

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

|                                                                                                                                                                                                                                                                                                                           |                                                                        |                                                                                                                                                                                       |                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 1. Name and Address of Reporting Person -<br>BANK OF AMERICA CORP /DE/<br><div><div>(Last)</div><div>(First)</div><div>(Middle)</div></div> <div>BANK OF AMERICA CORPORATE CENTER, 100 N TRYON ST</div> <div>(Street)</div> <div>CHARLOTTE, NC 28255</div> <div><div>(City)</div><div>(State)</div><div>(Zip)</div></div> | 2. Date of Event Requiring Statement<br>(Month/Day/Year)<br>06/30/2009 | 3. Issuer Name and Ticker or Trading Symbol<br>MORGAN STANLEY CALIFORNIA INSURED MUNICIPAL INCO [IIC]                                                                                 |                                                      |
|                                                                                                                                                                                                                                                                                                                           |                                                                        | 4. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br>____ Director<br>____ Officer (give title below)      ____X____ 10% Owner<br>____ Other (specify below) | 5. If Amendment, Date Original Filed(Month/Day/Year) |
|                                                                                                                                                                                                                                                                                                                           |                                                                        | 6. Individual or Joint/Group Filing(Check Applicable Line)<br>__X__ Form filed by One Reporting Person<br>____ Form filed by More than One Reporting Person                           |                                                      |
| Table I - Non-Derivative Securities Beneficially Owned                                                                                                                                                                                                                                                                    |                                                                        |                                                                                                                                                                                       |                                                      |

|                                    |                                                          |                                                                |                                                          |
|------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------|
| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form: Direct<br>(D) or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
| Auction Rate Preferred             | 649 <a href="#">(1)</a>                                  | I                                                              | By Subsidiary                                            |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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|                                                                                                                    |                                                             |                 |                                                                                |                            |                                                        |                                                                                    |                                                          |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------|
| Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) |                                                             |                 |                                                                                |                            |                                                        |                                                                                    |                                                          |
| 1. Title of Derivative Security<br>(Instr. 4)                                                                      | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) |                 | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) |                            | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)<br>(Instr. 5) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|                                                                                                                    | Date Exercisable                                            | Expiration Date | Title                                                                          | Amount or Number of Shares |                                                        |                                                                                    |                                                          |
|                                                                                                                    |                                                             |                 |                                                                                |                            |                                                        |                                                                                    |                                                          |

Reporting Owners

| Reporting Owner Name / Address                                                                         | Relationships |           |         |       |
|--------------------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                                        | Director      | 10% Owner | Officer | Other |
| BANK OF AMERICA CORP /DE/<br>BANK OF AMERICA CORPORATE CENTER<br>100 N TRYON ST<br>CHARLOTTE, NC 28255 |               | X         |         |       |

Signatures

|                                                                             |  |            |
|-----------------------------------------------------------------------------|--|------------|
| Debra I. Cho, Senior Vice President, Bank of America Corporation            |  | 07/10/2009 |
| <a href="#">Signature of Reporting Person</a>                               |  | Date       |
| Adam Strouse, Attorney-In-Fact, Merrill Lynch, Pierce, Fenner & Smith, Inc. |  | 07/10/2009 |
| <a href="#">Signature of Reporting Person</a>                               |  | Date       |

Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Auction Rate Preferred Shares ("Shares") reported in Table 1 represent 574 Shares beneficially owned by Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and 75 Shares beneficially owned by Bank of America, N.A.("BANA"). MLPFS and BANA are each indirect, wholly

Remarks:

The Shares reported herein represent Bank of America's combined holdings in multiple series of auction rate preferred securities of the issuer, which are treated herein as one class of securities in accordance with the Auction Rate Securities action letter issued by the Securities and Exchange Commission (SEC) on September 22, 2008. Bank of America undertakes to provide upon request by the SEC, the issuer or a security holder of the issuer, complete information regarding

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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 number.