

Edgar Filing: EATON VANCE INSURED CALIFORNIA MUNICIPAL BOND FUND II - Form N-Q

EATON VANCE INSURED CALIFORNIA MUNICIPAL BOND FUND II

Form N-Q

August 31, 2009

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

**Form N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

**811-21217**

**Investment Company Act File Number**

**Eaton Vance Insured California Municipal Bond Fund II**

(Exact Name of Registrant as Specified in Charter)

Two International Place, Boston, Massachusetts 02110

(Address of Principal Executive Offices)

Maureen A. Gemma

Two International Place, Boston, Massachusetts 02110

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number, Including Area Code)

September 30

Date of Fiscal Year End

June 30, 2009

Date of Reporting Period

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**Item 1. Schedule of Investments**

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as of June 30, 2009

**PORTFOLIO OF INVESTMENTS (Unaudited)****Tax-Exempt Investments 181.0%****Principal****Amount****(000 s****omitted)****Security****Value****Electric Utilities 1.6%**

|    |     |   |           |                |
|----|-----|---|-----------|----------------|
| \$ | 675 | Vernon, Electric System Revenue, 5.125%, 8/1/21 | \$        | 659,408        |
|    |     |   | <b>\$</b> | <b>659,408</b> |

**Hospital 15.3%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 1,330 | California Health Facilities Financing Authority, (Catholic Healthcare West),<br>5.625%, 7/1/32          | \$        | 1,258,712        |
|    | 1,445 | California Health Facilities Financing Authority, (Cedars-Sinai Medical Center),<br>5.00%, 11/15/34      |           | 1,259,491        |
|    | 1,475 | California Statewide Communities Development Authority, (Huntington Memorial<br>Hospital), 5.00%, 7/1/35 |           | 1,236,227        |
|    | 500   | California Statewide Communities Development Authority, (John Muir Health),<br>5.00%, 8/15/36            |           | 437,015          |
|    | 1,900 | California Statewide Communities Development Authority, (Kaiser Permanente),<br>5.25%, 3/1/45            |           | 1,688,644        |
|    | 555   | Washington Township Health Care District, 5.00%, 7/1/32  |           | 473,348          |
|    |       |  | <b>\$</b> | <b>6,353,437</b> |

**Insured-Electric Utilities 7.1%**

|    |       |   |           |                  |
|----|-------|---|-----------|------------------|
| \$ | 1,475 | Glendale Electric, (NPMFG), 5.00%, 2/1/32   | \$        | 1,417,062        |
|    | 1,500 | Los Angeles Department of Water and Power, (AMBAC), (BHAC),<br>5.00%, 7/1/26 <sup>(1)</sup> |           | 1,539,795        |
|    |       |   | <b>\$</b> | <b>2,956,857</b> |

**Insured-Escrowed/Prerefunded 10.9%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 875   | California Infrastructure & Economic Development Bank, (Bay Area Toll Bridges),<br>(AMBAC), Prerefunded to 1/1/28, 5.00%, 7/1/36 | \$        | 973,411          |
|    | 5,000 | Clovis Unified School District, (FGIC), (NPMFG), Escrowed to Maturity,<br>0.00%, 8/1/20  |           | 3,137,850        |
|    | 395   | Orange County Water District, Certificates of Participation, (NPMFG), Escrowed to<br>Maturity, 5.00%, 8/15/34                    |           | 398,480          |
|    |       |  | <b>\$</b> | <b>4,509,741</b> |

