

DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC

Form DEFA14A

August 15, 2007

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. \_\_\_)

Filed by the Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Sec. 240.14a-12

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4. Proposed maximum aggregate value of transaction:
5. Total fee paid:

Fee paid previously with preliminary proxy materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

\_\_\_\_\_

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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Delaware Investments Florida Insured Municipal Income Fund

(Name of Registrant as Specified In Its Charter)

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4) Date Filed:

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[DELAWARE INVESTMENTS LOGO]

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FOR IMMEDIATE RELEASE

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Delaware Investments Colorado Insured Municipal Income Fund, Inc. and Delaware Investments Florida Insured Municipal Income Fund Adjourn Annual Shareholder Meeting with Respect to Proposals to Change Certain Fundamental Investment Policies

PHILADELPHIA, August 15, 2007 - Delaware Investments Colorado Insured Municipal Income Fund, Inc. (ASE: VCF) and Delaware Investments Florida Insured Municipal Income Fund (ASE: VFL) (each, a "Fund") today announced the adjournment of the Annual Meeting of Shareholders (the "Annual Meeting") until Thursday, September 13, 2007 at 3:00 p.m., local time, at which time it will be reconvened at the offices of Delaware Investments, One Commerce Square, 2005 Market Street, 30th Floor Board Room, Philadelphia, PA. The Annual Meeting was adjourned to give the Funds additional time to solicit proxies for proposals to change certain fundamental investment policies for each Fund.

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

Shareholders of Delaware Investments Colorado Insured Municipal Income Fund, Inc. (the "CO Fund") are being asked to vote on a proposal to eliminate a fundamental investment policy requiring the CO Fund to invest primarily in insured Colorado municipal securities rated AAA, and permitting the CO Fund, as a non-fundamental investment policy, to invest without limitation in uninsured, investment grade Colorado municipal securities (including those rated below AAA). If these changes to the fundamental investment policy are approved, the CO

Fund may invest up to 20% of its net assets in non-investment grade Colorado municipal securities as a non-fundamental investment policy. If the proposed changes are approved by shareholders, the CO Fund will be renamed the Delaware Investments Colorado Municipal Income Fund, Inc., consistent with its new, uninsured investment strategy.

If these changes are approved by the CO Fund's shareholders, the investment objective of the CO Fund, which is non-fundamental, will continue to be to provide current income exempt from regular federal income tax and Colorado state income tax, consistent with the preservation of capital. Under normal circumstances, the CO Fund will invest at least 80% of its net assets in investment grade quality Colorado municipal bonds. The CO Fund will be able to invest up to 20% of its net assets in municipal obligations issued by or on behalf of territories of the United States - such as Guam, the U.S. Virgin Islands or Puerto Rico - that are exempt from Colorado and federal income tax, subject to the CO Fund's fundamental investment policy to invest 80% of its net assets in Colorado municipal obligations. Additionally, the CO Fund will be able to invest up to 20% of its net assets in municipal bonds with an investment rating of Ba/BB or lower, or that are unrated but judged to be of comparable quality by the CO Fund's investment adviser. Investment in municipal bonds of below investment grade quality involves special risks as compared with investment in higher grade

Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries.

[www.delawareinvestments.com](http://www.delawareinvestments.com)

Delaware Investments Colorado Insured Municipal Income Fund, Inc. and Delaware Investments Florida Insured Municipal Income Fund Adjourn Annual Shareholder Meeting with Respect to Proposals to Change Certain Fundamental Investment Policies/ Pg 2

municipal bonds. These risks include greater sensitivity to economic downturns in Colorado or in the United States generally. Securities rated below investment grade are commonly known as "junk bonds." Such securities are regarded as predominantly speculative with respect to the issuer's ability to pay interest and repay principal owed.

The management of the CO Fund believe that permitting the CO Fund to invest without limitation in investment grade Colorado municipal securities (those rated BBB or above) and up to 20% of its net assets in non-investment grade municipal securities will allow the portfolio managers and research analysts to take greater advantage of investment opportunities that may generate higher current yield for the CO Fund's shareholders. The management of the CO Fund believe that broadening the CO Fund's authority to invest in this area will improve the portfolio managers' flexibility in meeting the CO Fund's investment objective.

