

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN
Form N-CSRS
May 04, 2007

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-7492

Nuveen Insured California Premium Income Municipal Fund 2, Inc.

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: August 31

Date of reporting period: February 28, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT February 28, 2007

Nuveen Investments
Municipal Closed-End Funds

NUVEEN INSURED
CALIFORNIA PREMIUM
INCOME MUNICIPAL
FUND, INC.
NPC

NUVEEN INSURED
CALIFORNIA PREMIUM
INCOME MUNICIPAL
FUND 2, INC.
NCL

NUVEEN CALIFORNIA
PREMIUM INCOME
MUNICIPAL FUND
NCU

NUVEEN CALIFORNIA
DIVIDEND ADVANTAGE
MUNICIPAL FUND
NAC

NUVEEN CALIFORNIA
DIVIDEND ADVANTAGE
MUNICIPAL FUND 2
NVX

NUVEEN CALIFORNIA
DIVIDEND ADVANTAGE
MUNICIPAL FUND 3
NZH

NUVEEN INSURED
CALIFORNIA DIVIDEND
ADVANTAGE
MUNICIPAL FUND
NKL

NUVEEN INSURED
CALIFORNIA TAX-FREE
ADVANTAGE
MUNICIPAL FUND
NKX

Photo of: Woman and man at the beach.

Photo of: A child.

DEPENDABLE,
TAX-FREE INCOME BECAUSE
IT'S NOT WHAT YOU EARN,

IT'S WHAT YOU KEEP. (R)

Logo: NUVEEN Investments

Photo of: Woman

Photo of: Woman

Photo of: Man and child

NOW YOU CAN RECEIVE YOUR
NUVEEN FUND REPORTS FASTER.

NO MORE WAITING.

SIGN UP TODAY TO RECEIVE NUVEEN FUND INFORMATION BY E-MAIL.

It only takes a minute to sign up for E-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready -- no more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report, and save it on your computer if you wish.

DELIVERY DIRECT TO
YOUR E-MAIL INBOX

IT'S FAST, EASY & FREE:

WWW.INVESTORDELIVERY.COM

if you get your Nuveen Fund dividends
and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends
and statements directly from Nuveen.

(Be sure to have the address sheet that
accompanied this report handy. You'll need
it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's
LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the six-month period covered
by this report your Fund continued to provide you with attractive monthly

tax-free income. For more details about the management strategy and performance of your Fund, please read the Portfolio Manager's Comments, the Dividend and Share Price Information, and the Performance Overview sections of this report.

For some time, I've used these letters to remind you that municipal bonds can be an important building block in a well balanced investment portfolio. In addition to providing attractive tax-free monthly income, a municipal bond investment like your Fund may help you achieve and benefit from greater portfolio diversification. Portfolio diversification is a recognized way to try to reduce some of the risk that

"IN ADDITION TO PROVIDING ATTRACTIVE TAX-FREE MONTHLY INCOME, A MUNICIPAL BOND INVESTMENT LIKE YOUR FUND MAY HELP YOU ACHIEVE AND BENEFIT FROM GREATER PORTFOLIO DIVERSIFICATION."

comes with investing. For more information about this important investment strategy, I encourage you to contact your personal financial advisor.

We also are pleased to be able to offer you a choice concerning how you receive your shareholder reports and other Fund information. As an alternative to mailed copies, you can sign up to receive future Fund reports and other Fund information by e-mail and the Internet. The inside front cover of this report contains information on how you can sign up.

We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead. At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

April 16, 2007

Nuveen Investments Municipal Closed-End Funds
(NPC, NCL, NCU, NAC, NVX, NZH, NKL, NKX)

Portfolio Manager's
COMMENTS

Portfolio manager Scott Romans discusses key investment strategies and the six-month performance of these eight closed-end Nuveen California Funds. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since 2003. He assumed portfolio management responsibility for NPC and NCL in 2005.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE CALIFORNIA FUNDS DURING THE SIX-MONTH REPORTING PERIOD ENDED FEBRUARY 28, 2007?

During this six-month period, we saw a modest increase in short-term interest rates, while longer-term rates continued to decline, resulting in further

flattening of the yield curve. In this environment, where the yield curve remained the dominant market factor, we continued to emphasize a disciplined approach to duration¹ management and yield curve positioning. As part of this approach, our purchases for the Funds' portfolios focused mainly on attractively priced bonds in the 20-year to 30-year part of the yield curve. We believed that bonds in this part of the curve generally offered better value and reward opportunities more commensurate with their risk levels. To help us maintain the Funds' durations within our preferred strategic range, we also selectively sold holdings with shorter durations, including pre-refunded bonds and bonds with short maturities.

Our duration management strategies during this period also included the purchase of inverse floating rate trusts, a type of derivative financial instrument, in all eight of these California Funds. The inverse floaters had the dual benefit of increasing the Funds' distributable income and bringing their durations closer to our preferred strategic target. In past shareholder reports, we also have discussed the use of other derivatives as a duration management tool. Going into this reporting period, four of these California Funds--NPC, NCL, NAC and NVX--were using forward interest rate swaps to help manage net asset value (NAV) volatility. NAC also had purchased a small number of U.S. Treasury note futures contracts. As of February 28, 2007, these four Funds continued to use these derivatives, although we reduced the positions in NCL during this six-month period. (NCU, NZH, NKL and NKX did not use swaps during this period because we believed the durations of these Funds were adequately positioned relative to the general market.)

Overall, portfolio activity was relatively light during much of this period due to the fact that the rate environment was not advantageous for active trading. In watching the market for opportunities to add value to our portfolios, we focused mainly on premium

- 1 Duration is a measure of a bond's price sensitivity as interest rates change, with longer duration bonds displaying more sensitivity to these changes than bonds with shorter durations.

4

coupon - typically 5% bonds priced to 10-year calls. As the bond market continued to rally, especially in November and December 2006, we also purchased bonds with coupons in the 4% range which typically offered higher income.

