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

FORM 10-Q

(Mark One)

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

or

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to ____________________

Commission file number 0-17691

Krupp Insured Plus - III Limited Partnership
(Exact name of registrant as specified in its charter)

Massachusetts	04-3007489
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Beacon Street, Boston, Massachusetts	02108
(Address of principal executive offices)	(Zip Code)

(617) 523-0066
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes |X| No |_|

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes |_| No |X|

SEC 1296 (01-04) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this Form 10-Q, the words "believes," "anticipates," "expects," "plans," "intends," "estimates," "continue," "may" or "will" (or the negative of such words) and similar expressions are intended to identify forward-looking statements. Such statements are subject to a number of risks and uncertainties, including but not limited to the following: federal, state or local regulations; adverse changes in general economic or local conditions; pre-payments of mortgages; uninsured losses and potential conflicts of interest between the Partnership and its Affiliates, including the General Partners. The Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2003, contain additional information concerning such risk factors. Actual results in the future could differ materially from those described in any forward-looking statements as a result of the risk factors set forth above, and the risk factors described in the Annual Report.

KRUPP INSURED PLUS-III LIMITED PARTNERSHIP

STATEMENT OF NET ASSETS IN LIQUIDATION AT JUNE 30, 2004

AND

BALANCE SHEET AT DECEMBER 31, 2003

<TABLE>
<CAPTION>

ASSETS

<S>	June 30, 2004 <C>	December 31, 2003 <C>
Participating Insured Mortgages ("PIMs")(Note 2)	$ 12,719,458	$ 12,779,997
Mortgage-Backed Securities ("MBS")(Note 3 and 5)	930,004	1,216,717
Total mortgage investments	13,649,462	13,996,714
Cash and cash equivalents	1,729,140	1,412,465
Interest receivable and other assets	95,128	98,711
Total assets	$ 15,473,730	$ 15,507,890

LIABILITIES AND PARTNERS' EQUITY

Liabilities	$ 186,992	$ 99,330
Partners' equity (deficit) (Note 4):		
Limited Partners (12,770,261 Limited Partner interests outstanding)	15,422,480	15,528,672
General Partners	(187,239)	(199,025)
Accumulated comprehensive income	51,497	78,913
Total net assets in liquidation at June 30, 2004 and total Partner's equity at December 31, 2003	$ 15,286,738	15,408,560
Total liabilities and Partners' equity		$ 15,507,890

</TABLE>

The accompanying notes are an integral part of the financial statements.

KRUPP INSURED PLUS-III LIMITED PARTNERSHIP

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(In Liquidation as of June 30, 2004)

<TABLE>
<CAPTION>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Revenues:				
Interest income - PIMs:				
Basic interest	$ 819,594	$ 256,951	$1,074,795	$ 514,461
Interest income - MBS	18,748	269,827	39,720	453,805
Other interest income	3,709	11,357	7,617	26,942
Total revenues	842,051	538,135	1,122,132	995,208
Expenses:				
Asset management fee to an affiliate	25,436	27,188	51,104	69,137
Expense reimbursements to affiliates	90,537	28,674	166,227	86,835
Estimated costs of liquidation (Note 1)	159,703	--	159,703	--
General and administrative	35,682	39,279	64,667	82,980
Total expenses	311,358	95,141	441,701	238,952

Net income	530,693	442,994	680,431	756,256
Other comprehensive income:				
Net decrease in unrealized gain on MBS	(44,773)	(17,962)	(27,416)	(1,147)
Total comprehensive income	$ 485,920	$ 425,032	$ 653,015	$ 755,109
Allocation of net income (Note 4):				
Limited Partners	$ 514,772	$ 429,704	$ 660,018	$ 733,568
Average net income per Limited Partner interest (12,770,261 Limited Partner interests outstanding)	$ .04	$ .04	$ .05	$ .06
General Partners	$ 15,921	$ 13,290	$ 20,413	$ 22,688

</TABLE>

The accompanying notes are an integral part of the financial statements.

KRUPP INSURED PLUS-III LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

(In Liquidation as of June 30, 2004)

<TABLE>
<CAPTION>

	For the Six Months Ended June 30,	
	2004	2003
<S>	<C>	<C>
Operating activities:		
Net income	$ 680,431	$ 756,256
Adjustments to reconcile net income to net cash provided by operating activities:		
Prepayment premium	--	(235,918)
Changes in assets and liabilities:		
Decrease in interest receivable and other assets	3,583	54,211
Increase (decrease) in liabilities	87,662	(11,475)
Net cash provided by operating activities	771,676	563,074
Investing activities:		
Principal collections on PIMs	60,539	55,761
Principal collections on MBS including a prepayment		

premium of $235,918 in 2003	259,297	8,654,350
Net cash provided by investing activities	319,836	8,710,111
Financing activities:		
Quarterly distributions	(774,837)	(1,045,127)
Special distributions	--	(8,172,903)
Net cash used for financing activities	(774,837)	(9,218,030)
Net increase in cash and cash equivalents	316,675	55,155
Cash and cash equivalents, beginning of period	1,412,465	1,209,070
Cash and cash equivalents, end of period	$ 1,729,140	$ 1,264,225
Non cash activities:		
Decrease in unrealized gain on MBS	$ (27,416)	$ (1,147)

</TABLE>

The accompanying notes are an integral part of the financial statements.

