

BLACKROCK INSURED MUNICIPAL INCOME TRUST

Form N-CSR

November 06, 2008

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 811-21178

Name of Fund: BlackRock Insured Municipal Income Trust (BYM)

Fund Address: 100 Bellevue

Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock Insured Municipal Income Trust, 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2008

Date of reporting period: 09/01/2007 08/31/2008

Item 1. Report to Shareholders.

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS



[BlackRock Insured Municipal Income Investment Trust \(BAF\)](#)

[BlackRock Insured Municipal Income Trust \(BYM\)](#)

[BlackRock Municipal Bond Investment Trust \(BIE\)](#)

[BlackRock Municipal Bond Trust \(BBK\)](#)

[BlackRock Municipal Income Trust II \(BLE\)](#)

[BlackRock California Insured Municipal Income Trust \(BCK\)](#)

[BlackRock California Municipal Bond Trust \(BZA\)](#)

[BlackRock California Municipal Income Trust II \(BCL\)](#)

[BlackRock Maryland Municipal Bond Trust \(BZM\)](#)

[BlackRock New Jersey Municipal Bond Trust \(BLJ\)](#)

[BlackRock New York Insured Municipal Income Trust \(BSE\)](#)

[BlackRock New York Municipal Bond Trust \(BQH\)](#)

[BlackRock New York Municipal Income Trust II \(BFY\)](#)

[BlackRock Virginia Municipal Bond Trust \(BHV\)](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

Table of Contents

	Page
<u>A Letter to Shareholders</u>	3
Annual Report:	
<u>Trust Summaries</u>	4
<u>The Benefits and Risks of Leveraging</u>	18
<u>Swap Agreements</u>	18
Financial Statements:	
<u>Schedules of Investments</u>	19
<u>Statements of Assets and Liabilities</u>	52
<u>Statements of Operations</u>	55
<u>Statements of Changes in Net Assets</u>	58
<u>Financial Highlights</u>	61
<u>Notes to Financial Statements</u>	75
<u>Report of Independent Registered Public Accounting Firm</u>	85
<u>Important Tax Information</u>	86
<u>Disclosure of Investment Advisory Agreement and Subadvisory Agreement</u>	87
<u>Automatic Dividend Reinvestment Plans</u>	90
<u>Officers and Trustees</u>	91
<u>Additional Information</u>	95

A Letter to Shareholders

Dear Shareholder

It has been a tumultuous year for investors, marked by almost daily headlines related to the beleaguered housing market, rising food and energy prices, and the escalating credit crisis. The news took an extraordinarily heavy tone shortly after the close of this reporting period as the credit crisis boiled over and triggered unprecedented failures and consolidation in the financial sector, stoking fears of a market and economic collapse and prompting the largest government rescue plan since the Great Depression.

Through it all, the Federal Reserve Board (the Fed) has been aggressive in its attempts to restore order in financial markets. Key moves included slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008 and providing numerous cash injections and lending programs. As the credit crisis took an extreme turn for the worse in September, the Fed, in concert with five other global central banks, cut interest rates by 50 basis points in a rare move intended to stave off worldwide economic damage from the intensifying financial market turmoil. The U.S. economy managed to grow at a slow-but-positive pace through the second quarter of the year, though the recent events almost certainly portend a global economic recession.

Against this backdrop, U.S. stocks experienced intense volatility (steep declines and quick recoveries), generally posting losses for the current reporting period. Small-cap stocks fared significantly better than their larger counterparts. Non-U.S. markets followed the U.S. on the way down and, notably, decelerated at a faster pace than domestic equities—a stark reversal of recent years trends, when international stocks generally outpaced U.S. stocks.

Treasury securities also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose), as the broader flight-to-quality theme persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily shifted out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then declined again to 3.83% by period-end when credit fears resurfaced. Tax-exempt issues posted positive returns, but problems among municipal bond insurers and the collapse in the market for auction rate securities pressured the group throughout the course of the past year. Economic and financial market distress also dampened the performance of high yield issues, which were very volatile due to the macro factors noted above.