Delaware Investments Florida Insured Municipal Income Fund

Florida repealed its intangible personal property tax effective January 1, 2007, and it has no state income tax. As a result, the continued appeal of Florida-only municipal debt funds is limited, as municipal bonds issued by the state of Florida no longer provide a specific tax advantage to Florida residents over municipal securities of extrastate issuers.

Shareholders of Delaware Investments Florida Insured Municipal Income Fund (the "FL Fund") are therefore being asked to vote on a proposal to eliminate a fundamental investment policy requiring the FL Fund to invest 80% of its net assets in insured, AAA-rated municipal bonds issued by the State of Florida. If these changes to the fundamental investment policy are approved, the FL Fund may, as a non-fundamental policy, (1) invest without limitation in un-insured, investment grade municipal securities of states other than Florida (including those rated below AAA) and (2) invest up to 20% of its net assets in non-investment grade municipal securities. If the proposed changes are approved by shareholders, the FL Fund will be renamed the Delaware Investments National Municipal Income Fund, consistent with its new, national investment strategy.

If these changes are approved by the FL Fund's shareholders, the FL Fund's investment objective, which is non-fundamental, will be changed to provide current income exempt from regular federal income tax, consistent with the preservation of capital. As a fundamental policy, under normal circumstances the FL Fund will invest at least 80% of its net assets in securities the income from which is exempt from federal income taxes. The FL Fund will be able to invest up to 20% of its net assets in municipal bonds with an investment rating of Ba/BB or lower, or that are unrated but judged to be of comparable quality by the FL Fund's investment adviser. Investment in municipal bonds of below investment grade quality involves special risks as compared with investment in higher grade municipal bonds. These risks include greater sensitivity to general economic downturns. Securities rated below investment grade are commonly known as "junk bonds." Such securities are regarded as predominantly speculative with respect to the issuer's ability to pay interest and repay principal owed.

It is anticipated that the FL Fund will transition its portfolio over time to include municipal bonds from other states and territories. During that transition period, the FL Fund may have significant investments in Florida municipal bonds. This could make the FL Fund more sensitive to economic conditions in Florida than other more geographically diversified national municipal income funds.

Delaware Investments Colorado Insured Municipal Income Fund, Inc. and Delaware Investments Florida Insured Municipal Income Fund Adjourn Annual Shareholder Meeting with Respect to Proposals to Change Certain Fundamental Investment Policies/ Pg 3

Shareholders of the FL Fund could benefit from the increased diversification offered by a national municipal bond fund without a single-state mandate. By converting the FL Fund into a national fund, investors of the FL Fund would be exposed to less geographical risk, and, as discussed above, Florida municipal securities no longer offer unique tax benefits to Florida residents. The FL Fund's management also believes that shareholders of the FL Fund would benefit from the increased diversification offered by a municipal securities fund without an insured mandate. In addition, management believes that permitting the FL Fund to invest without limitation in investment grade municipal securities (those rated BBB and above) and up to 20% of its net assets in non-investment grade municipal securities (those rated below BBB) will improve the portfolio managers' flexibility in meeting the FL Fund's investment objective.

About Delaware Investments:

Delaware Investments, an affiliate of Lincoln Financial Group, is a Philadelphia-based diversified asset management firm with more than \$164 billion

in assets under management as of June 30, 2007. Through a broad range of managed accounts and portfolios, mutual funds, retirement accounts, sub-advised funds, education savings plans and other investment products, Delaware Investments provides investment services to individual investors and to institutional investors such as private and public pension funds, foundations, and endowment funds. Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries. For more information on Delaware Investments, visit the company at [www.delawareinvestments.com](http://www.delawareinvestments.com). Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE: LNC) and its affiliates. For more information on Lincoln Financial Group, visit [www.lfg.com](http://www.lfg.com).

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