KRUPP INSURED PLUS-III LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

(In Liquidation as of June 30, 2004)

1. Accounting Policies

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in this report on Form 10-Q pursuant to the Rules and Regulations of the Securities and Exchange Commission. However, in the opinion of the general partners, Krupp Plus Corporation and Mortgage Services Partners Limited Partnership (collectively the "General Partners"), of Krupp Insured Plus-III Limited Partnership (the "Partnership"), the disclosures contained in this report are adequate to make the information presented not misleading. See Notes to Financial Statements included in the Partnership's Form 10-K for the year ended December 31, 2003 for additional information relevant to significant accounting policies followed by the Partnership.

As a result of the payoff of the Harbor Club Apartments PIM on June 24, 2004, the Partnership is in the process of winding up its business, which it expects to complete in the third quarter of 2004. The Partnership will sell its remaining MBS and then make a Terminating Capital Transaction distribution to the partners. In connection therewith, the Partnership has changed its basis of accounting as of June 30, 2004 from the going-concern basis to the liquidation basis of accounting. The liquidation basis of accounting requires that assets and liabilities be stated at their estimated net realizable value and that estimated costs of liquidating the Partnership be provided to the extent that they are reasonably determinable. The Partnership estimates that the costs to liquidate will be approximately $160,000, which primarily relates to the remaining general and administrative expenses to be incurred through the anticipated liquidation of the Partnership in the third quarter of 2004.

In the opinion of the General Partners of the Partnership, the accompanying unaudited financial statements reflect all adjustments (consisting of only normal recurring accruals) necessary to present fairly the Partnership's financial position as of June 30, 2004, its results of operations for the three and six months ended June 30, 2004 and 2003 and its cash flows for the six months ended June 30, 2004 and 2003.

The results of operations for the three and six months ended June 30, 2004 are not necessarily indicative of the results which may be expected through the anticipated liquidation in the third quarter of 2004. See Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report.

2. PIMs

On June 24, 2004, the borrower of the Harbor Club Apartments PIM paid off the Subordinated Promissory Note and the GNMA MBS. On June 24, 2004, the Partnership received $565,000 which represents a partial return of the interest rate rebate which had previously been recorded as a reduction in basic interest. On July 15, 2004, the Partnership received $12,719,458 from the GNMA MBS related to Harbor Club. On July 28, 2004, the Partnership paid a special distribution of $1.00 per Limited Partner interest from the proceeds received.

3. MBS

At June 30, 2004, the Partnership's MBS portfolio had an amortized cost of $878,507 and gross unrealized gains of $51,497. The portfolio has maturities ranging from 2016 to 2024.

4. Changes in Partners' Equity

A summary of changes in Partners' Equity for the six months ended June 30, 2004 is as follows:

<TABLE>
<CAPTION>

<S>	Limited Partners <C>	General Partners <C>	Accumulated Comprehensive Income <C>	Total Partners' Equity <C>
Balance at December 31, 2003	$ 15,528,672	$ (199,025)	$ 78,913	$ 15,408,560
Net income	660,018	20,413	--	680,431

Quarterly distributions	(766,210)	(8,627)	--	(774,837)
Change in unrealized gain on MBS	--	--	(27,416)	(27,416)
Balance at June 30, 2004	$ 15,422,480	$ (187,239)	$ 51,497	$ 15,286,738

</TABLE>

5. Subsequent Event

On July 15, 2004, the Partnership sold its remaining MBS portfolio for $905,651, including accrued interest of $2,703. The gain realized from the sale was $51,497.

At the time of the sale, the MBS portfolio had an amortized cost of $851,451 and a face value of $885,507. After the sale, the Partnership received $19,720 in additional face value from the July pass-through payment and will receive an additional $7,539 from the August pass-through payment.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and accompanying notes contained in the Partnership's 2003 Annual Report on Form 10-K and in this report on Form 10-Q.

Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this Form 10-Q constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Partnership's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among other things, federal, state or local regulations; adverse changes in general economic or local conditions; pre-payments of mortgages; uninsured losses and potential conflicts of interest between the Partnership and its Affiliates, including the General Partners.