We also continued to emphasize maintaining weightings of lower credit quality bonds in the four uninsured Funds (NCU, NAC, NVX, and NZH) and in NKL and NKX (which can invest up to 20% of their assets in uninsured investment-grade quality securities). We generally saw fewer attractively priced lower-rated credit offerings in the California market. Although California remained the largest state issuer of municipal debt in the nation, much of the new supply during this period was insured, and we did not find many opportunities outside the insured sector. Apart from credit, one area of the market in which we did continue to find value was the single family housing sector, where we purchased bonds for all four of the uninsured Funds as well as NKL.

HOW DID THE FUNDS PERFORM?

Individual results for these Nuveen California Funds, as well as relevant index and peer group information, are presented in the accompanying table.

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

TOTAL RETURNS ON NET ASSET VALUE
For periods ended 2/28/07

UNINSURED FUNDS	CUMULATIVE		ANNUALIZED	
	6-MONTH	1-YEAR	5-YEAR	10-YEAR
NCU	3.45%	5.40%	6.87%	7.05%
NAC	3.16%	5.37%	7.40%	NA
NVX	3.04%	5.47%	7.13%	NA
NZH	3.38%	5.65%	7.49%	NA
Lehman Brothers CA Tax-Exempt Bond Index ²	3.01%	5.21%	5.29%	5.90%
Lipper CA Municipal Debt Funds Average ³	3.66%	6.15%	6.85%	6.41%

- 2 The Lehman Brothers California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds, while the Lehman Brothers Insured California Tax-Exempt Bond Index is an unleveraged, unmanaged index containing a broad range of insured California municipal bonds. Results for the Lehman Brothers indexes do not reflect any expenses.
- 3 The Lipper California Municipal Debt Funds category average is calculated using the returns of all closed-end funds in this category for each period as follows: 6 months, 25; 1 year, 25; 5 years, 15; and 10 years, 13. Fund and Lipper returns assume reinvestment of dividends.

5

INSURED FUNDS	CUMULATIVE		ANNUALIZED	
	6-MONTH	1-YEAR	5-YEAR	10-YEAR
NPC	3.07%	4.86%	6.13%	6.42%
NCL	3.13%	5.22%	6.18%	6.70%
NKL	3.40%	5.60%	NA	NA
NKX	3.81%	5.79%	NA	NA
Lehman Brothers Insured CA Tax-Exempt Bond Index ²	3.12%	5.28%	5.24%	5.99%
Lipper Insured CA Municipal Debt Funds Average ⁴	3.66%	5.87%	5.56%	6.15%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

For additional information, see the individual Performance Overview for your Fund in this report.

For the six months ended February 28, 2007, the cumulative returns on NAV for NCU, NAC and NZH outperformed the return on the Lehman Brothers California Tax-Exempt Bond Index while NVX performed in line. The six-month returns for all four of the Funds underperformed the average return of the Lipper California peer group for this period. Among the insured Funds, NKL and NKX exceeded the return on the Lehman Brothers Insured California Tax-Exempt Bond Index, while NPC and NCL performed in line with this index return. NKX outperformed the average return for the Lipper Insured California peer group, while NPC, NCL and NKL trailed this group average.

Factors that influenced the Funds' returns during this period included duration management, exposure to lower-rated credits (or credit risk) in the four uninsured Funds, as well as NKL, and NKX, sector allocations, the relative amount of advance refunding activity⁵, and the use of financial leverage.

As the yield curve continued to flatten over the course of this period, bonds with longer duration structures, including zero coupon and non-callable bonds, generally outperformed shorter duration bonds. Overall, these Funds were strategically well positioned in terms of duration, as our careful approach to duration management--including the use of inverse floaters and interest rate swaps--kept the Funds' durations close to their preferred range.

With bonds rated BBB or lower and nonrated bonds generally outperforming other credit quality sectors during this period, the four uninsured Funds as well as NKL and NKX

- 4 The Lipper Insured California Municipal Debt Funds average is calculated using the returns of all closed-end funds in its category for each period as follows: 6 months, 13; 1 year, 13; 5 years, 8; and 10 years, 6. Fund and Lipper returns assume reinvestment of dividends.
- 5 Advance refundings, also known as pre-refundings or refinancings, occur when an issuer sells new bonds and uses the proceeds to fund principal and interest payments of older existing bonds. This process often results in lower borrowing costs for bond issuers.

(which can invest up to 20% of their assets in uninsured investment-grade quality securities) benefited from their allocations to lower-quality credits. The performance of this sector was largely the result of investor demand for the higher yields typically associated with lower-rated bonds, which drove up their value. (NPC and NCL, as 100% insured Funds, cannot hold any lower-rated credits.)

Among the lower-rated holdings making contributions to the returns of NCU, NAC,

NVX, NZH, NKL and NKX were health care (including hospitals) credits and industrial development revenue bonds, which ranked as the top performing revenue sectors in the national Lehman Brothers Municipal Bond Index for this period. Bonds backed by the 1998 master tobacco settlement agreement, which comprised approximately 2% to 6% of the portfolios of these six Funds as of February 28, 2007, also performed well during this period.

We also continued to see positive contributions from advance refunding activity, which benefited these Funds through price appreciation and enhanced credit quality. Some of the performance differential among these eight Funds can be attributed to the relative amounts of advance refundings they experienced during this period, with NVX having the fewest bonds pre-refunded (as a percentage of its portfolio) among the uninsured Funds. Among the insured Funds, NKX had more than three times the amount of advance refundings than the other three insured Funds.

At the same time, holdings of older, previously pre-refunded bonds tended to underperform the general municipal market during this period, due primarily to their shorter effective maturities and higher credit quality. Among these eight Funds, NAC and NVX had the heaviest allocations of pre-refunded bonds entering into this period.

