

COLONIAL NEW YORK INSURED MUNICIPAL FUND
Form N-30D
August 07, 2002

[photo of suspension bridge]

COLONIAL NEW YORK
INSURED MUNICIPAL FUND

SEMIANNUAL REPORT
MAY 31, 2002

PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

The environment for the municipal bond market has been shaped by economic events and investor uncertainties over the past six months. Although the Federal Reserve halted its string of interest rate cuts in December 2001, its presence on the sidelines was felt by the market as investors tried to guess the timing of its next move. A robust first quarter suggested that the Fed could act early in 2002 to begin to raise short-term interest rates; however, they remained at a 40-year low throughout the period. Indications of more moderate economic growth in the second quarter raised the possibility that the Fed may delay action until later in the year.

The municipal bond market was one of the strongest bond market sectors for the six-month period. As cities and states face leaner times and tighter budgets, the volume of new municipal bonds increased somewhat. However, demand also increased as investors favored bonds over stocks, and that has helped support municipal bond returns.

The following report will provide you with more detailed information about the fund's performance and the strategies used by portfolio manager Maureen G. Newman. For more information, contact your financial advisor. As always, we thank you for investing in Colonial New York Insured Municipal Fund and for giving us the opportunity to help you build a strong financial future.

/s/ Keith T. Banks

Keith T. Banks
President
Colonial Management Associates, Inc.

Not FDIC Insured
May Lose Value
No Bank Guarantee

Economic and market conditions can frequently change. There is not assurance that the trends described in this report will continue or commence.

PORTFOLIO MANAGER'S REPORT

For the six-month period ended May 31, 2002, Colonial New York Insured Municipal

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Fund generated a 2.85% total return, based on net asset value. The fund's return lagged the average 3.01% return of its peer group, the Lipper New York Insured Municipal Debt Funds category. The fund's relatively long duration at the beginning of the period was largely responsible for its underperformance. Duration measures a fund's sensitivity to interest rate changes. Generally, a longer duration benefits a fund when interest rates decline and hurts performance when interest rates rise, as they did at the beginning of the period (see sidebar). The fund's leverage, from investing the proceeds from the sale of preferred shares in long-term bonds and paying out a short rate, boosted its income. As a result, the income available for distribution to common shareholders was enhanced.

As economic growth improved and interest rates rose, we shortened duration. Also, during the period, we began the process of bringing the fund's portfolio in line with a new Securities and Exchange Commission rule requiring mutual funds to invest at least 80% of their net assets (plus any borrowings for investment purposes) in the types of securities suggested by their names. Effective July 1, 2002, the fund's investment strategies were changed to indicate that the fund will, under normal conditions, invest at least 80% of its net assets (plus any borrowings for investment purposes) in New York Municipal Obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest. "New York Municipal Obligations" are bonds and notes that generally are issued by or on behalf of New York state and local governmental units whose interest is, in the opinion of issuer's counsel (or on the basis of other reliable authority), exempt from regular federal income tax and New York State and City personal income tax. Prior to July 1, 2002, the fund was required to invest at least 65% of its total assets in New York Municipal Obligations that were covered by insurance guaranteeing the timely payment of principal at maturity and interest.

In replacing uninsured bonds, we focused on noncallable bonds, which we believe have the potential to perform well in a stable or rising interest rate environment. We also sold bonds that were trading at close to par value, the amount paid to investors when a bond matures.

The New York economy is recovering slowly. To raise capital and meet its budgetary obligations, the state has issued and we believe will continue to issue a large amount of debt over the next several months. We expect to find opportunities in this new issuance. If the economy improves, interest rates could stabilize or rise, so we expect most of the fund's total return to come from income in the months ahead.

/s/ MAUREEN G. NEWMAN

MAUREEN G. NEWMAN

Maureen G. Newman is the portfolio manager of Colonial New York Insured Municipal Fund and a senior vice president of Colonial Management Associates, Inc., an affiliate of Columbia Management Group. Ms. Newman received her BA in economics from Boston College and her MBA from Babson College. She is a Chartered Financial Analyst, a member of the Boston Security Analysts Society and former chairman of the National Federation of Municipal Analysts.

[bar chart data]:

SIX-MONTH TOTAL RETURN AS OF 5/31/02 (%)

Colonial	Lehman
New York	Brothers
Insured	Municipal
Municipal	Bond
Fund	Index

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short-term obligations. Ratings shown in the quality breakdown represent the highest rating assigned to a particular bond by one of the following nationally recognized rating agencies: Standard & Poor's Corporation, Moody's Investors Service, Inc. or Fitch Investors Service, Inc. Sector breakdowns are calculated as a percentage of net assets representing both common shares and auction preferred shares.