Liquidity and Capital Resources

On June 24, 2004, the borrower of the Harbor Club Apartments PIM paid off the Subordinated Promissory Note and the GNMA MBS. On June 24, 2004, the Partnership received $565,000, which represents a partial return of the interest rate rebate which had previously been recorded as a reduction in basic interest. On July 15, 2004, the Partnership received $12,719,458 from the GNMA MBS related to Harbor Club. On July 28, 2004, the Partnership paid a special distribution of $1.00 per Limited Partner interest from the proceeds received.

As a result of the payoff of the Harbor Club Apartments PIM, the Partnership is in the process of winding up its business, which it expects to complete in the third quarter of 2004 with a Terminating Capital Transaction distribution to the partners. In connection therewith, the Partnership has changed its basis of accounting as of June 30, 2004 from the going-concern basis to the liquidation basis of accounting.

At June 30, 2004, the Partnership had liquidity consisting of cash and cash equivalents of approximately $1.7 million as well as interest earned on the Partnership's cash and cash equivalents. The Partnership anticipates that these sources will be adequate to provide the Partnership with sufficient liquidity to meet its obligations during its liquidation and complete the Terminating Capital Transaction.

On July 15, 2004, the Partnership sold its remaining MBS portfolio for $905,651, including accrued interest of $2,703. The gain realized from the sale was $51,497.

The proceeds from the sale of the MBS will be included with other amounts available for distribution from the Terminating Capital Transaction and will be distributed to the Limited Partners during the third quarter of 2004 in a final liquidating distribution.

The Partnership is in the process of winding up its business and expects to make a Terminating Capital Transaction distribution, as defined in the Partnership Agreement, to the partners in the third quarter of 2004. Upon the occurrence of a Terminating Capital Transaction, the Partnership Agreement provides that losses from the Terminating Capital Transaction shall be allocated first to the Limited Partners and General Partners to the extent of any then existing positive account balances (or if the amount would be insufficient to reduce those positive capital account balances to zero, then in proportion to any positive account balances). The Advisor has estimated that the loss from the Terminating Capital Transaction will be approximately $200,000. As of December 31, 2003, the General Partners had deficit account balances of approximately $408,000 and the Limited Partners had positive account balances of approximately $16,669,000. Therefore, all estimated losses from the Terminating Capital Transaction will be allocated, for tax purposes, to the Limited Partners to reduce their positive capital accounts. Amounts available for distribution from the Terminating Capital Transaction will be distributed to the Limited Partners. Upon the dissolution and termination of the Partnership, the General Partners will contribute to the Partnership an amount equal to the remaining deficit balance in their capital accounts. The General Partners have estimated that the deficit balance will be approximately $417,000 which, after satisfaction of any other obligations of the Partnership, will also be distributed to the Limited Partners.

Critical Accounting Policies

The Partnership's critical accounting policy relates to the Partnership's estimates included in its liquidation basis accounting statements. The Partnership's policies are as follows:

The Partnership is in the process of winding up its business, which it expects to complete in the third quarter of 2004. In connection therewith, the Partnership has changed its basis of accounting as of June 30, 2004 from the going-concern basis to the liquidation basis of accounting. The liquidation basis of accounting requires that assets and liabilities be stated at their estimated net realizable

value and that estimated costs of liquidating the Partnership be provided to the extent that they are reasonably determinable. The Partnership estimates that the costs to liquidate will be approximately $160,000, which primarily relates to the remaining general and administrative expenses to be incurred through the anticipated liquidation of the Partnership in the third quarter of 2004. This amount has been included in the Partnership's liabilities at June 30, 2004.

Results of Operations

The Partnership's net income increased for the three months ending June 30, 2004 as compared to the same period ending June 30, 2003 primarily due to an increase in basic interest on PIMs. This increase was partially offset by decreases in MBS interest income and other interest income and an increase in expense reimbursements to affiliates. The increase was also partially offset by the recording of the estimated liquidation costs of the Partnership. Basic interest on PIMs increased due to the partial return of the Harbor Club Apartments PIM interest rate rebate. MBS interest income decreased due to the Signature Point payoff in April 2003 and on-going principal collections on the single family MBS. Other interest income decreased due to significantly lower average cash balances available for short-term investing during the three months ended June 30, 2004 versus the three months ended June 30, 2003. Expense reimbursements to affiliates increased primarily due to a change in the cost of services associated with the wind-down of the Partnership's activities and anticipated liquidation of the Partnership's assets. The recording of estimated liquidation costs is due to the Partnership changing its basis of accounting from the going-concern basis to the liquidation basis. Due to this change, the Partnership recorded an estimate in the second quarter of the remaining general and administrative expenses to be incurred through the anticipated liquidation in the third quarter of 2004.

