

MORGAN STANLEY INSURED MUNICIPAL INCOME TRUST  
Form N-Q  
March 27, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: **811-06590**

**Morgan Stanley Insured Municipal Income Trust**

(Exact name of registrant as specified in charter)

**522 Fifth Avenue, New York, New York 10036**

(Address of principal executive offices) (Zip code)

**Ronald E. Robison**

**522 Fifth Avenue, New York, New York 10036**

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2008

Date of reporting period: January 31, 2008

**Item 1. Schedule of Investments.**

The Trust's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

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**Morgan Stanley Insured Municipal Income Trust**

**Portfolio of Investments January 31, 2008 (unaudited)**

**PRINCIPAL  
AMOUNT IN  
THOUSANDS**

**COUPON  
RATE**

**MATURITY  
DATE**

**VALUE**

**Tax-Exempt Municipal Bonds (150.6%)**

**Arizona (0.8%)**

\$

2,500

University of Arizona, 2003 Ser B COPs (AMBAC Insd)

5.00

%

06/01/23

\$

2,584,275

**California (31.3%)**

20,000

Anaheim Public Financing Authority, California, Anaheim Electric Ser 2007-A (MBIA Insd)\*\*

7.516

10/01/37

19,039,700

10,000

California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit 1st Lien Ser 2003 A (AMBAC Insd) (ETM)

5.00

07/01/33

11,107,900

5,000

California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit 1st Lien Ser 2003 A (FGIC Insd) (ETM)

5.00

07/01/29

5,553,950

3,000

California, Economic Recovery Ser 2004 (MBIA Insd)

5.00

07/01/15

3,304,530

8,000

California, Ser 2007 (MBIA Insd)

4.25

08/01/33

7,329,280

6,000

Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Ser 2005 A (Insd FGIC)



5.00

06/01/38

5,948,640

9,000

Long Beach, California, Harbor Refg Ser 1998 A (AMT) (FGIC Insd)

6.00

05/15/18

10,633,860

5,000

Los Angeles Department of Water & Power, California, Water 2004 Ser C (MBIA Insd)

5.00

07/01/24

5,234,250

3,000

Los Angeles, California, Ser 2004 A (MBIA Insd)

5.00

09/01/24

3,155,880

4,000

Oxnard Financing Authority, Water & Power, Water 2004 Ser C (XLCA Insd)

5.00

06/01/28

4,044,080

3,000

Sacramento County Sanitation District Financing Authority, California, Sacramento Regional Ser 2006 (FGIC Insd)

5.00

12/01/36

3,102,030

5,000

San Diego County Water Authority, California, Ser 2002 A COPs (MBIA Insd)

5.00

05/01/27

5,124,800

5,000

San Diego County Water Authority, California, Ser 2004 A COPs (FSA)

5.00

05/01/29

5,138,850

3,000

San Francisco City & County, City Buildings Ser 2007 A COPs (FGIC Insd)

4.50

09/01/37

2,750,010

2,000

University of California, Ser 2003 B (AMBAC Insd)

5.00

05/15/22

2,095,640

3,120

University of California, Ser 2007-J (FSA Insd)\*\*

4.50

05/15/31

3,082,888

2,880

University of California, Ser 2007-J (FSA Insd)\*\*

4.50

05/15/35

2,845,742

99,492,030

**Colorado (2.2%)**

4,000

Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd)

5.25

10/01/40

4,053,080

3,000

Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd)

5.00

12/01/30

2,961,600



7,014,680

**District of Columbia (3.6%)**

2,000

District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd)

5.00

02/01/31

2,004,580

3,000

District of Columbia, American Association for the Advancement of Science Ser 1997 (AMBAC Insd)

5.125

01/01/27

3,062,880

6,000

District of Columbia, Refg Ser 1993 B (FSA Insd)

5.50

06/01/10

6,307,320

11,374,780

**Florida (7.3%)**

15,000

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Miami-Dade County School Board, 2003 Ser A (FGIC Insd)

5.00

08/01/29

14,970,600

3,000

Orange County School Board, Ser 2001 A COPs (AMBAC Insd)

5.25

08/01/14

3,235,080

5,000

Tamp Bay Water Authority, Ser 2001 A (FGIC Insd)