Because the fund is actively managed, there can be no guarantee that the fund will continue to maintain this quality breakdown or invest in these sectors in the future.

TOP 10 INDUSTRY SECTORS
AS OF 5/31/02 (%)

Education	16.6
-----	-----
Special Non-Property Tax	10.7
-----	-----
Airports	8.5
-----	-----
State Appropriated	8.4
-----	-----
Hospitals	8.0
-----	-----
Water & Sewer	7.0
-----	-----
Transportation	6.2
-----	-----
Municipal Electric	5.1
-----	-----
Local General Obligations	4.7
-----	-----
Toll Facilities	4.1
-----	-----

ABOUT DURATION

Duration is a measure, expressed in years, of interest-rate sensitivity. It's similar to maturity, but because it takes into consideration the entire stream of future principal and interest payments and how long it will take to collect them, it is a more complex and also a more accurate measure of a fund's exposure to changing interest rates.

Since we are active duration managers, we tend to use duration as a tactical tool to anticipate or respond to interest rate changes. Because bond prices move in the opposite direction that interest rates are moving, usually we lower duration when we expect interest rates to rise or raise it when we expect interest rates to fall. This adjustment provides the potential to benefit performance. If we are wrong and interest rates rise after we lengthen duration or fall after we shorten duration, fund performance could be hurt.

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INVESTMENT PORTFOLIO

May 31, 2002 (Unaudited) (New York unless otherwise stated)

MUNICIPAL BONDS - 97.0%	PAR	VALUE
-----	-----	-----
EDUCATION - 16.6%		
Niagara County Industrial Development		

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Agency, Niagara University, Series 2001 A, 5.350% 11/01/23	\$1,000,000	\$ 989,400
Schenectady Industrial Development Agency, Union College, Series 1999 A, 5.450% 12/01/29	1,000,000	1,017,660
St. Lawrence County Industrial Development Agency, St. Lawrence University, Series 1998 A, 5.375% 07/01/18	700,000	728,574
State Dormitory Authority: Cooper Union, Series 1999, 6.000% 07/01/19	1,000,000	1,092,290
New York University, Series 1998 A, 5.750% 07/01/27	1,500,000	1,644,480
Pratt Institute, Series 1999, 6.000% 07/01/28	500,000	534,240
Willow Towers, Inc., Series 2002, 5.250% 02/01/22 (a)	500,000	499,960
		----- 6,506,604 -----

HEALTH CARE - 12.1% CONGREGATE CARE RETIREMENT - 1.4% State Dormitory Authority, Miriam Osborn Memorial Home, Series 2000 B, 6.875% 07/01/19	300,000	337,401
Suffolk County Industrial Development Agency, Jefferson Ferry, Series 1999 A, 7.200% 11/01/19	200,000	208,000
		----- 545,401 -----

HOSPITALS - 8.0% State Dormitory Authority: New Island Hospital, Series 1999 B, 5.750% 07/01/19	1,000,000	1,066,680
Sloan Kettering Cancer Center, Series 1998, 5.500% 07/01/23	1,000,000	1,064,650
St. Francis Hospital, Series 1999 A, 5.500% 07/01/29	1,000,000	1,017,830
		----- 3,149,160 -----

NURSING HOME - 2.7% Syracuse Housing Authority, Loretto Rest, Series 1997 A, 5.700% 08/01/27	1,000,000	1,036,450

PAR	VALUE

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HOUSING - 3.0%		
ASSISTED LIVING/SENIOR - 0.4%		
Huntington Housing Authority, Gurwin Jewish Senior Center, Series 1999, 6.000% 05/01/29		
	\$ 200,000	\$ 175,000

SINGLE FAMILY - 2.6%		
State Mortgage Agency, Series 1999 8-2, 5.650% 04/01/30		
	1,000,000	1,015,740

OTHER - 2.1%		
OTHER - 0.6%		
New York City, Tobacco Trust II, Series 2001, 5.750% 06/01/43		
	250,000	243,478

POOL/BOND BANK - 1.5%		
State Environmental Facilities Corp., Series 2000, 5.700% 07/15/22		
	540,000	570,407

OTHER REVENUE - 2.7%		
RECREATION - 2.7%		
New York City Cultural Trust, American Museum of Natural History, Series 1997 A, 5.650% 04/01/22		
	1,000,000	1,036,970

TAX-BACKED - 27.7%		
LOCAL GENERAL OBLIGATIONS - 4.7%		
New York City: Series 1998 B, 5.375% 08/01/22		
	1,000,000	1,018,060
Series 1998 D, 5.250% 08/01/21		
	500,000	506,215
PR Commonwealth of Puerto Rico Municipal Finance Agency, Series 1999 A, 5.500% 08/01/23		
	300,000	313,794

