

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 INSURED MUNICIPAL SECURITIES

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Mailing Address	Business Address
<i>TWO WORLD TRADE CENTER NEW YORK NY 10048</i>	<i>2 WORLD TRADE CENTER, 72ND FLOOR NEW YORK NY 10048</i>

INTERCAPITAL INSURED MUNICIPAL SECURITIES
Two World Trade Center
New York, New York 10048

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 Insured Municipal Securities' (NYSE symbol: IMS) 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

Since its inception on February 28, 1994, through October 31, 1994, the Trust's net asset value (NAV), adjusted for offering costs, declined from \$14.02 to \$13.20 per share. Based on this change and reinvestment of tax-free dividends totaling \$0.375 per share, the Trust's total return since inception was -3.24 percent. Concurrently, the Trust's market price on the New York Exchange declined from \$15.00 to \$11.125 per share. Based on this market change and reinvestment of dividends, the Trust's total return since inception was -23.56 percent. At inception, the Trust was trading at a 7.0 percent premium to NAV and closed at a 15.72 percent discount on October 31, 1994. Undistributed net investment income of \$0.058 per share was available on October 31, 1994 to help sustain the Trust's current dividend.

PORTFOLIO STRUCTURE

As of October 31, 1994, the portfolio's long-term investments were diversified among 10 municipal sectors and 36 credits. The three largest sectors were electric revenue, transportation revenue, and general

(*) 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.

obligation bonds, representing 57 percent of net assets. The average maturity and call protection of the Trust's long-term holdings was 26 years and 10 years, respectively. Bonds subject to the alternative minimum tax (AMT) represented approximately 15 percent of net assets. At the end of the period, the Trust had net assets in excess of \$132 million.

Each position in the portfolio was backed either by bond insurers that are rated Aaa by Moody's Investors Service, Inc. and/or AAA by Standard & Poor's Corp. This is to ensure the timely payment of principal and interest. As of October 31, 1994, the distribution of long-term credit enhancements was:

<TABLE>

<CAPTION>

Municipal Bond Insurance	Percent
-----	---
<S>	<C>
AMBAC Indemnity Corporation (AMBAC).....	29%
Connie Lee Insurance Company (Connie Lee).....	2
Financial Guaranty Insurance Company (FGIC).....	20
Municipal Bond Investors Assurance Corporation (MBIA).....	49

</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 MBIA as to principal and interest in the event that the issuer experiences difficulty in meeting debt service payments.

LEVERAGING POSTPONED

Proceeds from the Trust's common stock offering were invested over a four-month period through June 1994. Under normal market conditions the Trust would have issued Auction Rate Preferred Shares (ARPS) in April and become fully invested within two months. However, the preferred offering was canceled because of the volatile market environment. The institution of a leveraged portfolio structure will be reviewed in the future.

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.

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. Over the fiscal year, the Trust purchased 306,800 shares of common stock at a weighted average discount of 13.83 percent.