5.00

10/01/28

5,085,850

23,291,530

**Georgia (3.9%)**

5,000

Atlanta, Airport Ser 2004 C (FSA Insd)

5.00

01/01/33

5,102,900

5,000

Atlanta, Water & Wastewater, Ser 2004 (FSA Insd)

5.00

11/01/23

5,273,250

2,000

Augusta, Water & Sewer Ser 2004 (FSA Insd)

5.25

10/01/39

2,115,520

12,491,670







**Hawaii (1.6%)**

5,000

Hawaii Department of Budget & Finance, Hawaiian Electric Co Ser 1999 C (AMT) (AMBAC Insd)

6.20

11/01/29

5,217,850

**Illinois (11.3%)**

15,000

Chicago, Neighborhoods Alive 21 Ser 2001 A (FGIC Insd)

5.50

01/01/11

+

16,299,750

5,000

Chicago, O'Hare Int'l Airport, Third Lien Ser 2005 A (MBIA Insd)

5.25

01/01/25

5,164,800

2,000

Illinois Finance Authority, Swedish American Hospital Ser A (FSA Insd)

5.00

11/15/31

1,982,000

4,000

Illinois Toll Highway Authority, Priority Refg 1998 Ser A (FSA Insd)

5.50

01/01/15

4,589,400

3,000

Metropolitan Pier & Exposition Authority, McCormick Place Refg Ser 2002 B (MBIA Insd)

0.00

06/15/18

2,735,610

5,000

Metropolitan Pier & Exposition Authority, McCormick Place Ser 2002 A (MBIA Insd)

5.25

06/15/42

5,130,150

35,901,710

**Indiana (0.6%)**

2,000

Indiana Health Facilities Financing Authority, Community Health Ser 2005 A (AMBAC Insd)

5.00

05/01/35

1,986,600

2,400

Marion County Convention & Recreational Facilities Authority, Refg Ser 2003 A (AMBAC Insd)

5.00

06/01/19

2,559,816

4,546,416

**Louisiana (1.3%)**



4,000

Lafayette, Utilities Ser 2004 (MBIA Insd)

5.25

11/01/25

4,205,960

**Massachusetts (1.1%)**

3,275

Massachusetts Municipal Wholesale Electric Company, 1993 Ser A (AMBAC Insd) (ETM)

5.00

07/01/10

3,394,963

**Michigan (0.8%)**

2,390

Detroit, Sewage Refg Ser 2003 A (FSA Insd)

5.00

07/01/28

2,495,351

**Minnesota (1.7%)**

5,000

Minneapolis - St Paul Metropolitan Airports Commission, Ser 2001 C (FGIC Insd)

5.25

01/01/11

+

5,395,350

**Missouri (0.8%)**

2,500

Missouri Joint Municipal Electric Utility Commission Plum Point Ser 2006 (MBIA Insd)

5.00

01/01/26

2,533,325

**Montana (0.6%)**

2,000

Montana Facility Finance Authority, Bebefits Health Care Ser 2007 (AGC Insd)

5.00

01/01/37

2,043,940

**Nebraska (1.6%)**

5,000

Nebraska Public Power District, 2003 Ser A  
(AMBAC Insd)

5.00

01/01/35

5,062,450

**Nevada (3.7%)**

5,080

Las Vegas Water District, Impr & Refg Ser 2003 a  
(FGIC Insd)

5.25

06/01/19

5,510,733

7,000

Nevada Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (AMBAC Insd)

5.375

01/01/40

6,135,360

11,646,093

**New Hampshire (0.4%)**



1,300

New Hampshire Health & Education Facilities Authority, University of New Hampshire Ser 2001 (AMBAC Insd)

5.125

07/01/33

1,326,429

**New Jersey (1.7%)**

4,000

New Jersey Transportation Trust Fund Authority, Ser 2005 C (FGIC Insd)

5.25

06/15/20

4,334,920

1,000

University of Medicine & Dentistry, Ser 2004 COPs (MBIA Insd)

5.00

06/15/29

1,029,340

5,364,260

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**New York (17.5%)**

16,000

Hudson Yards Infrastructure Corporation, 2007 Ser A (MBIA Insd)

4.50

02/15/47

15,278,720

3,000

Long Island Power Authority, Refg Ser 2003 C (FSA Insd)

