300
261,705	TOTAL CALIFORNIA EXEMPT MUNICIPAL BONDS (IDENTIFIED COST \$258,168,992).....			225,136,483
8,900	CALIFORNIA EXEMPT SHORT-TERM MUNICIPAL OBLIGATIONS (5.6%) California Health Facilities Financing Authority, St Joseph Health Ser B (Tender 11/1/94).....	3.45*	7/ 1/09	8,900,000
4,800	Irvine Ranch Water District, 1986 Impr (Tender 11/1/94).....	3.20*	8/ 1/09	4,800,000
13,700	TOTAL CALIFORNIA EXEMPT SHORT-TERM MUNICIPAL OBLIGATIONS (IDENTIFIED COST \$13,700,000).....			13,700,000
\$275,405	TOTAL INVESTMENTS (IDENTIFIED COST \$271,868,992) (a).....		98.0%	238,836,483
	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES.....		2.0	4,839,891
	NET ASSETS.....		100.0%	\$243,676,374

</TABLE>

COPs Certificates of Participation.

* Variable or floating rate securities. Coupon rate shown reflects current rate.

(a) The aggregate cost for federal income tax purposes is \$271,868,992; the aggregate gross and net unrealized depreciation is \$33,032,509.

See Notes to Financial Statements

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
 FINANCIAL STATEMENTS

<S>		<C>
STATEMENT OF ASSETS AND LIABILITIES October 31, 1994		
ASSETS:		
Investments in securities, at value (identified cost \$271,868,992) (Note 1)...	\$ 238,836,483	
Cash.....	130,005	
Interest receivable.....	4,750,759	
Deferred organizational expenses (Note 1)...	23,931	
Prepaid expenses.....	89,529	
TOTAL ASSETS.....	243,830,707	
LIABILITIES:		
Investment management fee payable (Note 2).....	77,272	
Accrued expenses (Note 3).....	77,061	
TOTAL LIABILITIES.....	154,333	

NET ASSETS:	
Preferred shares of beneficial interest (1,000,000 shares authorized of non- participating \$.01 par value, 1,695 shares outstanding) (Note 4).....	84,750,000

Common shares of beneficial interest (unlimited shares authorized of \$.01 par value, 14,082,613 shares outstanding) (Note 5).....	195,784,540
Unrealized depreciation on investments.....	(33,032,509)
Accumulated undistributed net investment income.....	969,565
Accumulated net realized loss on investments.....	(4,795,222)

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS.....	158,926,374

TOTAL NET ASSETS.....	\$ 243,676,374
=====	
NET ASSET VALUE PER COMMON SHARE, (\$158,926,374 divided by 14,082,613 common shares outstanding).....	\$11.29
=====	

STATEMENT OF OPERATIONS

For the year ended October 31, 1994

INVESTMENT INCOME:	
INTEREST INCOME.....	\$ 16,695,899

EXPENSES	
Investment management fee (Note 2).....	995,112
Auction commission fees.....	310,682
Professional fees.....	104,148
Auction agent fees.....	64,639
Transfer agent fees and expenses (Note 3).....	62,873
Trustees' fees and expenses (Note 3)....	29,415
Registration fees.....	28,371
Shareholder reports and notices.....	27,132
Organizational expenses (Note 1).....	7,198
Other.....	25,827

TOTAL EXPENSES.....	1,655,397

NET INVESTMENT INCOME.....	15,040,502

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS (Note 1):	
Net realized loss on investments.....	(4,795,222)
Net change in unrealized appreciation on investments.....	(45,557,371)

NET LOSS ON INVESTMENTS.....	(50,352,593)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ (35,312,091)
=====	

</TABLE>

See Notes to Financial Statements

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INVESTMENT TRUST
FINANCIAL STATEMENTS (continued)