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

Very truly yours,

Charles A. Fiumefreddo
Chairman of the Board

INTERCAPITAL INSURED MUNICIPAL SECURITIES
PORTFOLIO OF INVESTMENTS October 31, 1994

<TABLE>

<CAPTION> Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>		<C>	<C>	<C>
<S>				
MUNICIPAL BONDS (96.8%)				
GENERAL OBLIGATION (13.3%)				
\$ 3,920	Kodiak Island Borough, Alaska, Ser 1994 A (AMBAC Insured).....	5.50 %	2/15/14	\$ 3,380,098
5,000	Moulton Niguel Water District, California, 1993 Refg (MBIA Insured).....	5.00	9/ 1/19	3,873,100
3,000	Chicago, Illinois, Refg Ser 1993 B (AMBAC Insured).....	5.125	1/ 1/22	2,331,930
8,860	Washoe County School District, Nevada, Ltd Tax School Bldg Ser 4/1/94 A (MBIA Insured).....	5.75	6/ 1/13	7,963,191
-----				-----
20,780				17,548,319
-----				-----
EDUCATIONAL FACILITIES REVENUE (6.3%)				
2,000	Chicago State University, Illinois, Ser 1994 (MBIA Insured).....	6.15	12/ 1/23	1,828,900
2,350	New York State Dormitory Authority, Fordham University Ser 1994 (FGIC Insured).....	5.50	7/ 1/23	1,987,184
2,000	Rhode Island Health & Educational Building Corporation, Providence College Ser 1993 (MBIA Insured).....	5.60	11/ 1/22	1,660,360
3,000	Wisconsin Health & Educational Facilities Authority, Marquette University Ser 1994 (FGIC Insured).....	6.45	12/ 1/19	2,826,150
-----				-----
9,350				8,302,594
-----				-----
ELECTRIC REVENUE (23.8%)				
4,000	Anchorage, Alaska, Electric Refg Ser 1993 (MBIA Insured).....	6.20	12/ 1/13	3,810,760
5,000	Sacramento Municipal Utility District, California, Refg 1994 Ser I (MBIA Insured).....	6.00	1/ 1/24	4,529,850
3,000	Municipal Electric Authority of Georgia, Power Ser EE (AMBAC Insured).....	6.00	1/ 1/22	2,724,600
6,000	Kansas City, Kansas, Utility Refg & Impr Ser 1994 (FGIC Insured).....	6.375	9/ 1/23	5,796,240
5,000	Piedmont Municipal Power Agency, South Carolina, Refg Ser 1993 (MBIA Insured).....	5.375	1/ 1/25	4,026,350
4,730	Utah Municipal Power Agency, Refg Ser 1993 A (FGIC Insured).....	5.25	7/ 1/18	3,806,657
5,000	Bedford, Virginia, Hydro Ser 1994 (AMBAC Insured).....	5.25	6/ 1/25	3,954,200
3,000	Tacoma, Washington, Electric Refg 1994 (FGIC Insured).....	6.25	1/ 1/15	2,835,600
-----				-----
35,730				31,484,257
-----				-----
HOSPITAL REVENUE (11.8%)				
3,000	Morgan County Health Care Authority, Alabama, Decatur General Hospital Ser 1994 (Connie Lee Insured).....	6.375	3/ 1/24	2,802,570
4,000	California Statewide Communities Development Authority, Sharp Health Care Obligated Group COPs (MBIA Insured).....	6.00	8/15/24	3,621,280
3,000	Volusia County Health Facilities Authority, Florida, Memorial Health Refg & Impr Ser 1994 (AMBAC Insured).....	5.75	11/15/20	2,634,270
1,500	Illinois Health Facilities Authority, University of Chicago Hospital Ser 1994 (MBIA Insured).....	6.125	8/15/22	1,356,990