5.00

09/01/28

3,108,420

4,000

Long Island Power Authority, Ser 2006 A (XLCA Insd)

5.00

12/01/26

4,064,040

3,000

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Metropolitan Transportation Authority, Dedicated Tax Fund Refg Ser 2002 A (FSA Insd)

5.25

11/15/24

3,229,470

10,000

Metropolitan Transportation Authority, Transportation Refg Ser 2002 A (FGIC Insd)

5.00

11/15/25

10,260,200

2,000

New York City Industrial Development Agency, Queens Baseball Stadium Ser 2006 (AMBAC Insd)

5.00

01/01/31

2,019,260

2,500

New York City Industrial Development Agency, Yankee Stadium Ser 2006 (FGIC Insd)

5.00

03/01/46

2,500,750

1,735

New York City Transitional Finance Authority, 2000 Ser C (AMBAC Insd)

5.25



08/01/21

1,871,267

2,500

New York State Transitional Finance Authority, 2000 Ser C (AMBAC Insd)#

5.25

08/01/22

2,652,900

10,000

Triborough Bridge & Tunnel Authority, Refg 2002 E (MBIA Insd)

5.25

11/15/22

10,655,900

55,640,927

**North Carolina (3.0%)**

6,000

North Carolina Municipal Power Agency #1, Catawba Ser 2003 (MBIA Insd)

5.25

01/01/19

6,435,300

3,000

University of North Carolina at Wilmington, Student Housing Ser 2005 COPs (FGIC Insd)

5.00

06/01/36

3,035,610

9,470,910

**Oregon (1.0%)**

3,000

Oregon Department of Administrative Services, COPs Ser 2005 B (FGIC Insd)

5.00

11/01/24

3,115,920

**Pennsylvania (5.5%)**

5,000

Allegheny County Hospital Development Authority, Pittsburgh Mercy Health Ser 1996 (AMBAC Insd) (ETM)

5.625

08/15/18

5,487,000

2,000

Delaware County Industrial Development Authority, Aqua Inc Ser A 2005 (AMT) (FGIC Insd)

5.00

11/01/37

1,984,540

4,110

Pennsylvania, First Ser 2003 (MBIA Insd)\*\*

5.00

01/01/13

+

4,543,420

5,000

Philadelphia, Water & Wastewater Ser 1998 (AMBAC Insd)

5.25

12/15/14

5,528,850

17,543,810

**Rhode Island (3.6%)**

10,000

Rhode Island Depositors Economic Protection Corporation, Refg 1992 Ser B (MBIA Insd) (ETM)

6.00

08/01/17

11,328,100



**South Carolina (5.0%)**

1,500

Medical University Hospital Authority, FHA Insured Mtge Ser 2004 A (MBIA Insd)

5.25

02/15/25

1,562,655

10,000

South Carolina Public Service Authority, Santee Cooper Ser 2003 A (AMBAC Insd)

5.00

01/01/27

10,256,900

4,000

South Carolina Public Service Authority, Santee Cooper 2006 Ser A (MBIA Insd)

5.00

01/01/36

4,106,360

15,925,915

**Texas (22.1%)**

3,020

Amarillo Health Facilities Corporation, Baptist St Anthony's Hospital Ser 1998 (FSA Insd)

5.50

01/01/16

3,431,052

5,075

Amarillo Health Facilities Corporation, Baptist St Anthony's Hospital Ser 1998 (FSA Insd)

5.50

01/01/17

5,777,735

9,000

Dallas-Fort Worth International Airport, Ser 2003 A (AMT) (FSA Insd)

5.375

11/01/22

9,398,160

15,000

Houston, Combined Utility First Lien Refg 2004 Ser A (FGIC Insd)

5.25

05/15/23

15,772,650

4,000

Houston, Public Impr & Refg Ser 2001 B (FSA Insd)

5.50

03/01/17

4,330,840

8,575

Lower Colorado River Authority, Refg Ser 1999 A (MBIA Insd)

5.00

05/15/31

8,768,195

205

Lower Colorado River Authority, Refg Ser 1999 A (MBIA Insd)

5.00

05/15/31

227,905

10,000

Lower Colorado River Authority, Refg Ser 1999 A (FSA Insd)