Another factor in the six-month performance of these Funds, especially relative to the performances of the unleveraged Lehman Brothers California Tax-Exempt Bond Index and Lehman Brothers Insured California Tax-Exempt Bond Index, was the use of financial leverage. While leverage can add volatility to a Fund's NAV and share price, this strategy can also provide opportunities for additional income and total return for common shareholders. Over this period, our leveraging strategy had a positive impact on the results of these eight Funds.

7

Dividend and Share Price
INFORMATION

The dividends of all eight of these California Funds remained stable over the six-month reporting period ended February 28, 2007.

Due to normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2006 as follows:

	LONG-TERM CAPITAL GAINS (PER SHARE)	SHORT-TERM CAPITAL GAINS AND/OR ORDINARY INCOME (PER SHARE)
NPC	\$0.0754	\$0.0058
NCU	\$0.0308	--
NAC	\$0.0533	--
NKL	\$0.0026	--

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During

certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of February 28, 2007, NPC and NCL had positive UNII balances for both financial statement and, based on our best estimates, tax purposes, while the other six Funds had negative UNII balances for financial statement purposes and positive UNII balances, based on our best estimates, for tax purposes.

8

At the end of the reporting period, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

	2/28/07 PREMIUM/DISCOUNT	6-MONTH AVERAGE PREMIUM/DISCOUNT
NPC	-3.14%	-3.10%
NCL	-5.09%	-5.35%
NCU	-3.93%	-4.84%
NAC	+1.92%	+1.48%
NVX	-1.23%	-1.26%
NZH	-0.13%	-0.07%
NKL	-1.15%	+0.21%
NKX	-2.64%	-1.72%

9

Nuveen Insured California Premium Income Municipal Fund, Inc.
NPC

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	67%
U.S. Guaranteed	33%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Mar	0.067
-----	-------

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Apr	0.067
May	0.067
Jun	0.0635
Jul	0.0635
Aug	0.0635
Sep	0.0605
Oct	0.0605
Nov	0.0605
Dec	0.0605
Jan	0.0605
Feb	0.0605

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	16.25
	15.9
	15.62
	15.28
	15.35
	15.39
	15.42
	15.84
	15.51
	15.61
	15.86
	15.69
	15.41
	15.03
	14.73
	14.83
	14.82
	14.77
	14.68
	14.83
	14.61
	14.61
	14.78
	14.79
	14.97
	14.95
	15.07
	15.03
	14.99
	14.92
	15.51
	15.32
	15.32
	15.01
	14.98
	14.81
	14.89
	15.02
	15.05
	15.11
	15.24
	15.79
	15.2
	15.06
	15.03
	15.15

	15.29
	15.14
	14.95
	15.1
	15.07
	15.21
	15.1
2/28/07	15.12

FUND SNAPSHOT

Common Share Price	\$15.12
Common Share Net Asset Value	\$15.61
Premium/(Discount) to NAV	-3.14%
Market Yield	4.80%
Taxable-Equivalent Yield ¹	7.35%
Net Assets Applicable to Common Shares (\$000)	\$100,794
Average Effective Maturity on Securities (Years)	14.94
Leverage-Adjusted Duration	8.56

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/19/92)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	3.24%	3.07%
1-Year	-0.40%	4.86%
5-Year	5.48%	6.13%
10-Year	7.16%	6.42%

INDUSTRIES

(as a % of total investments)

U.S. Guaranteed	33.2%
Tax Obligation/General	23.6%
Tax Obligation/Limited	16.6%
Water and Sewer	16.6%
Other	10.0%

1 Taxable-Equivalent Yield represents the yield that must be earned on a

fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

- 2 The Fund paid shareholders capital gains and net ordinary income distributions in December 2006 of \$0.0812 per share.

10

Nuveen Insured California Premium Income Municipal Fund 2, Inc.
NCL

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	77%
U.S. Guaranteed	23%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	0.0625
Apr	0.0625
May	0.0625
Jun	0.059
Jul	0.059
Aug	0.059
Sep	0.056
Oct	0.056
Nov	0.056
Dec	0.056
Jan	0.056
Feb	0.056

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	15.17
	15.05
	14.71
	14.76
	14.66
	14.62
	14.53
	14.79
	14.5
	14.42
	14.46
	14.18
	14.13
	14.13
	14.12
	14.15
	13.97

	14.03
	13.79
	13.97
	13.69
	13.69
	14.14
	14.21
	14.12
	14.19
	14.21
	14.24
	14.22
	14.19
	14.29
	14.35
	14.27
	14.3
	14.14
	14.08
	14.14
	14.21
	14.08
	14.13
	14.21
	14.46
	14.28
	14.27
	14.26
	14.25
	14.29
	14.2
	14.12
	14.17
	14.25
	14.26
	14.26
2/28/07	14.35

FUND SNAPSHOT

Common Share Price	\$14.35

Common Share	
Net Asset Value	\$15.12

Premium/(Discount) to NAV	-5.09%

Market Yield	4.68%

Taxable-Equivalent Yield ¹	7.17%

Net Assets Applicable to	
Common Shares (\$000)	\$192,243

Average Effective Maturity	
on Securities (Years)	15.83

Leverage-Adjusted Duration	7.96

AVERAGE ANNUAL TOTAL RETURN

(Inception 3/18/93)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	3.53%	3.13%
1-Year	-0.14%	5.22%
5-Year	5.19%	6.18%
10-Year	6.93%	6.70%

INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	27.3%
U.S. Guaranteed	22.6%
Tax Obligation/General	16.2%
Water and Sewer	14.5%
Utilities	6.5%
Other	12.9%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

11

Nuveen California Premium Income Municipal Fund
NCU

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	67%
AA	6%
A	10%
BBB	12%
BB or Lower	4%
N/R	1%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Mar	0.0635
Apr	0.0635

May	0.0635
Jun	0.0595
Jul	0.0595
Aug	0.0595
Sep	0.0565
Oct	0.0565
Nov	0.0565
Dec	0.0565
Jan	0.0565
Feb	0.0565