		1,838,069

SPECIAL NON-PROPERTY TAX - 10.7%		
Metropolitan Transportation Authority, Series 1998 A, 5.250% 07/01/28 (b)		
	1,000,000	1,101,590
New York City Transitional Finance Authority, Series 2000 A, 5.750% 08/15/24		
	1,500,000	1,580,535

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2002 (Unaudited) (New York unless otherwise stated)

MUNICIPAL BONDS (CONTINUED)	PAR	VALUE

TAX-BACKED (CONTINUED)		
SPECIAL NON-PROPERTY TAX (CONTINUED)		
PR Commonwealth of Puerto Rico, Public Building Authority, Series 1997 B, 5.000% 07/01/27	\$1,000,000	\$ 993,310
VI Virgin Islands Public Finance Authority, Series 1999, 6.500% 10/01/24	500,000	538,285

		4,213,720

STATE APPROPRIATED - 8.4%		
State Dormitory Authority:		
City University of New York, Series 1997 I, 5.125% 07/01/27	1,000,000	981,270
New York University, Series 1999 C, 5.500% 07/01/29	1,200,000	1,230,108
State Urban Development Corp., Series 1999 C, 6.000% 01/01/29	1,000,000	1,067,900

		3,279,278

STATE GENERAL OBLIGATIONS - 3.9%		
PR Commonwealth of Puerto Rico, Series 1997, 5.375% 07/01/25	1,500,000	1,522,215

TRANSPORTATION - 18.8%		
AIRPORTS - 8.5%		
Albany County Airport Authority, Series 1997, 5.500% 12/15/19	1,500,000	1,543,740
Niagara Frontier Transportation Authority, Series 1999 A, 5.625% 04/01/29	1,750,000	1,800,750

		3,344,490

TOLL FACILITIES - 4.1%		
Triborough Bridge & Tunnel Authority, Series 1992 Y, 6.125% 01/01/21	1,390,000	1,596,095

TRANSPORTATION - 6.2%		
Metropolitan Transportation Authority, Series 2002 A,		

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5.000% 11/15/30	1,500,000	1,438,470
New York City Transportation Authority, Series 1999 A, 5.250% 01/01/29	1,000,000	999,950
		2,438,420
	PAR	VALUE

UTILITY - 14.0%		
INDEPENDENT POWER PRODUCER - 1.9%		
New York City Industrial Development Agency, Brooklyn Navy Yard Partners, Series 1997, 5.650% 10/01/28		
	\$ 300,000	\$ 292,554
Port Authority of New York & New Jersey, KIAC Partners, Series 1996 IV, 6.750% 10/01/19	200,000	207,000
PR Commonwealth of Puerto Rico Industrial, Educational, Medical & Environmental Cogeneration Facilities, AES Project, Series 2000, 6.625% 06/01/26	250,000	258,987
		758,541

MUNICIPAL ELECTRIC - 5.1%		
GM Guam Power Authority, Series 1999 A, 5.250% 10/01/34		
	1,000,000	1,003,810
Long Island Power Authority, Series 1998 A, 5.250% 12/01/26	1,000,000	997,270
		2,001,080

WATER & SEWER - 7.0%		
Albany Municipal Water Finance Authority, Series 2000 A, 6.375% 12/01/17		
	200,000	227,268
Buffalo Municipal Water Finance Authority, Series 1999, 6.000% 07/01/29	1,450,000	1,553,806
Clifton Park Water Authority, Series 1999 A, 5.000% 10/01/29	1,000,000	963,860
		2,744,934

TOTAL INVESTMENTS - 97.0%		
(cost of \$34,857,543) (c)		38,016,052

OTHER ASSETS & LIABILITIES, NET - 3.0%		1,164,760

NET ASSETS* - 100.0%		\$39,180,812

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See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)
May 31, 2002 (Unaudited)

NOTES TO INVESTMENT PORTFOLIO:

-
- (a) Settlement of this security is on a delayed delivery basis.
 - (b) This security, or a portion thereof with a market value of \$110,159, is being used to collateralize open futures contracts.
 - (c) Cost for generally accepted accounting principles is \$34,857,543. Cost for federal income tax purposes is \$34,851,373. The difference between cost for generally accepted accounting principles and cost on a tax basis is related to amortization/accretion tax elections on fixed income securities.

Short futures contracts open at May 31, 2002:

Type	Par Value Covered by Contracts	Expiration Month	Unrealized Depreciation at 05/31/02
Municipal Bond Index	\$3,500,000	September	\$(11,011)
10 Year U.S. Treasury Note	2,100,000	September	(14,986)
			----- \$(25,997) -----

Summary of securities by insurer:

Insurer	% of Total Investments
MBIA Insurance Corp.	37.3%
Financial Security Assurance, Inc.	16.8
Ambac Assurance Corp.	13.4
Financial Guaranty Insurance Corp.	6.0
Asset Guaranty Assurance Co.	4.0
Federal Housing Administration	2.7
GNMA Collateralized	1.3
ACA Financial Guaranty Corp.	0.9
	----- 82.4% -----

* Net assets represent both Common Shares and Auction Preferred Shares.