</TABLE>

INTERCAPITAL INSURED MUNICIPAL SECURITIES
PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

<TABLE>
<CAPTION>
Principal
Amount

(in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
\$ 3,105	Massachusetts Health & Educational Facilities Authority, Lahey Clinic Medical Center Ser B (MBIA Insured).....	5.375%	7/ 1/23	\$ 2,496,948
3,000	New Hampshire Higher Educational & Health Facilities Authority, The Hitchcock Clinic Ser 1994 (MBIA Insured).....	6.00	7/ 1/24	2,669,190
17,605				15,581,248
INDUSTRIAL DEVELOPMENT/POLLUTION CONTROL REVENUE (5.0%)				
5,550	Hawaii Department Budget & Finance, Hawaiian Electric Co Inc Ser 1992 (AMT) (MBIA Insured).....	6.55	12/ 1/22	5,369,903
1,500	Pennsylvania Industrial Development Authority, Ser 1994 (AMBAC Insured).....	5.50	1/ 1/14	1,295,475
7,050				6,665,378
MORTGAGE REVENUE - MULTI-FAMILY (2.2%)				
3,000	Los Angeles Community Redevelopment Agency, California, Refg Ser 1994 A (AMBAC Insured).....	6.55	1/ 1/27	2,857,140
PUBLIC FACILITIES REVENUE (2.1%)				
1,000	Hillsborough County School Board, Florida, Ser 1994 COPS (MBIA Insured).....	6.00	7/ 1/14	947,980
2,000	Michigan Municipal Bond Authority, Ser 1994 A (FGIC Insured).....	6.00	12/ 1/13	1,878,880
3,000				2,826,860
TRANSPORTATION FACILITIES REVENUE (20.2%)				
5,225	San Francisco Airports Commission, San Francisco Intl Airport Second Ser Refg Issue (MBIA Insured).....	6.75	5/ 1/20	5,240,518
3,000	Atlanta, Georgia, Airport Ser 1994 B (AMT) (AMBAC Insured).....	6.00	1/ 1/21	2,648,310
2,875	Hawaii Airports System, Third Refg Ser of 1994 (AMT) (AMBAC Insured).....	5.75	7/ 1/09	2,680,391
3,000	Chicago Midway Airport, Illinois, 1994 Ser A (AMT) (MBIA Insured).....	6.25	1/ 1/14	2,812,080
6,665	1994 Ser A (AMT) (MBIA Insured).....	6.25	1/ 1/24	6,107,405
5,000	Regional Transportation Authority, Illinois, Ser 1994 A (AMBAC Insured).....	6.25	6/ 1/24	4,606,500
3,000	Pennsylvania Turnpike Commission, Oil Franchise Tax Ser A of 1994 (AMBAC Insured).....	6.00	12/ 1/19	2,766,750
28,765				26,861,954
WATER & SEWER REVENUE (7.0%)				
5,000	Central Coast Water Authority, California, Ser 1992 (AMBAC Insured).....	6.60	10/ 1/22	4,943,050
5,000	Los Angeles, California, Wastewater Refg Ser 1993 A (MBIA Insured).....	5.70	6/ 1/20	4,315,250
10,000				9,258,300

</TABLE>

INTERCAPITAL INSURED MUNICIPAL SECURITIES
 PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

<TABLE> <CAPTION> Principal Amount (in thousands)	Coupon Rate	Maturity Date	Value
--	-------------	---------------	-------

<C>	<S>	<C>	<C>	<C>
	OTHER REVENUE (5.1%)			
	Indianapolis, Indiana, Gas Utility,			
\$ 3,000	Refg Ser 1993 A (FGIC Insured).....	5.375%	6/ 1/21	\$ 2,433,450
5,000	Refg Ser 1994 A (FGIC Insured).....	5.875	6/ 1/24	4,339,700
-----				-----
8,000				6,773,150
-----				-----
143,280	TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$137,585,816).....			128,159,200
-----				-----
	SHORT-TERM MUNICIPAL OBLIGATION (0.8%)			
1,100	Schuylkill County Industrial Development Authority,			
-----	Pennsylvania, Northeastern Power Co Ser 1985			
	(Tender 11/1/94) (Identified Cost \$1,100,000).....	3.70*	12/ 1/11	1,100,000
\$ 144,380	TOTAL INVESTMENTS (IDENTIFIED COST \$138,685,816) (a).....			-----
=====			97.6%	129,259,200
	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES.....		2.4	3,117,847
			-----	-----
	NET ASSETS.....		100.0%	\$ 132,377,047
			=====	=====

</TABLE>

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

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

(a) The aggregate cost for federal income tax purposes is \$138,685,816; the aggregate gross and net unrealized depreciation is \$9,426,616.

See Notes to Financial Statements

GEOGRAPHIC SUMMARY OF INVESTMENTS
Based on Market Value as a Percent of Net Assets
October 31, 1994

<TABLE>	<S>	<C>
	Alabama.....	2.1%
	Alaska.....	5.4
	California.....	22.2
	Florida.....	2.7
	Georgia.....	4.1
	Hawaii.....	6.1
	Illinois.....	14.4%
	Indiana.....	5.1
	Kansas.....	4.4
	Massachusetts.....	1.9
	Michigan.....	1.4
	Nevada.....	6.0
	New Hampshire.....	2.0%
	New York.....	1.5
	Pennsylvania.....	3.9
	Rhode Island.....	1.3
	South Carolina.....	3.0
	Utah.....	2.9
	Virginia.....	3.0%
	Washington.....	2.1
	Wisconsin.....	2.1