5.875

05/15/16

10,531,315

5,000

Lower Colorado River Authority, Refg Ser 2001 A (FSA Insd)

5.00

05/15/26

5,105,200

3,000

San Antonio, Water & Refg Ser 2002 A (FSA Insd)

5.00

05/15/32

3,067,710

4,000

Texas Turnpike Authority, Central Texas Ser 2002 A (AMBAC Insd)

5.50

08/15/39

4,094,080



70,504,842

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**Utah (1.7%)**

5,000

Intermountain Power Agency, Utah, 2003 Ser A (FSA Insd)

5.00

07/01/21

5,396,450

**Virginia (2.1%)**

3,000

Alexandria Industrial Development Authority, Institute for Defense Analysis Ser 2000 A (AMBAC Insd)

5.90

10/01/10

+

3,304,680

3,000

Richmond Metropolitan Authority, Refg Ser 2002 (FGIC Insd)

5.25

07/15/22

3,378,660

6,683,340

**Washington (11.0%)**

6,000

Cowitz County, Public Utility District # 1, Production Ser 2006 (MBIA Insd)

5.00

09/01/31

6,030,960

5,000

King County, Sewer Refg 2001 (FGIC Insd)

5.00

01/01/31

5,072,550

8,025

Port of Seattle, Passenger Facility Ser 1998 A (MBIA Insd)\*\*

5.00

12/01/23

8,118,120

5,000

Port of Seattle, Ser 2001 B (AMT) (MBIA Insd)

5.625

02/01/24

5,145,300

2,890

Seattle, Water Refg 2003 (MBIA Insd)

5.00

09/01/20

3,094,583

2,870

Seattle, Water Refg 2003 (MBIA Insd)

5.00

09/01/23

2,989,794



2,500

Spokane School District #81, Ser 2005 (MBIA Insd)

0.00

12/01/23

2,519,275

2,000

Washington State Health Care Facilities Authority, Kadlec Medical Center Ser 2006 A (AGC Insd)

5.00

12/01/30

2,032,000

35,002,582

**West Virginia (1.0%)**

2,900

West Virginia Water Development Authority, Loan Program II Refg Ser 2003 B (AMBAC Insd)

5.25

11/01/23

3,119,240

**Total Tax-Exempt Municipal Bonds** (*Cost \$463,955,051*)

479,115,098

**NUMBER OF**

**SHARES (000)**

**Short-Term Investment (a) (5.2%)**

**Investment Company**

16,644

Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class

*(Cost \$16,644,442)*

16,644,442

**Total Investments** *(Cost \$480,599,493)*

495,759,540

**PRINCIPAL  
AMOUNT IN  
THOUSANDS**

**Floating Rate Note Obligations Related to Securities Held (-8.7%)**

(27,580)

Notes with interest rates ranging from 2.11% to 3.78% at January 31, 2008 and contractual maturities of collateral ranging from 01/01/13 to 10/01/37 (b) (Cost \$(27,580,000))

(27,580,000)

**Total Net Investments** (Cost \$453,019,493) (c) (d)

147.1

%

468,179,540



**Other Assets in Excess of Liabilities**

1.6

5,038,540

**Preferred Shares of Beneficial Interest**

(48.7

)

(155,000,000

)

**Net Assets Applicable to Common Shareholders**

100.0

%

\$

318,218,081

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Percentages are calculated as a percentage of net assets.

AMT

Alternative Minimum Tax.

COPs

Certificates of Participation.

#

A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$244,758.

Prerefunded to call date shown.

Currently a zero coupon security; will convert to 5.00% on October 1, 2013.

Currently a zero coupon security; will convert to 5.75% on June 15, 2017.

Floating rate note obligations related to securities held. The interest rate shown reflects the rate in effect at January 31, 2008.

\*\*

Underlying securities related to inverse floaters entered into by the Trust.

(a)

The Trust invests in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class, an open-end management investment company managed by the Investment Adviser. Investment advisory fees paid by the Trust are reduced by an amount equal to the advisory and administrative services fees paid by Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio Institutional Class with respect to assets invested by the Trust in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio Institutional Class. For the period ended January 31, 2008, advisory fees paid were reduced by \$2,953 relating to the Trust's investment in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio Institutional Class. Income distributions earned by the Trust totaled \$87,345, for the period ended January

31, 2008.