**Insured-General Obligations 46.5%**

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|    |        |  |    |                   |
|----|--------|--|----|-------------------|
| \$ | 740    | Antelope Valley Community College District, (Election of 2004), (NPMFG),<br>5.25%, 8/1/39          | \$ | 730,047           |
|    | 8,680  | Arcadia Unified School District, (FSA), 0.00%, 8/1/38  |    | 1,325,696         |
|    | 3,115  | Arcadia Unified School District, (FSA), 0.00%, 8/1/40  |    | 415,572           |
|    | 3,270  | Arcadia Unified School District, (FSA), 0.00%, 8/1/41  |    | 409,371           |
|    | 1,500  | Carlsbad Unified School District, (Election of 2006), (NPMFG), 5.25%, 8/1/32                       |    | 1,532,625         |
|    | 19,350 | Chabot-Las Positas Community College District, (AMBAC), 0.00%, 8/1/43                              |    | 2,085,156         |
|    | 6,675  | Coast Community College District, (Election of 2002), (FSA), 0.00%, 8/1/35                         |    | 1,292,747         |
|    | 1,080  | El Camino Hospital District, (NPMFG), 4.45%, 8/1/36  |    | 888,106           |
|    | 2,350  | Long Beach Unified School District, (Election of 1999), (FSA), 5.00%, 8/1/31                       |    | 2,318,957         |
|    | 2,075  | Los Angeles Community College District, (Election of 2001), (FGIC), (FSA),<br>5.00%, 8/1/32        |    | 2,019,494         |
|    | 1,000  | Mount Diablo Unified School District, (FSA), 5.00%, 8/1/25   |    | 1,008,480         |
|    | 4,300  | San Mateo County Community College District, (Election of 2001), (FGIC),<br>(NPMFG), 0.00%, 9/1/21 |    | 2,313,228         |
|    | 1,600  | Santa Clara Unified School District, (Election of 2004), (FSA), 4.375%, 7/1/30                     |    | 1,410,496         |
|    | 3,200  | Union Elementary School District, (FGIC), (NPMFG), 0.00%, 9/1/22                                   |    | 1,547,584         |
|    |        |  | \$ | <b>19,297,559</b> |

**Insured-Hospital 6.9%**

|    |       |  |    |                  |
|----|-------|--|----|------------------|
| \$ | 1,250 | California Statewide Communities Development Authority, (Kaiser Permanente),<br>(BHAC), 5.00%, 3/1/41 <sup>(1)</sup> | \$ | 1,218,875        |
|    | 1,750 | California Statewide Communities Development Authority, (Sutter Health), (FSA),<br>5.05%,<br>8/15/38 <sup>(1)</sup>  |    | 1,670,357        |
|    |       |  | \$ | <b>2,889,232</b> |

**Insured-Lease Revenue/Certificates of Participation 19.1%**

|    |       |   |    |           |
|----|-------|---|----|-----------|
| \$ | 4,250 | California Public Works Board Lease Revenue, (Department of General Services),<br>(AMBAC), 5.00%, 12/1/27 | \$ | 3,797,290 |
|    | 1,250 | Puerto Rico Public Finance Corp., (AMBAC), Escrowed to Maturity, 5.50%, 8/1/27                            |    | 1,401,025 |

**Table of Contents****Principal  
Amount  
(000 s  
omitted)**

|          | <b>Security</b>  | <b>Value</b>        |
|----------|--|---------------------|
| \$ 1,750 | San Diego County Water Authority, Certificates of Participation, (FSA), 5.00%, 5/1/38 <sup>(1)</sup> | \$ 1,685,233        |
| 1,075    | San Jose Financing Authority, (Civic Center), (AMBAC), 5.00%, 6/1/32                                 | 1,054,822           |
|          |  | <b>\$ 7,938,370</b> |

**Insured-Private Education 1.8%**

|        |   |                   |
|--------|---|-------------------|
| \$ 785 | California Educational Facilities Authority, (Pepperdine University), (AMBAC), 5.00%, 12/1/32 | \$ 761,780        |
|        |   | <b>\$ 761,780</b> |

**Insured-Public Education 14.1%**

|          |   |                     |
|----------|---|---------------------|
| \$ 4,000 | California State University, (AMBAC), 5.00%, 11/1/33                      | \$ 3,873,880        |
| 2,000    | California State University, (BHAC), (FSA), 5.00%, 11/1/39 <sup>(1)</sup> | 1,966,120           |
|          |   | <b>\$ 5,840,000</b> |