	Total.....	97.6%
		=====

</TABLE>

INTERCAPITAL INSURED MUNICIPAL SECURITIES
 FINANCIAL STATEMENTS

<TABLE>

<S> <C>

STATEMENT OF ASSETS AND LIABILITIES

October 31, 1994

ASSETS:

Investments in securities, at value (identified cost \$138,685,816) (Note 1).....	\$ 129,259,200
Cash.....	143,823
Interest receivable.....	3,276,833
Deferred organizational expenses (Note 1).....	38,095
Prepaid expenses.....	5,411
TOTAL ASSETS.....	132,723,362

LIABILITIES:

Payable for:

Common shares of beneficial interest purchased.....	250,504
Investment management fee (Note 2)....	40,546
Accrued expenses (Note 3).....	55,265
TOTAL LIABILITIES.....	346,315

NET ASSETS:

Preferred shares of beneficial interest (1,000,000 shares authorized of non- participating \$.01 par value, none issued) (Note 4).....	--
Common shares of beneficial interest (unlimited shares authorized of \$.01 par value, 10,025,313 shares outstanding) (Note 5).....	141,218,073
Unrealized depreciation on investments...	(9,426,616)
Accumulated undistributed net investment income.....	585,590
TOTAL NET ASSETS.....	\$ 132,377,047

NET ASSET VALUE PER COMMON SHARE,

(\$132,377,047 divided by 10,025,313 common shares outstanding).....	\$13.20
---	---------

STATEMENT OF OPERATIONS For the period

February 28, 1994 through October 31,

1994 (Note 1)

INVESTMENT INCOME:

INTEREST INCOME.....	\$ 4,915,657
----------------------	--------------

EXPENSES

Investment management fee (Note 2)...	331,312
Professional fees.....	56,849
Transfer agent fees and expenses (Note 3).....	31,909
Shareholder reports and notices.....	25,626
Registration fees.....	11,655
Trustees' fees and expenses.....	11,368
Organizational expenses (Note 1)....	5,905
Other.....	4,092

TOTAL EXPENSES.....	478,716
---------------------	---------

NET INVESTMENT INCOME.....	4,436,941
----------------------------	-----------

UNREALIZED LOSS ON INVESTMENTS (Note 1)..	(9,426,616)

NET DECREASE IN NET ASSETS	
RESULTING FROM OPERATIONS.....	\$ (4,989,675)
	=====

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

For the
period
February 28,
1994
through
October 31,
1994 (Note 1)

<S>

INCREASE (DECREASE) IN NET ASSETS:

Operations:

Net investment income.....	\$ 4,436,941
Unrealized depreciation on investments.....	(9,426,616)

Net decrease in net assets resulting from operations.....	(4,989,675)
Dividends to common shareholders from net investment income.....	(3,851,351)
Net increase from transactions in common shares of beneficial interest (Note 5).....	141,118,064

Total increase.....	132,277,038
NET ASSETS:	
Beginning of period.....	100,009

END OF PERIOD (including undistributed net investment income of \$585,590).....	\$ 132,377,047
	=====

<C>

</TABLE>

See Notes to Financial Statements

INTERCAPITAL INSURED MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND ACCOUNTING POLICIES -- InterCapital Insured Municipal Securities (the "Trust") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Trust was organized as a Massachusetts business trust on October 14, 1993 and had no operations other than those relating to organizational matters and the issuance of 7,113 common shares of beneficial interest to Dean Witter InterCapital Inc. (the "Investment Manager") for \$100,009. The Trust commenced operations on February 28, 1994.

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. 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 approximately \$44,000 and

8

INTERCAPITAL INSURED MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS (continued)

\$416,300, respectively. The organizational expenses have been reimbursed by the Trust for the full amount thereof. Such expenses are being 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 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, in addition to managing the Trust's Investments, 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 period February 28, 1994 (commencement of operations) through October 31, 1994 aggregated \$137,559,814 and \$-0-, respectively.

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 \$4,100.