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	14.25
	13.96
	13.92
	14.03
	14.1
	13.9
	13.87
	13.67
	13.55
	13.66
	14.05
	14.04
	13.95
	13.85
	13.98
	13.67
	13.4
	13.11
	13.16
	13.32
	13.3
	13.4
	13.83
	13.88
	13.66
	13.97
	13.99
	14.01
	13.8
	13.91
	14
	13.93
	13.85
	13.79
	13.71
	13.73
	13.83
	13.85
	13.85
	13.92
	13.92
	14.03
	13.99
	14.01
	13.99
	14.15
	14.12

	14.18
	13.99
	14.11
	14.39
	14.12
	14.05
2/28/07	14.18

FUND SNAPSHOT

Common Share Price	\$14.18
Common Share Net Asset Value	\$14.76
Premium/(Discount) to NAV	-3.93%
Market Yield	4.78%
Taxable-Equivalent Yield ¹	7.32%
Net Assets Applicable to Common Shares (\$000)	\$85,223
Average Effective Maturity on Securities (Years)	16.69
Leverage-Adjusted Duration	7.87

AVERAGE ANNUAL TOTAL RETURN
(Inception 6/18/93)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	3.91%	3.45%
1-Year	5.66%	5.40%
5-Year	6.60%	6.87%
10-Year	7.29%	7.05%

INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	32.0%
Tax Obligation/General	19.4%
U.S. Guaranteed	12.9%
Water and Sewer	11.8%
Health Care	9.5%
Other	14.4%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 The Fund paid shareholders a capital gains distribution in December 2006 of \$0.0308 per share.

12

Nuveen California Dividend Advantage Municipal Fund
NAC

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	72%
AA	2%
A	11%
BBB	8%
N/R	7%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Mar	0.0745
Apr	0.0745
May	0.0745
Jun	0.0705
Jul	0.0705
Aug	0.0705
Sep	0.0675
Oct	0.0675
Nov	0.0675
Dec	0.0675
Jan	0.0675
Feb	0.0675

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	16.16
	16.01
	16
	15.84
	15.65
	15.74
	15.57
	15.01
	15.23
	15.24
	15.63
	15.34
	15.23

15.7
 15.87
 15.63
 15.25
 15.21
 15.18
 15.45
 15.28
 15.45
 15.46
 15.89
 15.87
 15.53
 15.73
 15.88
 15.69
 15.74
 15.8
 16
 15.9
 15.66
 15.71
 15.62
 15.72
 15.6
 15.68
 15.87
 16.24
 16.21
 15.67
 15.67
 15.9
 15.73
 15.78
 16.02
 16.01
 16
 16.03
 15.84
 15.89
 15.92

2/28/07

FUND SNAPSHOT

Common Share Price	\$15.92
Common Share Net Asset Value	\$15.62
Premium/(Discount) to NAV	1.92%
Market Yield	5.09%
Taxable-Equivalent Yield ¹	7.79%
Net Assets Applicable to Common Shares (\$000)	\$366,471
Average Effective Maturity on Securities (Years)	15.32

Leverage-Adjusted Duration 7.45

AVERAGE ANNUAL TOTAL RETURN
(Inception 5/26/99)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	2.59%	3.16%
1-Year	5.20%	5.37%
5-Year	8.72%	7.40%
Since Inception	7.20%	7.44%

INDUSTRIES
(as a % of total investments)

U.S. Guaranteed	26.0%
Tax Obligation/Limited	18.9%
Tax Obligation/General	13.7%
Transportation	12.6%
Health Care	6.8%
Water and Sewer	5.7%
Utilities	5.7%
Housing/Multifamily	5.5%
Other	5.1%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 The Fund paid shareholders a capital gains distribution in December 2006 of \$0.0533 per share.

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	73%
AA	1%
A	11%
BBB	8%
N/R	7%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	0.0685
Apr	0.0685
May	0.0685
Jun	0.0655
Jul	0.0655
Aug	0.0655
Sep	0.0655
Oct	0.0655
Nov	0.0655
Dec	0.0655
Jan	0.0655
Feb	0.0655

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	14.9
	14.63
	14.67
	14.55
	14.51
	14.55
	14.41
	14.35
	14.42
	14.35
	14.65
	14.67
	14.75
	14.73
	14.9
	14.75
	14.49
	14.14
	14.15
	14.2
	14.19
	14.17
	14.7
	14.81
	14.69
	14.75
	14.8
	14.99
	15.07
	15.02
	15.22
	15.25
	15.03
	14.97

	14.81
	14.91
	15.18
	15.14
	15.29
	15.15
	15.37
	15.34
	15.12
	15.25
	15.49
	15.4
	15.31
	15.13
	15.2
	15.46
	15.4
	15.23
	15.12
2/28/07	15.24

FUND SNAPSHOT

Common Share Price	\$15.24

Common Share Net Asset Value	\$15.43

Premium/(Discount) to NAV	-1.23%

Market Yield	5.16%

Taxable-Equivalent Yield ¹	7.90%

Net Assets Applicable to Common Shares (\$000)	\$228,237

Average Effective Maturity on Securities (Years)	14.67

Leverage-Adjusted Duration	8.39

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/27/01)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	4.57%	3.04%

1-Year	7.70%	5.47%

5-Year	7.60%	7.13%

Since Inception	6.51%	7.28%

INDUSTRIES
(as a % of total investments)

U.S. Guaranteed	20.7%
Tax Obligation/Limited	20.7%
Water and Sewer	10.3%
Education and Civic Organizations	10.1%
Tax Obligation/General	9.6%
Health Care	7.9%
Transportation	6.8%
Housing/Multifamily	6.7%
Other	7.2%

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

14

Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	68%
AA	1%
A	14%
BBB	8%
N/R	9%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	0.068
Apr	0.068
May	0.068
Jun	0.0655
Jul	0.0655
Aug	0.0655
Sep	0.0655
Oct	0.0655
Nov	0.0655
Dec	0.0655
Jan	0.0655
Feb	0.0655