See notes to financial statements.

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STATEMENT OF ASSETS & LIABILITIES
May 31, 2002 (Unaudited)

ASSETS:

Investments, at cost	\$34,857,543

Investments, at value	\$38,016,052

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Cash	989,690
Receivable for:	
Interest	689,577
Futures variation margin	3,303
Expense reimbursement due from Advisor	17,695
Deferred Trustees' compensation plan	1,232

Total Assets	39,717,549
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LIABILITIES:

Payable for:

Investments purchased on a delayed delivery basis	502,552
Distributions-- preferred shares	1,289
Management fee	11,639
Pricing and bookkeeping fees	3,650
Trustees' fee	54
Deferred Trustees' fee	1,232
Other liabilities	16,321

Total Liabilities	536,737
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Auction Preferred Shares (564 shares issued and outstanding at \$25,000 per share)	14,100,000
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COMPOSITION OF NET ASSETS APPLICABLE

TO COMMON SHARES:

Paid-in capital-- common shares	\$22,687,782
Undistributed net investment income	121,073
Accumulated net realized loss	(860,555)
Net unrealized appreciation (depreciation) on:	
Investments	3,158,509
Futures contracts	(25,997)

Net assets at value applicable to 1,606,900 common shares of beneficial interest outstanding	\$25,080,812
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Net asset value per common share	\$ 15.61
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STATEMENT OF OPERATIONS

For the Six Months Ended May 31, 2002 (Unaudited)

INVESTMENT INCOME:

Interest	\$1,040,336
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EXPENSES:

Management fee	68,233
Pricing and bookkeeping fees	19,030
Preferred shares remarketing commissions	17,694
Transfer agent fee	13,708
Audit fee	12,934
Reports to shareholders	12,052
Trustees' fee	3,179
Other expenses	5,831

Total Expenses	152,661
Fees and expenses waived or reimbursed by Advisor	(44,873)

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Custody earnings credit	(902)

Net Expenses	106,886

Net Investment Income	933,450

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS:	
Net realized gain (loss) on:	
Investments	226,489
Futures contracts	(1,146)

Net realized gain	225,343

Net change in unrealized appreciation/depreciation on:	
Investments	(342,470)
Futures contracts	(72,606)

Net change in unrealized appreciation/depreciation	(415,076)

Net Loss	(189,733)

Net Increase in Net Assets from Operations	743,717

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	(102,139)

Increase in Net Assets from Operations Applicable to Common Shares	\$ 641,578

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS

	(UNAUDITED)	
	SIX MONTHS	
	ENDED	YEAR ENDED
	MAY 31,	NOVEMBER 30,
INCREASE (DECREASE) IN NET ASSETS:	2002	2001

OPERATIONS:		
Net investment income	\$ 933,450	\$ 1,889,342
Net realized gain (loss) on investments and futures contracts	225,343	(241,059)
Net change in unrealized appreciation/depreciation on investments and futures contracts	(415,076)	1,455,505

Net Increase from Operations	743,717	3,103,788

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:		

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From net investment income	(102,139)	(397,551)

Increase in Net Assets from Operations Applicable to Common Shares	641,578	2,706,237

LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:		
From net investment income	(923,967)	(1,338,553)

Total Increase (Decrease) in Net Assets Applicable to Common Shares	(282,389)	1,367,684
NET ASSETS APPLICABLE TO COMMON SHARES:		
Beginning of period	25,363,201	23,995,517

End of period (including undistributed net investment income of \$121,073 and \$207,841, respectively)	\$25,080,812	\$25,363,201

	(UNAUDITED) SIX MONTHS	
	ENDED MAY 31, 2002	YEAR ENDED NOVEMBER 30, 2001

NUMBER OF FUND SHARES:		

Common Shares:		
Outstanding at:		
Beginning of period	1,606,900	1,606,900

End of period	1,606,900	1,606,900

Preferred Shares:		
Outstanding at:		
Beginning of period	564	564

End of period	564	564

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

May 31, 2002 (Unaudited)

NOTE 1. ACCOUNTING POLICIES

ORGANIZATION:

Colonial New York Insured Municipal Fund (the "Fund") is a Massachusetts business trust registered under the Investment Company Act of 1940 (the "Act"),

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as amended, as a non-diversified, closed-end management investment company. The Fund's investment goal is to provide current income, generally exempt from ordinary federal income tax and New York State and City personal income taxes. The Fund is authorized to issue an unlimited number of common shares of beneficial interest and 564 Auction Preferred Shares ("APS").