Overall, severe market instability resulted in mixed results for the major benchmark indexes:

Total returns as of August 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(2.57)%	(11.14)%
Small cap U.S. equities (Russell 2000 Index)	8.53	(5.48)
International equities (MSCI Europe, Australasia, Far East Index)	(10.18)	(14.41)
Fixed income (Lehman Brothers U.S. Aggregate Index)	0.18	5.86
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	5.12	4.48
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	0.74	(0.66)

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

3

Trust Summary as of August 31, 2008

BlackRock Insured Municipal Income Investment Trust

Investment Objective

BlackRock Insured Municipal Income Investment Trust (BAF) (the Trust) (formerly BlackRock Florida Insured Municipal Income Trust) seeks to provide current income exempt from regular federal income taxes. The Trust will invest at least 80% of its total assets in municipal obligations that are insured as to the timely payment of both principal and interest. Please see Note 7, Subsequent Events, of the Notes to Financial Statements on page 83 regarding a recent change to the Trust's non-fundamental investment policy.

Performance

For the 12 months ended August 31, 2008, the Trust returned (3.35)% based on market price and 2.22% based on net asset value (NAV). For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 1.32% on a NAV basis. All returns reflect reinvestment of dividends. Several key factors influenced performance during the year. A positive contributor to performance was the Trust's significant overweight in pre-refunded bonds in the one- to five-year maturity range, as the yield curve steepened and short- and intermediate-maturity issues outperformed the rest of the market. Conversely, problems within the monoline insurance industry had a negative impact on the entire insured municipal market, hampering the performance of the Trust and its peers. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2008 (\$12.42) ¹	5.60%
Tax Equivalent Yield ²	8.62%
Current Monthly Distribution per Common Share ³	\$0.058
Current Annualized Distribution per Common Share ³	\$0.696
Leverage as of August 31, 2008 ⁴	38%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs)) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Market Price	\$ 12.42	\$ 13.55	(8.34)%	\$ 14.30	\$ 12.21
Net Asset Value	\$ 14.23	\$ 14.68	(3.07)%	\$ 15.27	\$ 13.38

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	8/31/08	8/31/07
Tax Revenue	27%	25%
City, County & State	17	20
Education	13	16
Transportation	11	9
Hospitals	10	9
Water & Sewer	9	6
Power	7	11
Lease Revenue	6	4

Credit Quality Allocations⁵

Credit Rating	8/31/08	8/31/07
AAA/Aaa	41%	88%
AA/Aa	48	7
A	2	1
Not Rated	9 ₆	4

⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2008 the market value of these securities was \$7,387,462 representing 4%, respectively, of the Trust's long-term investments.

Trust Summary as of August 31, 2008

BlackRock Insured Municipal Income Trust

Investment Objective

BlackRock Insured Municipal Income Trust (BYM) (the Trust) seeks to provide high current income exempt from regular federal income taxes. The Trust will invest at least 80% of its total assets in municipal obligations that are insured as to the timely payment of both principal and interest.

Performance

For the 12 months ended August 31, 2008, the Trust returned (3.13)% based on market price and (0.16)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 0.19% on a NAV basis. All returns reflect reinvestment of dividends. The Trust benefited from its above-average yield, but performance was negatively impacted by two factors: above-average exposure to the longer end of the yield curve, which underperformed as rates increased; and, above-average exposure to certain monoline insurers, particularly those with weaker underlying credits, which underperformed amid unprecedented volatility and ratings downgrades. The Trust's holdings covered by these insurers underperformed as the value of their insurance fell and reflected their underlying credit quality. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2008 (\$13.19) ¹	5.55%
Tax Equivalent Yield ²	8.54%
Current Monthly Distribution per Common Share ³	\$0.061
Current Annualized Distribution per Common Share ³	\$0.732
Leverage as of August 31, 2008 ⁴	38%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

Edgar Filing: BLACKROCK INSURED MUNICIPAL INCOME TRUST - Form N-CSR

	8/31/08	8/31/07	Change	High	Low
Market Price	\$ 13.19	\$ 14.35	(8.08)%	\$ 15.15	\$ 12.70
Net Asset Value	\$ 14.04	\$ 14.82	(5.26)%	\$ 15.35	\$ 13.14

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	8/31/08	8/31/07
Transportation	26%	24%
Water & Sewer	19	18
City, County & State	10	13
Tax Revenue	10	12
Education	9	8
Power	8	9
Hospitals	6	7
Tobacco	6	6
Lease Revenue	5	2
Industrial & Pollution Control	1	1