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	14.71
	14.56
	14.4
	14.41
	14.29
	14.5
	14.5
	14.2
	14.11
	14.3
	14.39
	14.31
	14.38
	14.45
	14.52
	14.43
	14.22
	14.07
	14.11
	14.16
	14.13
	14.22
	14.4
	14.54
	14.55
	14.6
	14.67
	14.78
	14.93
	14.82
	14.94
	14.86
	14.96
	14.7
	14.92
	14.95
	14.98
	15.01
	15.07
	15.1
	15.14
	15.15
	15.08
	15.25
	15.5
	15.32
	15.25
	15.21
	15.15
	15.23
	15.28
	15.05
	15.05
2/28/07	15.12

FUND SNAPSHOT

Common Share Price	\$15.12

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Common Share	
Net Asset Value	\$15.14

Premium/(Discount) to NAV	-0.13%

Market Yield	5.20%

Taxable-Equivalent Yield ¹	7.96%

Net Assets Applicable to	
Common Shares (\$000)	\$365,300

Average Effective Maturity	
on Securities (Years)	16.07

Leverage-Adjusted Duration	7.62

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/25/01)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	4.56%	3.38%

1-Year	8.94%	5.65%

5-Year	8.24%	7.49%

Since Inception	6.38%	6.97%

INDUSTRIES
(as a % of total investments)

Tax Obligation/Limited	27.2%

Tax Obligation/General	15.8%

U.S. Guaranteed	10.8%

Health Care	10.2%

Water and Sewer	8.4%

Utilities	7.3%

Transportation	6.9%

Housing/Multifamily	6.5%

Other	6.9%

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

Nuveen Insured California Dividend Advantage Municipal Fund
 NKL

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	73%
U.S. Guaranteed	13%
GNMA/FNMA Guaranteed	1%
A (Uninsured)	7%
BBB (Uninsured)	6%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Mar	0.072
Apr	0.072
May	0.072
Jun	0.068
Jul	0.068
Aug	0.068
Sep	0.065
Oct	0.065
Nov	0.065
Dec	0.065
Jan	0.065
Feb	0.065

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	15.25
	15.2
	15.27
	15.09
	15.41
	15.28
	15.2
	15.24
	15.36
	15.29
	15.4
	15.35
	15.14
	15.42
	15.46
	15.46
	15.02
	14.85
	14.57
	14.85
	14.92
	14.86
	15.08

	15.3
	15.35
	15.46
	15.51
	15.64
	15.38
	15.35
	15.53
	15.7
	15.71
	15.64
	15.69
	15.55
	15.58
	15.61
	15.47
	15.5
	15.71
	15.98
	15.52
	15.68
	15.82
	15.67
	15.63
	15.54
	15.4
	15.48
	15.44
	15.4
	15.31
2/28/07	15.45

FUND SNAPSHOT

Common Share Price	\$15.45

Common Share Net Asset Value	\$15.63

Premium/(Discount) to NAV	-1.15%

Market Yield	5.05%

Taxable-Equivalent Yield ¹	7.73%

Net Assets Applicable to Common Shares (\$000)	\$238,698

Average Effective Maturity on Securities (Years)	16.97

Leverage-Adjusted Duration	7.16

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/25/02)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	0.91%	3.40%

1-Year	6.77%	5.60%
Since Inception	6.96%	8.00%

INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	29.0%
Tax Obligation/General	18.5%
U.S. Guaranteed	12.7%
Utilities	12.0%
Water and Sewer	11.6%
Education and Civic Organizations	3.8%
Other	12.4%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 The Fund paid shareholders a capital gains distribution in December 2006 of \$0.0026 per share.

Nuveen Insured California Tax-Free Advantage Municipal Fund
NKX

Performance

OVERVIEW As of February 28, 2007

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	69%
U.S. Guaranteed	16%
A (Uninsured)	9%
BBB (Uninsured)	6%

Bar Chart:

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	0.063
Apr	0.063
May	0.063
Jun	0.059
Jul	0.059
Aug	0.059

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Sep	0.059
Oct	0.059
Nov	0.059
Dec	0.059
Jan	0.059
Feb	0.059

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

3/01/06	14.4
	14.47
	14.32
	14.13
	14.37
	14.4
	14.52
	14.49
	14.3
	14.43
	14.49
	14.02
	14.15
	14.18
	14.89
	14.43
	14
	13.69
	13.68
	13.79
	13.36
	13.99
	14.28
	14.45
	14.54
	14.05
	13.96
	14.25
	14.33
	14.52
	14.56
	14.5
	14.62
	14.31
	14.22
	14.34
	14.5
	14.65
	14.45
	14.6
	14.68
	14.85
	14.8
	15.09
	15.01
	15.03
	15.22
	15
	15.44
	15
	14.95

	14.77
	14.67
2/28/07	14.73

FUND SNAPSHOT

Common Share Price	\$14.73

Common Share	
Net Asset Value	\$15.13

Premium/(Discount) to NAV	-2.64%

Market Yield	4.81%

Taxable-Equivalent Yield ¹	7.37%

Net Assets Applicable to	
Common Shares (\$000)	\$89,029

Average Effective Maturity	
on Securities (Years)	17.04

Leverage-Adjusted Duration	7.39

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/21/02)

	ON SHARE PRICE	ON NAV

6-Month		
(Cumulative)	5.72%	3.81%

1-Year	7.02%	5.79%

Since		
Inception	5.32%	7.00%

INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	27.0%

Tax Obligation/General	24.4%

U.S. Guaranteed	16.3%

Water and Sewer	8.4%

Health Care	7.3%

Transportation	6.7%

Other	9.9%

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate

qualified dividend income, the Taxable-Equivalent Yield is lower.

17

Shareholder
MEETING REPORT

The meeting was held in the offices of Nuveen Investments on
November 14, 2006.