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION AND TRANSACTIONS:

Debt securities generally are valued by a pricing service based upon market transactions for normal, institutional-size trading units of similar securities. When management deems it appropriate, an over-the-counter or exchange bid quotation is used.

Options are valued at the last sale price, or in the absence of a sale, the mean between the last quoted bid and asking price.

Futures contracts are valued based on the difference between the last sale price and the opening price of the contract.

Short-term obligations with a maturity of 60 days or less are valued at amortized cost.

Investments for which market quotations are not readily available are valued at fair value under procedures approved by the Board of Trustees.

Security transactions are accounted for on the date the securities are purchased, sold or mature.

Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

The Fund may trade securities on other than normal settlement terms. This may increase the risk if the other party to the transaction fails to deliver and causes the Fund to subsequently invest at less advantageous prices.

FEDERAL INCOME TAXES:

Consistent with the Fund's policy to qualify as a regulated investment company and to distribute all of its taxable and tax-exempt income, no federal income tax has been accrued.

At November 30, 2001, capital loss carryforwards available (to the extent provided in regulations) to offset future realized gains were as follows:

YEAR OF EXPIRATION	CAPITAL LOSS CARRYFORWARD
----- 2008	----- \$ 284,413

Expired capital loss carryforwards, if any, are recorded as a reduction of paid-in capital.

INTEREST INCOME, DEBT DISCOUNT AND PREMIUM:

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Interest income is recorded on the accrual basis. Original issue discount is accreted to interest income over the life of the security with a corresponding increase in the cost basis. Premium is amortized against interest income with a corresponding decrease in the cost basis.

Effective December 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began accreting discount on all debt securities. The cumulative effect of this accounting change did not impact total net assets, but resulted in a \$5,888 increase in cost of securities and a corresponding \$5,888 decrease in net unrealized appreciation, based on securities held by the Fund on December 1, 2001.

The effect of this change for the six months ended May 31, 2002 was to increase net investment income by \$1,753, increase net unrealized depreciation by \$282 and decrease realized gains by \$1,471. The Statement of Changes in Net Assets and the Financial Highlights for prior periods have not been restated to reflect this change.

DISTRIBUTIONS TO SHAREHOLDERS:

Distributions to common shareholders are recorded on the ex-date.

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. Each dividend payment period for the APS is generally seven days. The applicable dividend rate for the APS on May 31, 2002 was 1.24%. For the six months ended May 31, 2002, the Fund declared dividends to Auction Preferred shareholders amounting to \$102,139 representing an average APS dividend rate of 1.44%.

NOTE 2. FEES AND COMPENSATION PAID TO AFFILIATES

MANAGEMENT FEE:

Colonial Management Associates, Inc. (the "Advisor") is the investment advisor of the Fund and furnishes accounting and other services and office facilities for a monthly fee equal to 0.65% annually of the Fund's average weekly net assets. Through November 30, 2004, the Advisor has contractually agreed to waive a portion of the fee so that it will not exceed 0.35% annually.

BOOKKEEPING FEE:

The Advisor is responsible for providing pricing and bookkeeping services to the Fund under a Pricing and Bookkeeping Agreement. Under a separate agreement (the "Outsourcing Agreement"), the Advisor has delegated those functions to State Street Bank and Trust Company ("State Street"). The Advisor pays fees to State Street under the Outsourcing Agreement.

Under its pricing and bookkeeping agreement with the Fund, the Advisor receives from the Fund an annual flat fee of \$10,000, paid monthly, and in any month that the Fund's average weekly net assets are more than \$50 million, a monthly fee equal to the average weekly net assets of the Fund for that month multiplied by

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a fee rate that is calculated by taking into account the fees payable to State Street under the Outsourcing Agreement.

EXPENSE LIMITS:

The Advisor has voluntarily agreed to waive fees and bear certain Fund expenses to the extent that total expenses (exclusive of management fees, brokerage commissions, interest, taxes and extraordinary expenses, if any) exceed 0.20% annually of the Fund's average weekly net assets. This arrangement may be modified or terminated by the Advisor at any time.

OTHER:

The Fund pays no compensation to its officers, all of whom are employees of the Advisor or its affiliates.

The Fund's Independent Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Fund's assets. The Fund has an agreement with its custodian bank under which \$902 of custody fees were reduced by balance credits for the six months ended May 31, 2002. The Fund could have invested a portion of the assets utilized in connection with the expense offset arrangement in an income-producing asset if it had not entered into such an agreement.