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

	For the year ended October 31, 1994	For the period February 26, 1993 through October 31, 1993 (Note 1)
<S>	----- <C>	----- <C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net investment income.....	\$ 15,040,502	\$ 8,675,744
Net realized gain (loss) on investments.....	(4,795,222)	75,016
Net change in unrealized appreciation on investments.....	(45,557,371)	12,524,862
	-----	-----
Net increase (decrease) in net assets resulting from operations.....	(35,312,091)	21,275,622
	-----	-----
Dividends to preferred shareholders from net investment income.....	(2,851,151)	(1,505,835)
Dividends and distributions to common shareholders from:		
Net investment income.....	(12,253,231)	(6,136,464)
Net realized gain on investments.....	(75,016)	--
	-----	-----
Total dividends and distributions.....	(15,179,398)	(7,642,299)
	-----	-----
Increase (decrease) from transactions in shares of beneficial interest (Notes 4 & 5):		
Common.....	(341,173)	196,025,704
Preferred.....	(15,250,000)	100,000,000
	-----	-----
Total transactions.....	(15,591,173)	296,025,704
	-----	-----
Total increase (decrease).....	(66,082,662)	309,659,027
	-----	-----
NET ASSETS:		
Beginning of period.....	309,759,036	100,009
	-----	-----
END OF PERIOD (including undistributed net investment income of \$969,565 and \$1,033,445, respectively).....	\$ 243,676,374	\$ 309,759,036
	=====	=====

</TABLE>

See Notes to Financial Statements

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND ACCOUNTING POLICIES -- InterCapital California Insured Municipal Income Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The Trust was organized as a Massachusetts business trust on November 2, 1992 and had no operations until February 26, 1993 other than matters related to the sale and issuance of 7,113 common shares of beneficial interest to Dean Witter InterCapital Inc. (the "Investment Manager") for \$100,009.

The following is a summary of significant accounting policies:

A. Valuation of Investments -- Portfolio securities are valued for the Trust by an outside independent pricing service approved by the Trustees. The pricing service has informed the Trust that in valuing the Trust's portfolio securities, it uses both a computerized matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the bid side of the market each day. The Trust's portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. Short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

B. Accounting for Investments -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined on the identified cost method. The Trust amortizes premiums and discounts on securities purchased over the life of the respective securities. Interest income is accrued daily.

C. Federal Income Tax Status -- It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable and nontaxable income to its shareholders. Accordingly, no federal income tax provision is required.

D. Dividends and Distributions to Shareholders -- The Trust records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for financial reporting purposes but not for tax purposes are reported as dividends in excess of net investment income or distributions in excess of net realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

E. Organizational and Offering Expenses -- The Investment Manager paid the organizational and offering expenses of the Trust's common shares in the amounts of \$36,000 and \$395,438, respectively, and paid \$293,608 in offering expenses of the Trust's preferred shares. Organizational expenses have been reimbursed by the Trust for the full amount thereof. Such expenses are being

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
NOTES TO FINANCIAL STATEMENTS (continued)

amortized by the straight-line method over a period not to exceed five years from the commencement of operations. Offering expenses have been reimbursed by the Trust and were charged to capital at the time of issuance of the Trust's respective shares.

2. INVESTMENT MANAGEMENT AGREEMENT -- Pursuant to an Investment Management Agreement, the Trust pays its Investment Manager a management fee, calculated weekly and payable monthly, by applying the annual rate of 0.35% to the Trust's average weekly net assets.

Under the terms of the Agreement, the Investment Manager maintains certain of the Trust's books and records and furnishes, at its own expense, office space, facilities, equipment, clerical, bookkeeping and certain legal services and pays the salaries of all personnel, including officers of the Trust who are employees of the Investment Manager. The Investment Manager also bears the cost of telephone services, heat, light, power and other utilities provided to the Trust.

3. SECURITY TRANSACTIONS AND TRANSACTIONS WITH AFFILIATES -- The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the year ended October 31, 1994 aggregated \$31,647,750 and \$59,004,995, respectively.

On January 1, 1994, the Trust adopted an unfunded noncontributory defined benefit pension plan covering all independent Trustees of the Trust who will have served as an independent Trustee for at least five years at the time of retirement. Benefits under this plan are based on years of service and compensation during the last five years of service. Aggregate pension costs for the year ended October 31, 1994, included in Trustees' fees and expenses in the Statement of Operations amounted to \$9,946. At October 31, 1994, the Trust has an accrued pension liability of \$9,883 which is included in accrued expenses in the Statement of Assets and Liabilities.