	NPC		NCL	
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
Robert P. Bremner				
For	5,917,713	--	11,697,483	--
Withhold	57,359	--	97,309	--
Total	5,975,072	--	11,794,792	--
Lawrence H. Brown				
For	5,913,913	--	11,698,246	--
Withhold	61,159	--	96,546	--
Total	5,975,072	--	11,794,792	--
Jack B. Evans				
For	5,918,113	--	11,695,573	--
Withhold	56,959	--	99,219	--
Total	5,975,072	--	11,794,792	--
William C. Hunter				
For	5,918,113	--	11,697,883	--
Withhold	56,959	--	96,909	--
Total	5,975,072	--	11,794,792	--
David J. Kundert				
For	5,918,113	--	11,694,938	--
Withhold	56,959	--	99,854	--
Total	5,975,072	--	11,794,792	--
William J. Schneider				
For	--	1,547	--	3,131
Withhold	--	2	--	19
Total	--	1,549	--	3,150
Timothy R. Schwertfeger				
For	--	1,547	--	3,131

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Withhold	--	2	--	19
Total	--	1,549	--	3,150
=====				
Judith M. Stockdale				
For	5,914,813	--	11,698,638	--
Withhold	60,259	--	96,154	--
Total	5,975,072	--	11,794,792	--
=====				
Eugene S. Sunshine				
For	5,918,377	--	11,697,883	--
Withhold	56,695	--	96,909	--
Total	5,975,072	--	11,794,792	--
=====				

18

	NAC		NVX	
	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
=====				
Robert P. Bremner				
For	22,406,788	--	14,118,025	--
Withhold	225,819	--	214,421	--
Total	22,632,607	--	14,332,446	--
=====				
Lawrence H. Brown				
For	22,376,172	--	14,118,525	--
Withhold	256,435	--	213,921	--
Total	22,632,607	--	14,332,446	--
=====				
Jack B. Evans				
For	22,404,302	--	14,117,445	--
Withhold	228,305	--	215,001	--
Total	22,632,607	--	14,332,446	--
=====				
William C. Hunter				
For	22,405,248	--	14,110,995	--
Withhold	227,359	--	221,451	--
Total	22,632,607	--	14,332,446	--
=====				
David J. Kundert				
For	22,408,462	--	14,119,325	--
Withhold	224,145	--	213,121	--
=====				

Total	22,632,607	--	14,332,446	--
=====				
William J. Schneider				
For	--	6,219	--	3,888
Withhold	--	44	--	--
Total	--	6,263	--	3,888
=====				
Timothy R. Schwertfeger				
For	--	6,219	--	3,888
Withhold	--	44	--	--
Total	--	6,263	--	3,888
=====				
Judith M. Stockdale				
For	22,395,121	--	14,111,375	--
Withhold	237,486	--	221,071	--
Total	22,632,607	--	14,332,446	--
=====				
Eugene S. Sunshine				
For	22,401,735	--	14,119,325	--
Withhold	230,872	--	213,121	--
Total	22,632,607	--	14,332,446	--
=====				

19

Shareholder
MEETING REPORT (continued)

NKL

APPROVAL OF THE BOARD MEMBERS
WAS REACHED AS FOLLOWS:

	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
=====		
Robert P. Bremner		
For	14,596,332	--
Withhold	122,709	--
Total	14,719,041	--
=====		
Lawrence H. Brown		
For	14,596,332	--
Withhold	122,709	--
Total	14,719,041	--
=====		
Jack B. Evans		
For	14,593,932	--

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Withhold	125,109	--

Total	14,719,041	--
=====		
William C. Hunter		
For	14,590,998	--
Withhold	128,043	--

Total	14,719,041	--
=====		
David J. Kundert		
For	14,596,332	--
Withhold	122,709	--

Total	14,719,041	--
=====		
William J. Schneider		
For	--	3,804
Withhold	--	18

Total	--	3,822
=====		
Timothy R. Schwertfeger		
For	--	3,804
Withhold	--	18

Total	--	3,822
=====		
Judith M. Stockdale		
For	14,592,632	--
Withhold	126,409	--

Total	14,719,041	--
=====		
Eugene S. Sunshine		
For	14,590,598	--
Withhold	128,443	--

Total	14,719,041	--
=====		

20

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)
 Portfolio of
 INVESTMENTS February 28, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS

	EDUCATION AND CIVIC ORGANIZATIONS - 6.5% (4.5% OF TOTAL INVESTMENTS)	
\$ 2,125	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)	3/08 at 102
2,500	California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/18 - FSA Insured	5/14 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured	5/15 at 100

6,125	Total Education and Civic Organizations	

HEALTH CARE - 4.6% (3.2% OF TOTAL INVESTMENTS)		
3,000	California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured	8/08 at 101
1,500	California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured	8/09 at 101

4,500	Total Health Care	

HOUSING/SINGLE FAMILY - 0.3% (0.2% OF TOTAL INVESTMENTS)		
225	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 100
115	California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 - MBIA Insured (Alternative Minimum Tax)	8/07 at 102

340	Total Housing/Single Family	

TAX OBLIGATION/GENERAL - 34.1% (23.6% OF TOTAL INVESTMENTS)		
Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A:		
1,890	5.250%, 8/01/23 - MBIA Insured	8/14 at 100
1,250	5.250%, 8/01/25 - MBIA Insured	8/14 at 100
2,000	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax)	6/07 at 101
El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004:		
2,580	5.250%, 9/01/21 - FGIC Insured	9/14 at 100
1,775	5.250%, 9/01/22 - FGIC Insured	9/14 at 100
1,225	Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 - MBIA Insured	2/13 at 103
1,180	Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured	8/13 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

1,130	Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured	8/15 at 100
1,690	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB)	7/16 at 100
3,000	Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 - MBIA Insured	8/11 at 103
160	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 100
3,000	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured	7/15 at 100

21

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) (cont)
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS

TAX OBLIGATION/GENERAL (continued)		
	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C:	
\$ 1,335	5.000%, 7/01/21 - FSA Insured	7/11 at 102
3,500	5.000%, 7/01/22 - FSA Insured	7/11 at 102
4,895	5.000%, 7/01/23 - FSA Insured	7/11 at 102
1,234	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 - FSA Insured (UB)	7/16 at 101

31,844	Total Tax Obligation/General	

TAX OBLIGATION/LIMITED - 24.0% (16.6% OF TOTAL INVESTMENTS)

1,000	Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured	8/11 at 101
	California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:	
1,215	5.000%, 12/01/19 - AMBAC Insured	12/13 at 100
1,615	5.000%, 12/01/21 - AMBAC Insured	12/13 at 100
195	Capistrano Unified School District, Orange County, California,	9/15 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

	Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	
595	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB)	7/16 at 101
1,900	Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured	9/12 at 100
5,000	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured	1/11 at 100
435	Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 - AMBAC Insured	9/13 at 100
345	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 100
895	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured	12/14 at 100
165	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured	9/15 at 100
205	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 100
3,000	Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1997A, 5.000%, 11/15/22 - AMBAC Insured	11/07 at 102
3,565	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/25 - FSA Insured	9/15 at 100
2,805	Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured	10/11 at 100

22,935	Total Tax Obligation/Limited	

	TRANSPORTATION - 2.5% (1.8% OF TOTAL INVESTMENTS)	
2,400	San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured	9/14 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS
	U.S. GUARANTEED - 48.0% (33.2% OF TOTAL INVESTMENTS) (4)	
\$ 2,000	California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 (Pre-refunded 11/01/09) - MBIA Insured	11/09 at 101
7,995	California, Various Purpose General Obligation Bonds, Series 2000: 5.750%, 3/01/22 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 101
2,000	5.750%, 3/01/27 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 101
2,500	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001A, 5.125%, 8/01/26 - FSA Insured (ETM)	8/09 at 102
6,000	Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM)	No Opt. C
965	Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 (Pre-refunded 9/01/13) - AMBAC Insured	9/13 at 100
5,135	Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) (ETM)	No Opt. C
6,220	Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) (ETM)	No Opt. C
750	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 (Pre-refunded 12/01/14) - AMBAC Insured	12/14 at 100
1,485	San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 (ETM)	No Opt. C
2,150	Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 (Pre-refunded 6/01/10) - FGIC Insured	6/10 at 100
2,000	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.125%, 9/01/31 (Pre-refunded 9/01/10) - FGIC Insured	9/10 at 101
39,200	Total U.S. Guaranteed	
	UTILITIES - 0.4% (0.3% OF TOTAL INVESTMENTS)	
345	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured	9/15 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

WATER AND SEWER - 23.9% (16.6% OF TOTAL INVESTMENTS)

5,255	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2003A, 5.000%, 3/01/20 - FGIC Insured	3/13 at 100
1,230	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured	3/14 at 100
235	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 100
5,000	Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 - AMBAC Insured	4/16 at 100
220	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 100
1,500	Placerville Public Financing Authority, California, Wastewater System Refinancing and Improvement Project Revenue Bonds, Series 2006, 5.000%, 9/01/34 - XLCA Insured	9/16 at 100
3,400	San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Series 1997A, 5.250%, 5/15/22 - FGIC Insured	5/07 at 101
1,310	Santa Fe Springs Public Financing Authority, California, Water Revenue Bonds, Series 2003A, 5.000%, 5/01/33 - MBIA Insured	5/13 at 100
1,345	West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured	8/13 at 100

23

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) (cont)
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS

	WATER AND SEWER (continued)	
\$ 2,000	Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/30 - MBIA Insured	3/15 at 100
1,310	Wheeler Ridge-Maricopa Water District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured	5/07 at 102

22,805	Total Water and Sewer	

\$ 130,494	Total Investments (cost \$134,933,608) - 144.3%	
=====		
	Floating Rate Obligations - (2.3)%	

 Other Assets Less Liabilities - 2.6%

 Preferred Shares, at Liquidation Value - (44.6)%

 Net Assets Applicable to Common Shares - 100%
 =====

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2007:

COUNTERPARTY	NOTIONAL AMOUNT	FUND		FLOATING RATE INDEX	FIXED RATE (ANNUALIZED)	FIXED RATE PAYMENT FREQUENCY	EFFE DA
		PAY/RECEIVE FLOATING RATE					
Goldman Sachs	\$4,900,000	Receive		3-month USD-LIBOR	5.681%	Semi-Annually	7/
JPMorgan	7,700,000	Receive		3-month USD-LIBOR	5.630	Semi-Annually	7/
JPMorgan	3,100,000	Pay		3-month USD-LIBOR	5.869	Semi-Annually	7/
Morgan Stanley	7,300,000	Pay		3-month USD-LIBOR	5.816	Semi-Annually	7/

=====

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

All of the bonds in the Portfolio of Investments are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest.
 - (5) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

24

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
 Portfolio of
 INVESTMENTS February 28, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS

	EDUCATION AND CIVIC ORGANIZATIONS - 5.6% (3.8% OF TOTAL INVESTMENTS)	
\$ 620	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured	11/10 at 100
2,125	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)	3/08 at 102
1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured	5/15 at 100
6,000	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured	5/13 at 100

10,245	Total Education and Civic Organizations	

	HEALTH CARE - 4.4% (2.9% OF TOTAL INVESTMENTS)	
1,450	California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Mark Twain St. Joseph's Healthcare Corporation, Series 1996A, 6.000%, 7/01/19 - MBIA Insured	7/07 at 101
5,000	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2007A, 4.500%, 5/15/37 - MBIA Insured	5/15 at 101
1,755	University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured	5/12 at 101

8,205	Total Health Care	

	HOUSING/SINGLE FAMILY - 2.2% (1.6% OF TOTAL INVESTMENTS)	
440	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 100
2,500	California Housing Finance Agency, Home Mortgage Revenue	2/16 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

Bonds, Series 2006K, 5.500%, 2/01/42 - AMBAC Insured
(Alternative Minimum Tax)

1,100	California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 - MBIA Insured (Alternative Minimum Tax)	8/07 at 101

4,040	Total Housing/Single Family	

TAX OBLIGATION/GENERAL - 24.1% (16.2% OF TOTAL INVESTMENTS)

1,460	ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000B, 5.750%, 8/01/16 - FGIC Insured	8/10 at 101
1,425	Bassett Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 5.250%, 8/01/30 - FGIC Insured	8/16 at 100
4,400	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured	2/13 at 100
2,250	California, General Obligation Bonds, Series 2004, 5.000%, 4/01/31 - AMBAC Insured	4/14 at 100
3,000	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax)	6/07 at 101
1,910	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002A, 6.000%, 8/01/26 - MBIA Insured	No Opt. C
1,255	Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured	8/15 at 100
3,310	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB)	7/16 at 100
4,000	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2007A, 4.500%, 7/01/24 - FSA Insured	7/17 at 100

25

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) (co
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
---------------------------	-----------------	--------------------------

TAX OBLIGATION/GENERAL (continued)

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

		Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C:	
\$	2,110	5.000%, 8/01/21 - FSA Insured	8/14 at 102
	3,250	5.000%, 8/01/22 - FSA Insured	8/14 at 102
	3,395	5.000%, 8/01/23 - FSA Insured	8/14 at 102
	1,270	Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured	8/13 at 100
	305	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 100
	2,500	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured	7/15 at 100
	1,125	San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured	No Opt. C
	1,575	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB)	7/16 at 101
	2,000	San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured	6/10 at 102
	1,000	San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 - FSA Insured	8/14 at 100
	2,445	Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 - FGIC Insured	8/13 at 100

	43,985	Total Tax Obligation/General	
--	--------	------------------------------	--

TAX OBLIGATION/LIMITED - 40.8% (27.3% OF TOTAL INVESTMENTS)

		Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C:	
	5,130	0.000%, 9/01/18 - FSA Insured	No Opt. C
	8,000	0.000%, 9/01/21 - FSA Insured	No Opt. C
		California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:	
	1,535	5.000%, 12/01/20 - AMBAC Insured	12/13 at 100
	1,780	5.000%, 12/01/23 - AMBAC Insured	12/13 at 100
	3,725	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2005J, 5.000%, 1/01/17 - AMBAC Insured	1/16 at 100
	380	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005,	9/15 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

	5.000%, 9/01/24 - FGIC Insured	
1,110	Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB)	9/16 at 101
4,000	Contra Costa County, California, Certificates of Participation Refunding, Merrithew Memorial Hospital Replacement, Series 1997, 5.500%, 11/01/22 - MBIA Insured	11/07 at 102
6,000	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured	1/11 at 100
8,280	Fontana Public Financing Authority, California, Tax Allocation Revenue Bonds, North Fontana Redevelopment Project, Series 2005A, 5.000%, 10/01/32 - AMBAC Insured	10/15 at 100
3,000	Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured	11/07 at 102
1,810	Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 - MBIA Insured	5/08 at 102
5,000	La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured	9/07 at 102
2,300	Long Beach Bond Finance Authority, California, Multiple Project Tax Allocation Bonds, Housing and Gas Utility Financing Project Areas, Series 2005A-1, 5.000%, 8/01/25 - AMBAC Insured	8/15 at 100

26

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS

	TAX OBLIGATION/LIMITED (continued)	
\$ 685	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 100
1,000	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured	12/14 at 100
1,250	Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured	7/13 at 100
4,000	Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	6/13 at 100

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSRS

2,780	Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/12 - MBIA Insured	No Opt. C
4,140	Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured	6/13 at 101
2,000	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured	12/10 at 102
325	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured	9/15 at 100
1,000	Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured	9/13 at 100
405	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 100
5,000	San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured	9/09 at 102
5,510	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/28 - FSA Insured	9/15 at 100
<hr/>		
80,145	Total Tax Obligation/Limited	
<hr/>		

TRANSPORTATION - 6.9% (4.6% OF TOTAL INVESTMENTS)

6,500	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured	1/10 at 65
4,000	Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 - AMBAC Insured	8/13 at 100
5,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.250%, 5/01/31 - MBIA Insured (Alternative Minimum Tax)	5/11 at 100
<hr/>		
15,500	Total Transportation	
<hr/>		

U.S. GUARANTEED - 33.7% (22.6% OF TOTAL INVESTMENTS) (4)

1,380	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20	11/10 at 100
-------	--	--------------

Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value. This change will permit Plan participants under these circumstances to reinvest Fund distributions at a lower aggregate cost than is possible under the existing Plan.

Glossary of
TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.

INVERSE FLOATERS: Inverse floating rate securities are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

90

Other Useful
INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2006, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

For Funds listed on the New York Stock Exchange, each Fund's Chief Executive Officer has submitted to the Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Carol E. Stone
Eugene S. Sunshine

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN
State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND
SHAREHOLDER SERVICES
State Street Bank & Trust Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

91

Nuveen Investments:
SERVING Investors
For GENERATIONS

Photo of: 2 women looking at a photo album.

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing approximately \$162 billion in assets as of December 31, 2006, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under six distinct brands: NWQ, specializing in value-style equities; Nuveen, managing fixed-income investments; Santa Barbara, committed to growth equities; Tradewinds, specializing in global value equities; Rittenhouse, focused on "blue-chip" growth equities; and Symphony, with expertise in alternative investments as well as equity and income portfolios.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more
about Nuveen Funds at
WWW.NUVEEN.COM/CEF

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

ESA-B-0207D

Logo: NUVEEN Investments

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) 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.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT 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.

(Registrant) Nuveen Insured California Premium Income Municipal Fund 2, Inc.

By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: May 4, 2007

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 (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: May 4, 2007

By (Signature and Title)* /s/ Stephen D. Foy

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: May 4, 2007

* Print the name and title of each signing officer under his or her signature.