NOTE 3. PREFERRED SHARE OFFERING

The Fund currently has outstanding 564 APS. The APS are redeemable at the option of the Fund on any dividend payment date at the redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis unpaid through the redemption date (whether or not such dividends have been declared).

Under the Act, the Fund is required to maintain asset coverage of at least 200% with respect to the APS as of the last business day of each month in which any APS are outstanding. Additionally, the Fund is required to meet more stringent asset coverage requirements under the terms of the APS and in accordance with the guidelines prescribed by the rating agencies. Should these requirements not be met, or should dividends accrued on the APS not be paid, the Fund may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain of the APS. At May 31, 2002, there were no such restrictions on the Fund.

Certain reclassifications have been made relating to the presentation of the APS in the Statement of Changes in Net Assets for the year ending November 30, 2001 and the financial highlights for the year ending November 30, 2001 and 2000 to conform to current requirements.

NOTE 4. PORTFOLIO INFORMATION

INVESTMENT ACTIVITY:

For the six months ended May 31, 2002, purchases and sales of investments, other than short-term obligations, were \$2,113,891 and \$2,668,642, respectively.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Unrealized appreciation (depreciation) at May 31, 2002, based on cost of investments for federal income tax purposes, was:

Gross unrealized appreciation	\$3,174,299
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Gross unrealized depreciation	(9,620)
Net unrealized appreciation	\$3,164,679

OTHER:

There are certain risks arising from geographic concentration in any state. Certain revenue or tax related events in a state may impair the ability of certain issuers of municipal securities to pay principal and interest on their obligations.

The Fund may focus its investments in certain industries, subjecting it to greater risk than a fund that is more diversified.

The Fund may invest in municipal and Treasury bond futures contracts and purchase and write options on futures. The Fund may invest in these instruments to hedge against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, for duration management, or when the transactions are economically appropriate to the reduction of risk inherent in the management of the Fund and not for trading purposes. The use of futures contracts and options involves certain risks, which include (1) imperfect correlation between the price movement of the instruments and the underlying securities, (2) inability to close out positions due to different trading hours, or the temporary absence of a liquid market, for either the instrument or the underlying securities or (3) an inaccurate prediction by the Advisor of the future direction of interest rates. Any of these risks may involve amounts exceeding the amount recognized in the Fund's Statement of Assets and Liabilities at any given time.

Upon entering into a futures contract, the Fund deposits cash or securities with its custodian in an amount sufficient to meet the initial margin requirement. Subsequent payments are made or received by the Fund equal to the daily change in the contract value and are recorded as variation margin payable or receivable and offset in unrealized gains or losses. The Fund recognizes a realized gain or loss when the contract is closed or expires. Refer to the Fund's Investment Portfolio for a summary of open futures contracts at May 31, 2002.

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FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise noted):

	(UNAUDITED)	
	SIX MONTHS	
	ENDED	YEAR
	MAY 31,	
	2002	2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 15.78	\$ 15.78
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	0.58	(b) (c)

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Net realized and unrealized gain (loss) on investments and futures contracts	(0.11)	(b)		

Total from Investment Operations	0.47			

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:				
From net investment income	(0.06)			

Total from Investment Operations Applicable to Common Shareholders	0.41			

LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:				
From net investment income	(0.58)			

LESS SHARE TRANSACTIONS:				
Offering costs-- common shares	--			
Commission and offering costs--preferred shares	--			

Total Share Transactions	--			

NET ASSET VALUE, END OF PERIOD	\$	15.61	\$	1

Market price per share--common shares	\$	15.38	\$	1

Total return--based on market value-- common shares (e) (f)		9.53%	(g)	

RATIOS TO AVERAGE NET ASSETS:				
Expenses (h) (i)		0.86%	(j) (k)	
Net investment income (h) (i)		7.49%	(b) (j)	
Net investment income (h) (i)		6.67%	(b) (j) (l)	
Waiver/reimbursement (i)		0.36%	(j)	
Portfolio turnover rate		6%	(g)	
Net assets, end of period (000's)--common shares	\$	25,081	\$	25

- (a) The Fund commenced investment operations on November 19, 1999.
- (b) Effective December 1, 2001, the Fund adopted the provision of the AICPA Audit and Accounting Guide for Investment Companies and began accreting discount on all debt securities. The effect of this change, for the six months ended May 31, 2002, was to increase the ratio of net investment income to average net assets from 7.48% to 7.49% and increase the ratio of net investment income (adjusted for dividend payments to preferred shareholders) from 6.66% to 6.67%. The impact to the net investment income and net realized and unrealized loss per share was less than \$0.01. Per share data and ratios for periods prior to May 31, 2002 have not been restated to reflect this change in presentation.
- (c) Per share data was calculated using average shares outstanding during the period.
- (d) The per share net investment income amount does not reflect the period's reclassification of differences between book and tax basis net investment income.
- (e) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (f) Had the Advisor not waived or reimbursed a portion of expenses, total return would have been reduced.
- (g) Not annualized.
- (h) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had no impact.
- (i) Ratios reflect average net assets available to common shares only.
- (j) Annualized.
- (k) Ratios calculated using average net assets of the Fund equals 0.55%, 0.52% and 0.20% for the six months ended May 31, 2002, and for the years ended November 30, 2001 and November 30, 2000, respectively.
- (l) Ratios reflect reduction for dividend payments to preferred shareholders.