Dean Witter Distributors Inc., the Trust's principal underwriter and an affiliate of the Investment Manager, has informed the Trust that it received approximately \$9,471,000 in underwriting discounts and commissions in connection with the initial offering of the Trust's common 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 the approval of the common shareholders. 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.

Upon issuance, the Trust will be 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 will be entitled to one vote per share, will generally vote with the common shares but will vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

9

INTERCAPITAL INSURED MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS (continued)

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

<TABLE>
<CAPTION>

	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 28, 1994*.....	9,500,000	95,000	133,058,710
Shares issued on April 7, 1994 to cover over-allotment.....	825,000	8,250	11,591,250
Treasury shares purchased and retired (weighted average discount 13.83%)**.....	(306,800)	(3,068)	(3,632,078)
	-----	-----	-----
Balance, October 31, 1994.....	10,025,313	\$ 100,253	\$ 141,117,820
	=====	=====	=====

</TABLE>

* Net of offering costs of \$416,290.

** The Trustees have voted to retire the shares purchased.

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

<TABLE>
<CAPTION>

Declaration Date	Amount per Share	Record Date	Payable Date
-----	-----	-----	-----
<S>	<C>	<C>	<C>
November 1, 1994	\$ 0.0625	November 11, 1994	November 25, 1994
November 24, 1994	\$ 0.0625	December 9, 1994	December 23, 1994

</TABLE>

7. SELECTED QUARTERLY FINANCIAL DATA -- (unaudited)

<TABLE>
<CAPTION>

Quarters Ended*

	10/31/94		7/31/94		4/30/94**	
	Total	Per Share	Total	Per Share	Total	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total investment income.....	\$ 2,208	\$ 0.22	\$ 2,002	\$ 0.20	\$ 705	\$ 0.07
Net investment income.....	2,035	0.20	1,821	0.18	581	0.06
Net unrealized gain (loss) on investments.....	(9,838)	(0.92)	2,422	0.24	(2,011)	(0.20)

* Totals expressed in thousands of dollars.

** For the period February 28, 1994 (commencement of operations) through April 30, 1994.

10

INTERCAPITAL INSURED MUNICIPAL SECURITIES
FINANCIAL HIGHLIGHTS

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

<TABLE>
<CAPTION>

	For the period February 28, 1994* through October 31, 1994**
<S>	<C>
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of period.....	\$14.06
Net investment income.....	0.44
Net unrealized loss on investments.....	(0.88)
Total from investment operations.....	(0.44)
Less dividends and other charges:	
Dividends from net investment income.....	(0.38)
Offering costs charged against capital.....	(0.04)
Total dividends and other charges.....	(0.42)
Net asset value, end of period.....	\$13.20
Market value, end of period.....	\$11.125
TOTAL INVESTMENT RETURN+.....	(23.56) % (1)
RATIOS/SUPPLEMENTAL DATA:	
Net assets, end of period (in thousands).....	\$132,377
Ratios to average net assets:	
Total expenses.....	0.51% (2)
Net investment income.....	4.69% (2)
Portfolio turnover rate.....	0% (1)

* 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 the period reported. Dividends and distributions, if any, 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

11

INTERCAPITAL INSURED MUNICIPAL SECURITIES
REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Trustees of InterCapital Insured Municipal Securities

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 Insured Municipal Securities (the "Trust") at October 31, 1994, and the results of its operations, the changes in its net assets and the financial highlights for the period February 28, 1994 (commencement of operations) through October 31, 1994, 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 audit. We conducted our audit 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 audit, which included confirmation of securities owned at October 31, 1994 by correspondence with the custodian, provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
New York, New York
December 12, 1994

1994 FEDERAL TAX NOTICE (unaudited)

During the period ended October 31, 1994, the Trust paid to the common shareholders \$0.375 per share from net investment income. All of the Trust's dividends from net investment income were exempt interest dividends, excludable from gross income for Federal income tax purposes.

12

TRUSTEES
Jack F. Bennett
Michael Bozic
Charles A. Fiumefreddo
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

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INTERCAPITAL
INSURED
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SECURITIES

Annual Report
October 31, 1994