(b)

**Floating Rate Note Obligations Related to Securities Held** The Trust enters into transactions in which it transfers to Dealer Trusts ( Dealer Trusts ), fixed rate bonds in exchange for cash and residual interests in the Dealer Trusts assets and cash flows, which are in the form of inverse floating rate investments. The Dealer Trusts fund the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Trust to retain residual interest in the bonds. The Trust enters into shortfall agreements with the Dealer Trusts which commit the Trust to pay the Dealer Trusts, in certain circumstances, the difference between the liquidation value of the fixed rate bonds held by the Dealer Trusts and the liquidation value of the floating rate notes held by third parties, as well as any shortfalls in interest cash flows. The residual interests held by the Trust (inverse floating rate investments) include the right of the Trust (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the Dealer Trusts to the Trust, thereby collapsing the Dealer Trusts. The Trust accounts for the transfer of bonds to the Dealer Trusts as secured borrowings, with the securities transferred remaining in the Trust s investment assets, and the related floating rate notes reflected as Trust liabilities. The notes issued by the Dealer Trusts have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the Dealer Trusts for redemption at par at each reset date. At January 31, 2008, Trust investments with a value of \$37,629,870 are held by the Dealer Trusts and serve as collateral for the \$27,580,000 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at January 31, 2008 are presented in the Portfolio of Investments .

(c)

Securities have been designated as collateral in an amount equal to \$69,891,340 in connection with open futures contracts.

(d)

The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes.

Bond insurance:

AMBAC

Ambac Assurance Corporation.

FGIC

Financial Guaranty Insurance Company.

FSA

Financial Security Assurance Inc.

MBIA

Municipal Bond Investors Assurance Corporation.

XLCA

XL Capital Assurance Inc.

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**FUTURES CONTRACTS OPEN AT JANUARY 31, 2008:**

**NUMBER OF  
CONTRACTS**

**LONG/  
SHORT**

**DESCRIPTION, DELIVERY  
MONTH AND YEAR**

**UNDERLYING FACE  
AMOUNT AT VALUE**

**UNREALIZED  
APPRECIATION  
(DEPRECIATION)**

149

Long

U.S. Treasury Notes 5 Year,



March 2008

\$

16,776,469

\$

168,499

13

Long

U.S. Treasury Notes 5 Year,

June 2008

1,458,438

(1,787)

470

Long

Swap 10 Year,

March 2008

53,139,375

1,266,720

10

Short

U.S. Treasury

March 2008

1,064,141

(3,055

)

94

Short

U.S. Treasury Notes

March 2008

10,904,000

(18,773

)

312

Short

U.S. Treasury Bond

March 2008

36,913,500

(296,453

)

**Net Unrealized Appreciation**

\$

1,115,151

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**Item 2. Controls and Procedures.**

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Trust's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting.

**Item 3. Exhibits.**

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.





**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley Insured Municipal Income Trust

/s/ Ronald E. Robison

Ronald E. Robison  
Principal Executive Officer  
March 20, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ronald E. Robison

Ronald E. Robison  
Principal Executive Officer  
March 20, 2008

/s/ Francis Smith

Francis Smith  
Principal Financial Officer  
March 20, 2008

3

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**Exhibit 3 A1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**

I, Ronald E. Robison, certify that:

1.

I have reviewed this report on Form N-Q of Morgan Stanley Insured Municipal Income Trust;

2.

Based on my knowledge, this 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 report;

3.

Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4.

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) 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 report is being prepared;

(b)

Omitted;

(c)

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 a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d)

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.

The registrant's other certifying officer(s) and I have disclosed 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 control over financial reporting.

Date: March 20, 2008

/s/ Ronald E. Robison

Ronald E. Robison  
Principal Executive Officer







**Exhibit 3 A2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, Francis Smith, certify that:

1.

I have reviewed this report on Form N-Q of Morgan Stanley Insured Municipal Income Trust;

2.

Based on my knowledge, this 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 report;

3.

Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4.

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) 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 report is being prepared;

(b)

Omitted;

(c)

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 a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d)

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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.

The registrant's other certifying officer(s) and I have disclosed 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 control over financial reporting.

Date: March 20, 2008

/s/ Francis Smith

Francis Smith  
Principal Financial Officer