Dean Witter Trust Company, an affiliate of the Investment Manager, is the Trust's transfer agent. At October 31, 1994, the Trust had transfer agent fees and expenses payable of approximately \$6,100.

Dean Witter Distributors Inc., the Trust's principal underwriter and an affiliate of the Investment Manager, has informed the Trust that it received approximately \$1,531,000 in underwriting discounts and commissions in connection with the offering of the preferred shares.

4. PREFERRED SHARES OF BENEFICIAL INTEREST -- The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of \$.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. On April 15, 1993, the Trust issued 2,000 shares of Auction Rate Preferred Shares ("Preferred Shares") consisting of 500 shares each of Series One through Four for gross total proceeds of \$100,000,000. Underwriting discounts and commissions were charged to capital at the time of issuance. The preferred shares have a liquidation value of \$50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends (whether or not declared) thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of \$50,000 per share plus accumulated but unpaid dividends (whether or not declared) thereon to the date of redemption.

During the year ended October 31, the Trust purchased and retired preferred shares as follows:

<TABLE>
<CAPTION>

Series	Shares	Amount
<S>	<C>	<C>
1	5	\$ 250,000
2	100	5,000,000
4	200	10,000,000
Total	305	\$ 15,250,000

</TABLE>

INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
NOTES TO FINANCIAL STATEMENTS (continued)

Dividends, which are cumulative, are reset through auction procedures.

<TABLE>
<CAPTION>

Shares*	Series	Rate*	Reset Date	Ranges of Dividend Rates**
495	1	3.239%	11/4/94	1.80 % - 3.39%
400	2	3.30	1/6/95	3.04 - 3.30
500	3	3.51	3/3/95	2.875 - 3.51
300	4	3.20	11/4/94	3.00 - 3.55

</TABLE>

* As of October 31, 1994

** For the year ended October 31, 1994

Subsequent to October 31, 1994 and up through December 13, 1994, the Trust paid dividends to Series 1 and 4 at rates ranging from 1.50% to 3.239% and 2.59% to 3.85%, respectively, and to Series 2 and 3 at a rate of 3.30% and 3.51%, respectively, in the aggregate amount of \$352,048.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

The preferred shares, which are entitled to one vote per share, generally

vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

5. COMMON SHARES OF BENEFICIAL INTEREST -- Transactions in common shares of beneficial interest were as follows:

	Shares	Par Value	Capital Paid in Excess of Par Value
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance (Note 1).....	7,113	\$ 71	\$ 99,938
Shares issued at close of public offering on February 26, 1993*.....	13,000,000	130,000	182,254,562
Shares issued on March 25, 1993 to cover over-allotment.....	1,100,000	11,000	15,455,000
Offering costs and underwriting discounts associated with the issuance of preferred shares.....			(1,824,858)
Balance, October 31, 1993.....	14,107,113	141,071	195,984,642
Treasury shares purchased and retired (weighted average discount 2.07%)**.....	(24,500)	(245)	(340,928)
Balance, October 31, 1994.....	14,082,613	\$ 140,826	\$ 195,643,714

</TABLE>

* Net of offering costs of \$395,438.
 ** The Trustees have voted to retire the shares purchased.

6. FEDERAL INCOME TAX STATUS -- At October 31, 1994, the Trust had a net capital loss carryover of approximately \$4,795,000 which will be available through October 31, 2002, to offset future capital gains, to the extent provided by regulations.

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
 NOTES TO FINANCIAL STATEMENTS (continued)

7. DIVIDENDS TO COMMON SHAREHOLDERS -- The Trust has declared the following dividends from net investment income:

Declaration Date	Amount per Share	Record Date	Payable Date
-----	-----	-----	-----
<S>	<C>	<C>	<C>
November 1, 1994	\$ 0.0725	November 11, 1994	November 25, 1994
November 29, 1994	\$ 0.0725	December 9, 1994	December 23, 1994

8. SELECTED QUARTERLY FINANCIAL DATA -- (unaudited)

	Quarters Ended*							
	10/31/94		7/31/94		4/30/94		1/31/94	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total investment income.....	\$ 4,114	\$ 0.29	\$ 4,082	\$ 0.29	\$ 4,168	\$ 0.30	\$ 4,332	\$ 0.31
Net investment income.....	3,695	0.26	3,674	0.26	3,756	0.27	3,915	0.28
Net realized and unrealized gain (loss) on investments.....	(19,272)	(1.36)	3,068	0.22	(36,281)	(2.58)	2,133	0.15