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FINANCIAL HIGHLIGHTS (CONTINUED)

ASSET COVERAGE REQUIREMENTS

	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER SHARE
05/31/02 *	\$14,100,000	\$69,470
11/30/01	14,100,000	69,970
11/30/00 **	14,100,000	67,545

* Unaudited.

** On December 30, 1999, the Fund began offering Auction Preferred Shares.

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SHAREHOLDER MEETING RESULTS

RESULTS OF ANNUAL MEETING OF SHAREHOLDERS

On May 22, 2002, the Annual Meeting of Shareholders of the Fund was held to conduct a vote for or against the approval of the following Items listed on the Fund's Proxy Statement for said Meeting. On March 1, 2002, the record date for the Meeting, the Fund had 1,606,900 common shares outstanding. The votes cast were as follows:

PROPOSAL 1. ELECTION OF TRUSTEES:	FOR	WITHHELD
Douglas A. Hacker	1,456,485	15,242
Janet Langford Kelly	1,457,485	14,242
Joseph R. Palombo	1,456,485	15,242

On March 1, 2002, the record date for the Meeting, the Fund had 564 preferred shares outstanding. The votes cast were as follows:

PROPOSAL 1. ELECTION OF TRUSTEES:	FOR	WITHHELD
Douglas A. Hacker	397	0
Janet Langford Kelly	397	0
Salvatore Macera	397	0
Joseph R. Palombo	397	0
Thomas E. Stitzel	397	0

DIVIDEND REINVESTMENT PLAN

1. You, BankBoston, NA*, will act as Agent for me, and will open an account for me under the Dividend Reinvestment Plan with the same registration as my shares of the Fund are currently registered. You will effect the dividend reinvestment option on my behalf as of the first record date for an income dividend or capital gain distribution ("distribution"), separately or collectively, after you receive the authorization duly executed by me.

2. Whenever the Fund declares a distribution payable in the Fund's shares of beneficial interest ("shares") or cash at the option of the shareholder, I hereby elect to take such distribution entirely in shares, subject to the terms of this Plan. If on the valuation date the Fund's net asset value per share is less than the market price (including estimated brokerage commissions), you shall on the payable date automatically receive for my account from the Fund that number of newly-issued shares that the cash otherwise receivable by me would purchase if the purchase price per share equaled the higher of: (a) net asset value per share on the valuation date, or (b) 95% of market price (not including estimated brokerage commission) on the payable date; except if the market price (not including estimated brokerage commissions) on the payable date is less than 95% of the net asset value per share on the valuation date, you shall receive a distribution of cash from the Fund and shall apply the amount of such distribution to the purchase in the open market of shares of my account, commencing on the business day after the payable date, subject to the condition that such purchases must be made at a "discount" during the remainder of the "buying period." "Discount" is defined as a market price per share (including estimated brokerage commissions) which is lower than the most recently determined net asset value per share (as calculated from time to time). "Buying period" shall mean the period commencing the first business day after the valuation date and ending at the close of business on the business day preceding the "ex" date for the next distribution. The valuation date will be the last business day of the week preceding the week of the payable date.

3. Should the Fund's net asset value per share exceed the market price (including estimated brokerage commissions) on the valuation date for a distribution, you shall receive for my account a distribution in cash from the Fund and shall apply the amount of such distribution on my shares to the purchase in the open market of shares for my account commencing on the first business day after the valuation date, subject to the condition that such purchases must be made at a discount during the buying period.

4. In the event you are instructed to purchase shares in the open market pursuant to paragraph 2 or 3 hereof, and you are unable for any reason to invest the full amount of the distribution in shares acquired in open-market purchases at a discount during the buying period, you will invest the uninvested portion of such distribution in newly-issued shares at the close of business at the end of such buying period at the higher of: (a) net asset value determined at such close, or (b) 95% of the market price (not including estimated brokerage commissions) at such close.

5. You may not acquire newly-issued shares after the valuation date unless you have received a legal opinion that registration of such shares is not required under the Securities Act of 1933, as amended, or unless the shares to be issued are registered under such an Act.