Credit Quality Allocations⁵

Credit Rating	8/31/08	8/31/07
AAA/Aaa	58%	92%
AA/Aa	34	2
A	5	2
BBB/Baa	3	4

⁵ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2008

BlackRock Municipal Bond Investment Trust

Investment Objective

BlackRock Municipal Bond Investment Trust (BIE) (the Trust) (formerly BlackRock Florida Municipal Bond Trust) seeks to provide current income exempt from regular federal income taxes. Under normal market conditions, the Trust will invest at least 80% of its total assets in municipal bonds that are investment grade quality, or determined by the Advisor to be of equivalent credit quality at time of purchase. The Trust may invest up to 20% of its total assets in municipal bonds that are rated, at the time of investment, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by BlackRock. Please see Note 7, Subsequent Events, of the Notes to Financial Statements on page 83 regarding a recent change to the Trust's non-fundamental investment policy.

Performance

For the 12 months ended August 31, 2008, the Trust returned (3.95)% based on market price and 2.34% based on NAV. For the same period, the closed-end Lipper Florida Municipal Debt Funds category posted an average return of 0.90% on a NAV basis. All returns reflect reinvestment of dividends. Several key factors influenced performance during the year. A positive contributor to performance was the Trust's significant overweight in pre-refunded bonds in the one- to five-year maturity range, as the yield curve steepened and short- and intermediate-maturity issues outperformed the rest of the market. Conversely, problems within the mono-line insurance industry had a negative impact on the entire insured municipal market and thus, hampered the performance of the Trust and its peers. Exposure to uninsured hospital bonds and single-family housing bonds also detracted from results. The Trust moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange	BIE
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of August 31, 2008 (\$14.28) ¹	5.78%
Tax Equivalent Yield ²	8.89%
Current Monthly Distribution per Common Share ³	\$0.0688
Current Annualized Distribution per Common Share ³	\$0.8256
Leverage as of August 31, 2008 ⁴	38%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

Edgar Filing: BLACKROCK INSURED MUNICIPAL INCOME TRUST - Form N-CSR

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Market Price	\$ 14.28	\$ 15.82	(9.73)%	\$ 16.70	\$ 14.14
Net Asset Value	\$ 14.86	\$ 15.45	(3.82)%	\$ 15.86	\$ 14.35

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	8/31/08	8/31/07
Hospitals	37%	34%
City, County & State	16	11
Tax Revenue	14	18
Education	7	11
Housing	6	6
Lease Revenue	5	6
Water & Sewer	5	3
Transportation	5	3
Industrial & Pollution Control	3	2
Power	2	6

Credit Quality Allocations⁵

Credit Rating	8/31/08	8/31/07
AAA/Aaa	25%	40%
AA/Aa	32	20
A	12	14
BBB/Baa	7	12
BB/Ba	2	2
Not Rated	22 ⁶	12

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2008 the market value of these securities was \$6,398,306 representing 8%, respectively, of the Trust's long-term investments.

Trust Summary as of August 31, 2008

BlackRock Municipal Bond Trust

Investment Objective

BlackRock Municipal Bond Trust (BBK) (the Trust) seeks to provide current income exempt from regular federal income taxes. Under normal market conditions, the Trust will invest at least 80% of its total assets in municipal bonds that are investment grade quality, or determined by the Advisor to be of equivalent credit quality at time of purchase. The Trust may invest up to 20% of its total assets in municipal bonds that are rated, at the time of investment, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by BlackRock.

Performance

For the 12 months ended August 31, 2008, the Trust returned (9.65%) based on market price and (3.77)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.98)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's exposure to longer-dated securities was the primary detractor from performance, as these issues proved more volatile when risk spreads increased and the municipal yield curve steepened. Additionally, holdings in high yield and housing, as well as bonds backed by several of the larger broker-dealers, underperformed market averages and thus, hindered Trust results. Conversely, the Trust's above-average distribution rate benefited performance. Looking ahead, we believe the Trust is well positioned to benefit amid a recovering high yield market, a reversion to historical valuations versus Treasury issues and a continued slowing economy. The Trust moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of August 31, 2008 (\$13.89) ¹	6.26%
Tax Equivalent Yield ²	9.63%
Current Monthly Distribution per Common Share ³	\$0.0725
Current Annualized Distribution per Common Share ³	\$0.8700
Leverage as of August 31, 2008 ⁴	39%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution is not constant and is subject to change.

4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share: