

EATON VANCE INSURED MASSACHUSETTS MUNICIPAL BOND FUND

Form N-Q

March 02, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-Q

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

811-21225

Investment Company Act File Number

Eaton Vance Insured Massachusetts Municipal Bond Fund

(Exact Name of Registrant as Specified in Charter)

The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109

(Address of Principal Executive Offices)

Maureen A. Gemma

Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number, Including Area Code)

September 30

Date of Fiscal Year End

December 31, 2008

Date of Reporting Period

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Item 1. Schedule of Investments

**Eaton Vance Insured Massachusetts Municipal
Bond Fund****as of December 31, 2008****PORTFOLIO OF INVESTMENTS (Unaudited)****Tax-Exempt Investments 174.9%**

| Principal Amount (000 s omitted) | Security | Value |
|---|---|---------------------|
| Escrowed/Prerefunded 6.6% | | |
| \$ 500 | Massachusetts Development Finance Agency, (Massachusetts College of Pharmacy), Prerefunded to 7/1/13, 5.75%, 7/1/33 | \$ 584,995 |
| 600 | Massachusetts Development Finance Agency, (Western New England College), Prerefunded to 12/1/12, 6.125%, 12/1/32 | 698,130 |
| | | \$ 1,283,125 |
| Hospital 6.1% | | |
| \$ 1,075 | Massachusetts Health and Educational Facilities Authority, (Dana-Farber Cancer Institute), 5.00%, 12/1/37 | \$ 842,746 |
| 55 | Massachusetts Health and Educational Facilities Authority, (Partners Healthcare Systems), 5.75%, 7/1/32 | 53,045 |
| 370 | Massachusetts Health and Educational Facilities Authority, (South Shore Hospital), 5.75%, 7/1/29 | 283,886 |
| | | \$ 1,179,677 |
| Insured-Escrowed/Prerefunded 7.1% | | |
| \$ 2,900 | Massachusetts College Building Authority, (MBIA), Escrowed to Maturity, 0.00%, 5/1/26 | \$ 1,313,932 |
| 50 | Massachusetts Health and Educational Facilities Authority, (New England Medical Center), (FGIC), Prerefunded to 5/15/12, 5.00%, 5/15/25 | 54,935 |
| | | \$ 1,368,867 |
| Insured-General Obligations 14.7% | | |
| \$ 1,900 | Massachusetts, (AMBAC), 5.50%, 8/1/30 | \$ 2,021,866 |
| 965 | Milford, (FSA), 4.25%, 12/15/46 | 777,250 |
| 50 | Sandwich, (MBIA), 4.50%, 7/15/29 | 46,983 |
| | | \$ 2,846,099 |
| Insured-Hospital 4.7% | | |
| \$ 1,160 | Massachusetts Health and Educational Facilities Authority, (New England Medical Center), (FGIC), 5.00%, 5/15/25 | \$ 910,681 |

\$ 910,681

Insured-Lease Revenue/Certificates of Participation 16.2%

| | | |
|----------|--|--------------|
| \$ 1,750 | Massachusetts Development Finance Agency, (MBIA), 5.125%, 2/1/34 | \$ 1,540,297 |
| 1,000 | Plymouth County Correctional Facility, (AMBAC), 5.00%, 4/1/22 | 1,006,260 |
| 795 | Puerto Rico Public Buildings Authority, (CIFG), 5.25%, 7/1/36 | 584,365 |

\$ 3,130,922

Insured-Other Revenue 7.6%

| | | |
|----------|---|--------------|
| \$ 1,500 | Massachusetts Development Finance Agency, (WGBH Educational Foundation), (AMBAC), 5.75%, 1/1/42 | \$ 1,458,975 |
|----------|---|--------------|

\$ 1,458,975

| Principal Amount (000 s omitted) | Security | Value |
|---|---|---------------------|
| Insured-Pooled Loans 10.6% | | |
| \$ 2,400 | Puerto Rico Municipal Finance Agency, (FSA), 5.00%, 8/1/27 | \$ 2,040,024 |
| | | \$ 2,040,024 |
| Insured-Private Education 30.0% | | |
| \$ 1,000 | Massachusetts Development Finance Agency, (Boston University), (XLCA), 5.375%, 5/15/39 | \$ 938,470 |
| 1,105 | Massachusetts Development Finance Agency, (Boston University), (XLCA), 6.00%, 5/15/59 | 1,112,094 |
| 750 | Massachusetts Development Finance Agency, (College of the Holy Cross), (AMBAC), 5.25%, 9/1/32 ⁽¹⁾ | 762,215 |
| 1,500 | Massachusetts Development Finance Agency, (Franklin W. Olin College), (XLCA), 5.25%, 7/1/33 | 1,381,785 |
| 750 | Massachusetts Development Finance Agency, (Massachusetts College of Pharmacy), (AGC), 5.00%, 7/1/35 ⁽²⁾ | 698,010 |
| 1,000 | Massachusetts Development Finance Agency, (Massachusetts College of Pharmacy), (AGC), 5.00%, 7/1/37 | 904,540 |
| | | \$ 5,797,114 |
| Insured-Public Education 13.6% | | |
| \$ 700 | Massachusetts College Building Authority, (XLCA), 5.50%, 5/1/39 | \$ 693,518 |
| 1,000 | Massachusetts Health and Educational Facilities Authority, (University of Massachusetts), (FGIC), (MBIA), 5.125%, 10/1/34 | 901,600 |
| 1,150 | Massachusetts Health and Educational Facilities Authority, (Worcester State College), (AMBAC), 5.00%, 11/1/32 | 1,023,742 |
| | | \$ 2,618,860 |
| Insured-Special Tax Revenue 17.4% | | |
| \$ 1,280 | Martha s Vineyard Land Bank, (AMBAC), 5.00%, 5/1/32 | \$ 1,279,910 |
| 305 | Massachusetts Bay Transportation Authority, Revenue Assessment, (MBIA), 4.00%, 7/1/33 | 233,011 |
| 1,350 | Massachusetts School Building Authority, Dedicated Sales Tax Revenue, (AMBAC), 4.75%, 8/15/32 | 1,259,159 |
| 6,200 | Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54 | 227,788 |
| 1,055 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44 | 90,572 |
| 2,095 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45 | 167,160 |
| 1,325 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46 | 97,944 |
| | | \$ 3,355,544 |

Insured-Transportation 10.5%

| | | |
|----------|--|---------------------|
| \$ 3,700 | Massachusetts Turnpike Authority, (MBIA), 0.00%, 1/1/28 | \$ 1,158,507 |
| 1,250 | Massachusetts Turnpike Authority, Metropolitan Highway System, (AMBAC), 5.00%, 1/1/39 | 874,075 |
| | | \$ 2,032,582 |

Insured-Water Revenue 13.7%

| | | |
|----------|---|---------------------|
| \$ 1,125 | Massachusetts Water Resources Authority, (AMBAC), 4.00%, 8/1/40 | \$ 828,304 |
| 1,900 | Massachusetts Water Resources Authority, (FSA), 5.00%, 8/1/32 | 1,806,520 |
| | | \$ 2,634,824 |

Private Education 13.8%

| | | |
|--------|---|---------------------|
| \$ 750 | Massachusetts Development Finance Agency, (Middlesex School), 5.00%, 9/1/33 | \$ 666,352 |
| 2,000 | Massachusetts Health and Educational Facilities Authority, (Harvard University), 5.00%, 10/1/38 ⁽¹⁾ | 1,992,080 |
| | | \$ 2,658,432 |

| Principal Amount (000 s omitted) | Security | Value |
|--|--|------------------------|
| Senior Living/Life Care 2.3% | | |
| \$ 745 | Massachusetts Development Finance Agency, (Berkshire Retirement), 5.15%, 7/1/31 | \$ 452,461 |
| | | \$ 452,461 |
| Total Tax-Exempt Investments 174.9% | | |
| (identified cost \$ 38,101,263) | | \$ 33,768,187 |
| Auction Preferred Shares Plus Cumulative Unpaid Dividends (70.3)% | | \$ (13,575,569) |
| Other Assets, Less Liabilities (4.6)% | | \$ (888,490) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 19,304,128 |

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

CIFG - CIFG Assurance North America, Inc.

FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

XLCA - XL Capital Assurance, Inc.

The Fund invests primarily in debt securities issued by Massachusetts municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at December 31, 2008, 83.5% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 1.7% to 31.8% of total investments.

- (1) Security represents the underlying municipal bond of a tender option bond trust.
- (2) Security (or a portion thereof) has been pledged as collateral for open swap contracts.

A summary of financial instruments at December 31, 2008 is as follows:

Interest Rate Swaps

| Counterparty | Notional Amount | Annual Fixed Rate Paid By Fund | Floating Rate Paid To Fund | Effective Date/ Termination Date | Net Unrealized Depreciation |
|---------------------------------------|-----------------|--------------------------------|----------------------------|---|-----------------------------|
| JPMorgan Chase Co. | \$ 525,000 | 4.743% | 3-month USD-LIBOR-BBA | September 14, 2009 / September 14, 2039 | \$ (198,169) |
| Merrill Lynch Capital Services, Inc. | 862,500 | 4.682 | 3-month USD-LIBOR-BBA | April 1, 2009 / April 1, 2039 | (325,853) |
| Morgan Stanley Capital Services, Inc. | 625,000 | 4.691 | 3-month USD-LIBOR-BBA | June 11, 2009 / June 11, 2039 | (234,534) |
| | | | | | \$ (758,556) |

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

At December 31, 2008, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The cost and unrealized appreciation (depreciation) of investments of the Fund at December 31, 2008, as determined on a federal income tax basis, were as follows:

| | |
|------------------------------------|-----------------------|
| Aggregate cost | \$ 35,291,795 |
| Gross unrealized appreciation | \$ 471,298 |
| Gross unrealized depreciation | (4,454,905) |
| Net unrealized depreciation | \$ (3,983,607) |

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

Level 1 quoted prices in active markets for identical investments

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

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

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

At December 31, 2008, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

Valuation Inputs

| | | Investments in Securities | Other Financial Instruments* |
|--------------|-------------------------------------|--------------------------------------|---|
| Level 1 | Quoted Prices | \$ | \$ |
| Level 2 | Other Significant Observable Inputs | 33,768,187 | (758,556) |
| Level 3 | Significant Unobservable Inputs | | |
| Total | | \$ 33,768,187 | \$ (758,556) |

* Other financial instruments include interest rate swap contracts not reflected in the Portfolio of Investments, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund held no investments or other financial instruments as of September 30, 2008 whose fair value was determined using Level 3 inputs.

For information on the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements included in its semiannual or annual report to shareholders.

Item 2. Controls and Procedures

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

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

Signatures

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

Eaton Vance Insured Massachusetts Municipal Bond Fund

By: /s/ Robert B. MacIntosh

Robert B. MacIntosh
President

Date: February 23, 2009

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

By: /s/ Robert B. MacIntosh

Robert B. MacIntosh
President

Date: February 23, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell
Treasurer

Date: February 23, 2009