The Partnership's net income decreased during the six months ended June 30, 2004 as compared to the six months ended June 30, 2003 primarily due to decreases in MBS interest income and other interest income and an increase in expense reimbursements to affiliates. The decrease was also due to the recording of the estimated liquidation costs of the Partnership. The decrease was partially offset by an increase in basic interest on PIMs and decreases in asset management fees and general and administrative expenses. MBS interest income decreased due to the Signature Point payoff in April 2003 and on-going principal collections on the single family MBS. Other interest income decreased primarily due to interest received in the first quarter of 2003 from the Partnership's distribution account. Expense reimbursements to affiliates increased primarily due to a change in the cost of services associated with the wind-down of the Partnership's activities and anticipated liquidation of the Partnership's assets. The recording of estimated liquidation costs is due to the Partnership changing its basis of accounting from the going-concern basis to the liquidation basis. Due to this change, the Partnership recorded an estimate in the second quarter of the remaining general and administrative expenses to be incurred through the anticipated liquidation in September 2004. Basic interest on PIMs increased due to the partial return of the Harbor Club Apartments PIM interest rate rebate. Asset management fees decreased due to the decrease in the Partnership's investments as a result of principal collection and payoffs. General and administrative expense was greater during the first six months of 2003 primarily due to additional printing costs relating to the SEC filing and legal costs associated with the Berkshire Income Realty, Inc. exchange offer.

Off Balance Sheet Arrangements

The Partnership has no off balance sheet arrangements as described in Item 303 (a) (4) (ii) of Regulation S-K and did not have any such arrangements during the period covered by this report on Form 10-Q.

Contractual Obligations

The Partnership has no contractual obligations as contemplated by Item 303 (a) (5) of Regulation S-K and did not have any such arrangements either during the period covered by this report on Form 10-Q or during the Partnership's most recent completed fiscal year.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Assessment of Credit Risk

The Partnership's investments in its MBS portion of its PIM and MBS are guaranteed and/or insured by the Government National Mortgage Association ("GNMA"), Fannie Mae or the Federal Home Loan Mortgage Corporation ("FHLMC") and therefore the certainty of their cash flows and the risk of material loss of the amounts invested depends on the creditworthiness of these entities.

Fannie Mae is a federally chartered private corporation that guarantees obligations originated under its programs. FHLMC is a federally chartered corporation that guarantees obligations originated under its programs. These obligations are not guaranteed by the U.S. Government or the Federal Home Loan Bank Board. However, Fannie Mae and FHLMC are two of the largest corporations in the United States, and both have significant experience in mortgage securitizations. In addition, their MBS carry the highest credit rating given to financial instruments. GNMA guarantees the full and timely payment of principal and basic interest on the securities it issues, which represent interests in pooled mortgages insured by HUD. Obligations insured by HUD, an agency of the U.S. Government, are backed by the full faith and credit of the U.S. Government.

At June 30, 2004, the Partnership includes in cash and cash equivalents approximately $1.5 million of commercial paper, which is issued by entities with a credit rating equal to one of the top two rating categories of a nationally recognized statistical rating organization.

Item 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2004, the Senior Vice President and Chief Accounting Officer of Krupp Plus Corporation, a general partner of the Partnership, carried out an evaluation of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures. The Senior Vice President and the Chief Accounting Officer concluded that the Partnership's disclosure controls and procedures were effective, as of the date of their evaluation, in timely alerting them to material information relating to the Partnership required to be included in this Quarterly Report on Form 10-Q.

(b) Changes in Internal Controls

There were no significant changes in the Partnership's internal controls or in other factors that could significantly affect such internal controls subsequent to the date of the evaluation described in paragraph (a) above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(31.1) Senior Vice President Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(31.2) Chief Accounting Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(32.1) Senior Vice President Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Chief Accounting Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Krupp Insured Plus-III Limited Partnership
(Registrant)

BY: /s/ Alan Reese

Alan Reese
Treasurer and Chief Accounting Officer of
Krupp Plus Corporation, a General Partner.

Date: August 11, 2004

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter F. Donovan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Krupp Insured Plus - III Limited Partnership;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on

our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Peter F. Donovan

Peter F. Donovan
Senior Vice President

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Alan Reese, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Krupp Insured Plus - III Limited Partnership;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's

board of directors (or persons performing the equivalent functions):

d) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

e) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Alan Reese

Alan Reese
Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Krupp Insured Plus III Limited Partnership (the "Partnership") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter F. Donovan, Senior Vice President of Krupp Plus Corporation, a General Partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership as of June 30, 2004 (the last date of the period covered by the Report).

/s/ Peter F. Donovan

Peter F. Donovan,
Senior Vice President

Date: August 11, 2004

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Krupp Insured Plus III Limited Partnership (the "Partnership") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan Reese, Chief Accounting Officer of Krupp Plus Corporation, a General Partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership as of June 30, 2004 (the last date of the period covered by the Report).

/s/ Alan Reese

Alan Reese,
Chief Accounting Officer

Date: August 11, 2004