**Insured-Special Assessment Revenue 18.5%**

|          |   |                     |
|----------|---|---------------------|
| \$ 2,500 | Cathedral City Public Financing Authority, (Housing Redevelopment), (NPFPG), 5.00%, 8/1/33        | \$ 2,018,075        |
| 2,500    | Cathedral City Public Financing Authority, (Tax Allocation Redevelopment), (NPFPG), 5.00%, 8/1/33 | 2,018,075           |
| 1,750    | Irvine Public Facility and Infrastructure Authority, (AMBAC), 5.00%, 9/2/26                       | 1,463,122           |
| 1,845    | Los Osos Community Services, Wastewater Assessment District, (NPFPG), 5.00%, 9/2/33               | 1,440,742           |
| 945      | Murrieta Redevelopment Agency Tax, (NPFPG), 5.00%, 8/1/32   | 771,829             |
|          |   | <b>\$ 7,711,843</b> |

**Insured-Special Tax Revenue 12.5%**

|          |  |              |
|----------|--|--------------|
| \$ 2,195 | Hesperia Public Financing Authority, (Redevelopment and Housing Project), (XLCA), 5.00%, 9/1/37  | \$ 1,560,952 |
| 13,400   | Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54  | 710,066      |
| 2,325    | Puerto Rico Sales Tax Financing, (NPFPG), 0.00%, 8/1/44  | 256,889      |
| 4,610    | Puerto Rico Sales Tax Financing, (NPFPG), 0.00%, 8/1/45  | 477,504      |
| 2,905    | Puerto Rico Sales Tax Financing, (NPFPG), 0.00%, 8/1/46  | 281,378      |
| 245      | Sacramento Area Flood Control Agency, (BHAC), 5.50%, 10/1/28                                     | 260,496      |
| 405      | Sacramento Area Flood Control Agency, (BHAC), 5.625%, 10/1/37                                    | 426,291      |
| 260      | San Francisco Bay Area Rapid Transportation District, Sales Tax Revenue, (AMBAC), 5.00%, 7/1/31  | 257,603      |
| 985      | San Francisco Bay Area Rapid Transportation District, Sales Tax Revenue, (AMBAC), 5.125%, 7/1/36 | 978,588      |

**\$ 5,209,767**

**Insured-Transportation 2.2%**

\$ 3,670 San Joaquin Hills Transportation Corridor Agency, (NPMFG), 0.00%, 1/15/27 \$ 928,547

**\$ 928,547**

**Insured-Utilities 4.1%**

\$ 1,750 Los Angeles Department of Water and Power, (FGIC), (NPMFG), 5.125%, 7/1/41 \$ 1,684,795

**\$ 1,684,795**

**Insured-Water Revenue 17.4%**

\$ 1,235 Calleguas Las Virgines Public Financing Authority, (Municipal Water District), (BHAC), (FGIC), 4.75%, 7/1/37 \$ 1,165,667

2,500 Contra Costa Water District, (FSA), 5.00%, 10/1/32<sup>(1)</sup> 2,469,305

1,225 East Bay Municipal Utilities District, Water System Revenue, (FGIC), (NPMFG), 5.00%, 6/1/32 1,224,951

1,500 Los Angeles Department of Water and Power, (NPMFG), 3.00%, 7/1/30 1,042,185

1,655 Santa Clara Valley Water District, (FSA), 3.75%, 6/1/28 1,340,236

**\$ 7,242,344**

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| <b>Principal Amount (000 s omitted)</b>                          | <b>Security</b>  | <b>Value</b>           |
|--|--|------------------------|
| <b>Private Education</b>   | <b>3.0%</b>  |                        |
| \$ 750   | California Educational Facilities Authority, (Claremont McKenna College),<br>5.00%, 1/1/39           | \$ 728,595             |
| 500  | California Educational Facilities Authority, (Stanford University),<br>5.125%, 1/1/31 <sup>(2)</sup> | 499,980                |
|  |  | <b>\$ 1,228,575</b>    |
| <b>Total Tax-Exempt Investments</b>                              | <b>181.0%</b>  |                        |
| <b>(identified cost \$84,307,499)</b>                            |  | <b>\$ 75,212,255</b>   |
| <b>Auction Preferred Shares Plus Cumulative Unpaid Dividends</b> | <b>(61.8)%</b>   | <b>\$ (25,702,185)</b> |
| <b>Other Assets, Less Liabilities</b>                            | <b>(19.2)%</b>   | <b>\$ (7,967,354)</b>  |
| <b>Net Assets Applicable to Common Shares</b>                    | <b>100.0%</b>  | <b>\$ 41,542,716</b>   |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