	Quarters Ended*					
	10/31/93		7/31/93		4/30/93**	
	Total	Per Share	Total	Per Share	Total	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total investment income.....	\$ 4,366	\$ 0.31	\$ 4,106	\$ 0.29	\$ 1,194	\$ 0.08
Net investment income.....	3,942	0.28	3,721	0.27	1,013	0.07
Net realized and unrealized gain on investments.....	11,919	0.84	667	0.05	14	--

* Totals expressed in thousands of dollars.

** For the period February 26, 1993 (commencement of operations) through April 30, 1993.

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
FINANCIAL HIGHLIGHTS

Selected ratios and per share data for a common share of beneficial interest outstanding throughout each period:

<TABLE>
<CAPTION>

	For the year ended October 31, 1994**	For the period February 26, 1993* through October 31, 1993**
<S>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period.....	\$ 14.87	\$ 14.06
Net investment income.....	1.07	0.62
Net realized and unrealized gain (loss) on investments.....	(3.57)	0.89
Total from investment operations.....	(2.50)	1.51
Less dividends, distributions and other charges:		
Dividends from net investment income.....	(0.87)	(0.43)
Common share equivalent of dividends paid to preferred shareholders.....	(0.20)	(0.11)
Distributions from net realized gains on investments.....	(0.01)	--
Offering costs charged against capital.....	--	(0.16)
Total dividends, distributions and other charges.....	(1.08)	(0.70)
Net asset value, end of period.....	\$ 11.29	\$ 14.87
Market value, end of period.....	\$ 11.125	\$ 15.375
TOTAL INVESTMENT RETURN+.....	(22.82)%	5.39% (1)
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of period (in thousands).....	\$ 243,676	\$ 309,759
Ratios to average net assets of common shareholders:		
Total expenses.....	0.89%	0.73% (2)
Net investment income before preferred stock dividends.....	8.12%	6.39% (2)
Preferred stock dividends.....	1.54%	1.11% (2)
Net investment income available to common shareholders.....	6.58%	5.28% (2)
Asset coverage on preferred shares at end of		

period.....	287%	309%
Portfolio turnover rate.....	12%	2%(1)

</TABLE>

* Commencement of operations.

** The per share amounts were computed using an average number of shares outstanding during the period.

+ Total investment return is based upon the current market value on the last day of each period reported. Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's dividend reinvestment plan. Total investment return does not reflect sales charges or brokerage commissions.

(1) Not annualized.

(2) Annualized.

See Notes to Financial Statements

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INTERCAPITAL CALIFORNIA INSURED MUNICIPAL INCOME TRUST
REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Trustees of InterCapital California Insured Municipal Income Trust

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of InterCapital California Insured Municipal Income Trust (the "Trust") at October 31, 1994, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and for the period February 26, 1993 (commencement of operations) through October 31, 1993, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at October 31, 1994 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
New York, New York
December 13, 1994

1994 FEDERAL TAX NOTICE (unaudited)

During the year ended October 31, 1994, the Trust paid the following per share amounts from tax-exempt income: \$0.87 to common shareholders, \$1,236 to series 1 preferred shareholders, \$1,558 to series 2 preferred shareholders, \$1,562 to series 3 preferred shareholders, and \$1,424 to series 4 preferred shareholders.

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TRUSTEES
Jack F. Bennett
Michael Bozic
Charles A. Fiumefredo
Edwin J. Garn
John R. Haire

Dr. Manuel H. Johnson
Paul Kolton
Michael E. Nugent
Philip J. Purcell
John L. Schroeder

OFFICERS

Charles A. Fiumefreddo
Chairman and Chief Executive Officer

Sheldon Curtis
Vice President, Secretary and General Counsel

James F. Willison
Vice President

Thomas F. Caloia
Treasurer

TRANSFER AGENT

Dean Witter Trust Company
Harborside Financial Center - Plaza Two
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INDEPENDENT ACCOUNTANTS

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INVESTMENT MANAGER

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Annual Report
October 31, 1994