6. For all purposes of the Plan: (a) the market price of the shares on a particular date shall be the last sales price on the New York Stock Exchange on that date, or if there is no sale on such Exchange on that date, then the mean

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between the closing bid and asked quotations for such shares on such Exchange on such date (in either case including or not including estimated brokerage commissions as provided above) and (b) net asset value per share of the shares on a particular date shall be as determined by or on behalf of the Fund.

7. Open-market purchases provided for above may be made on any securities exchange where the shares are traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as you shall determine. My cash funds held by you uninvested will not bear interest and it is understood that, in any event, you shall have no liability in connection with any inability to purchase shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. You shall have no responsibility as to the value of the shares acquired for my account. For the purposes of open-market purchases with respect to the Plan you may commingle my funds with those of other shareholders of the Fund for whom you similarly act as Agent, and the average price (including brokerage commissions) of all shares purchased by you as Agent shall be the price per share allocated to me in connection therewith.

8. You may hold my shares acquired pursuant to my authorization, together with the shares of other shareholders of the Fund acquired pursuant to similar authorizations, in non-certificate form in your name or that of your nominee. You will forward to me any proxy solicitation material and will vote any shares so held for me only in accordance with the proxy returned by me to the Fund. Upon my written request, you will deliver to me, without charge, a certificate, or certificates for the full shares.

* EquiServe Trust Company, N.A. currently serves as Agent under the Dividend Reinvestment Plan.

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DIVIDEND REINVESTMENT PLAN (CONTINUED)

9. You will confirm to me each investment made for my account as soon as practicable but not later than 60 days after the date thereof. Although I may from time to time have an undivided fractional interest (computed to three decimal places) in a share, no certificates for a fractional share will be issued. However, distributions on fractional shares will be credited to my account. In the event of termination of my account under the Plan, you will sell such undivided fractional interests at the market value of the shares at the time of termination and send the net proceeds to me.

10. Any stock dividends or split shares distributed by the Fund on shares held by you for me will be credited to my account. In the event that the Fund makes available to its shareholders rights to purchase additional shares or other securities, the shares held for me under the Plan will be added to other shares held by me in calculating the number of rights to be issued to me.

11. Your fee for service described in this Plan will be paid by the Fund. I will be charged a pro rata share of brokerage commission on all open-market purchases. 12. I may terminate my account under the Plan by notifying you in writing. Such termination will be effective immediately if my notice is received by you prior to the record date of subsequent distributions. The Plan may be terminated by you or the Fund upon notice in writing mailed to me at least 30 days prior to any record date for the payment of any distribution of the Fund. Upon any termination you will cause a certificate or certificates for the full shares held for me under the Plan and the proceeds from the sales of any fractional shares to be delivered to me without charge. If I elect by notice to

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you in writing in advance of such termination to have you sell part or all of my shares and remit the proceeds to me, you are authorized to deduct brokerage commission for this transaction from the proceeds.

If I decide to terminate my account under the Plan, I may request that all my Plan shares, both full and fractional, be sold. The per share price may fall during the period between my request for sale and the sale in the open market which will be made within ten trading days after the Agent receives my request. The proceeds of the sale less a \$2.50 service fee, plus any brokerage commission will be mailed to me after the settlement of funds from the brokerage firm. The settlement is three business days after the sale of shares.

13. These Terms and Conditions may be amended or supplemented by you or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to me appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by me unless, prior to the effective date thereof, you receive written notice of the termination of my account under the Plan. Any such amendment may include an appointment by you in your place and stead of successor Agent under these Terms and Conditions, with full power and authority to perform all or any of the acts to be performed by the Agent under these Terms and Conditions. Upon any such appointment of any Agent for the purpose of receiving distributions, the Fund will be authorized to pay to such successor Agent, for my account, all distributions payable on shares held in my name or under the Plan for retention or application by such successor Agent as provided in these Terms and Conditions.

14. You shall at all times act in good faith and agree to use your best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement and to comply with applicable law, but assume no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by your negligence, bad faith or willful misconduct, or that of your employees.

15. These Terms and Conditions shall be governed by the laws of the Commonwealth of Massachusetts.

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TRANSFER AGENT

IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial New York Insured Municipal Fund is:

EquiServe Trust Company, N.A.
150 Royall Street
Canton, MA 02021
1-800-730-6001

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The fund mails one shareholder report to each shareholder address. Shareholders can order additional reports by calling 800-345-6611. In addition, representatives at that number can provide shareholders information about the fund.

Financial advisors who want additional information about the fund may speak to a representative at 800-426-3750.

This report has been prepared for shareholders of Colonial New York Insured Municipal Fund.

COLONIAL NEW YORK INSURED MUNICIPAL FUND

SEMIANNUAL REPORT

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