AMBAC - AMBAC Financial Group, Inc.

BHAC - Berkshire Hathaway Assurance Corp.

FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

NPFG - National Public Finance Guaranty Corp.

XLCA - XL Capital Assurance, Inc.

The Fund invests primarily in debt securities issued by California municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at June 30, 2009, 89.0% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 2.1% to 32.1% of total investments.

- (1) Security represents the underlying municipal bond of a tender option bond trust.
- (2) Security (or a portion thereof) has been pledged to cover margin requirements on open financial futures contracts.

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A summary of financial instruments outstanding at June 30, 2009 is as follows:

**Futures Contracts**

| <b>Expiration Date</b> | <b>Contracts</b>      | <b>Position</b> | <b>Aggregate Cost</b> | <b>Value</b>   | <b>Net Unrealized Depreciation</b> |
|------------------------|-----------------------|-----------------|-----------------------|----------------|------------------------------------|
| 9/09                   | 43 U.S. Treasury Bond | Short           | \$ (5,019,764)        | \$ (5,089,453) | \$ (69,689)                        |

**Interest Rate Swaps**

| <b>Counterparty</b>                  | <b>Notional Amount</b> | <b>Annual Fixed Rate Paid By Fund</b> | <b>Floating Rate Paid To Fund</b> | <b>Effective Date/<br/>Termination Date</b> | <b>Net Unrealized Depreciation</b> |
|--------------------------------------|------------------------|---------------------------------------|-----------------------------------|---|------------------------------------|
|                                      |                        |                                       |                                   | September 14, 2009 /                        |                                    |
| JPMorgan Chase Co.                   | \$ 1,137,500           | 4.743%                                | 3-month USD-LIBOR-BBA             | September 14, 2039                          | \$ (102,393)                       |
| Merrill Lynch Capital Services, Inc. | 1,812,500              | 4.517                                 | 3-month USD-LIBOR-BBA             | December 1, 2009 /<br>December 1, 2039      | (78,692)                           |
|                                      |                        |                                       |                                   |   | <b>\$ (181,085)</b>                |

The effective date represents the date on which the Fund and the counterparty to the interest rate swap contract begin interest payments accruals.

At June 30, 2009, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives. Because the Fund holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To hedge against this risk, the Fund may enter into interest rate swap contracts. The Fund may also purchase and sell U.S. Treasury futures contracts to hedge against changes in interest rates.

At June 30, 2009, the aggregate fair value of derivative instruments (not accounted for as hedging instruments under Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 133) in a liability position and whose primary underlying risk exposure is interest rate risk was \$250,774.

The cost and unrealized appreciation (depreciation) of investments of the Fund at June 30, 2009, as determined on a federal income tax basis, were as follows:

|                               |                      |
|-------------------------------|----------------------|
| <b>Aggregate cost</b>         | <b>\$ 74,510,148</b> |
| Gross unrealized appreciation | \$ 600,754           |
| Gross unrealized depreciation | (9,473,647)          |

**Net unrealized depreciation**

**\$ (8,872,893)**

The Fund adopted FASB Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, effective October 1, 2008. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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**Item 2. Controls and Procedures**

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

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**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.

**Eaton Vance Insured California Municipal Bond Fund II**

By: /s/ Cynthia J. Clemson

Cynthia J. Clemson  
President

Date: August 20, 2009

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

By: /s/ Cynthia J. Clemson

Cynthia J. Clemson  
President

Date: August 20, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: August 20, 2009