

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
Form PRE 14A
January 13, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant

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 §240.14a-12

**Nuveen Insured California Dividend Advantage Municipal
Fund**

(Name of Registrant as Specified In Its Charter)

(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:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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IMPORTANT NOTICE TO PREFERRED SHAREHOLDERS OF
NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND (NKX)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC. (NCL)
AND
NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NKL)
(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

JANUARY , 2012

Although we recommend that you read the complete Joint Proxy Statement, for your convenience, we have provided a brief overview of the issues to be voted on.

Q. Why am I receiving this Joint Proxy Statement?

A. You are receiving this Joint Proxy Statement as a holder of preferred shares of a Fund in connection with the annual shareholder meetings of the Funds. The following proposals will be considered:

the election of members of the Board of Directors or Board of Trustees, as applicable, for each Fund (the list of specific nominees is contained in the enclosed Joint Proxy Statement);

the reorganization of your Fund;

the elimination of the current fundamental investment policy and adoption of a new fundamental investment policy regarding each Fund's investment of at least 80% of its assets in securities suggested by its name; and

the elimination of the current fundamental investment policy and adoption of a new fundamental investment policy regarding each Fund's ability to make loans.

Proposals Regarding the Reorganizations

Q. What actions has each Fund's Board of Trustees or Board of Directors approved?

A. Each Fund's Board of Trustees or Board of Directors (the Board), as applicable, has approved a series of mergers of single-state municipal closed-end funds, including the reorganization of each of Nuveen Insured California Premium Income Municipal Fund, Inc. (Premium Income), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (Premium Income 2) and Nuveen Insured

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California Dividend Advantage Municipal Fund (Dividend Advantage) (each, an Acquired Fund and collectively, the Acquired Funds) into Nuveen Insured California Tax-Free Advantage Municipal Fund (the Acquiring Fund) (each, a Reorganization and collectively, the Reorganizations).

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Q. Why has each Fund's Board recommended these proposals?

A. The Board has determined that the proposed Reorganizations would be in the best interests of each Fund. The Acquiring Fund and the Acquired Funds have similar investment objectives and policies, similar portfolio compositions and the same portfolio manager. In addition, the proposed Reorganizations are intended to result in:

Lower fees and operating expenses per common share (excluding costs of leverage) from greater economies of scale as the combined fund's size results in a lower effective management fee rate and allows fixed operating expenses to be spread over a larger asset base.

Improved secondary market trading for common shares as the combined fund's greater market liquidity may lead to narrower bid-ask spreads and smaller trade-to-trade price movements, and higher common share net earnings and enhanced total returns over time may lead to higher common share market prices relative to net asset value. In addition, Acquired Fund common shareholders may experience improved secondary market trading after the Reorganizations because the Acquiring Fund's objective of investing primarily in municipal securities exempt from the federal alternative minimum tax applicable to individuals (AMT) may appeal to a broader group of investors.

Increased flexibility in managing the structure and costs of leverage over time.

Q. What are the potential benefits of the Reorganizations to holders of VRDP Shares?

A. Holders of variable rate demand preferred shares (VRDP Shares or preferred shares) may benefit from the larger size of the combined fund due to the larger combined fund's ability to invest in a larger pool of securities. A holder of VRDP Shares of an Acquired Fund also may benefit from the Acquiring Fund's objective of investing primarily in municipal securities exempt from the federal AMT, depending on the VRDP holder's circumstances.

Q. Will the terms of the VRDP Shares to be received in the Reorganization be substantially similar to the terms of the VRDP Shares of each Acquired Fund currently outstanding?

A. Yes. Upon the closing of the Reorganizations, holders of VRDP Shares of an Acquired Fund will receive, in exchange for each VRDP Share held immediately prior to the Reorganization, one VRDP Share of a new series of the Acquiring Fund having substantially identical terms, as of the time of the closing of the Reorganizations, to the Acquired Fund's VRDP Share exchanged therefor, including:

the same short-term and long-term credit rating from one or more rating agencies;

the same liquidation preference and final mandatory redemption date;

the same terms with respect to the payment of an adjustable dividend rate set weekly by a remarketing agent;

the same right to give notice on any business day to tender the securities for remarketing in seven days;

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the same terms with respect to the mandatory tender for remarketing upon the occurrence of certain events; and

continuing to have the benefit of an unconditional demand feature pursuant to a purchase agreement provided by the same bank acting as liquidity provider immediately prior to the closing of the Reorganizations with respect to each outstanding series of Acquired Fund VRDP Shares (subject to the same provisions regarding replacement or termination as apply to each outstanding series of Acquired Fund VRDP Shares).

In addition, the Plan of Reorganization provides that each newly issued series of Acquiring Fund VRDP Shares shall have the same rating, as of the date of the closing, as the Acquired Fund VRDP Shares being exchanged therefor. The Reorganization will not result in any changes in the terms of the Acquiring Fund VRDP Shares currently outstanding. Following the Reorganizations, former Acquired Fund VRDP shareholders and Acquiring Fund VRDP shareholders will be VRDP shareholders of a larger fund with several series of VRDP Shares outstanding.

Q. Do the Funds have similar investment objectives and policies?

- A. The Funds have similar (but not identical) investment objectives, policies and risks, and are managed by the same portfolio manager. Each Fund invests primarily in municipal securities exempt from regular federal and California income tax and, with respect to the Acquiring Fund, from the federal AMT. Each Fund emphasizes investments in investment grade municipal securities. Each Fund is a leveraged closed-end management investment company, and currently engages in leverage through the issuance of preferred shares and through the use of inverse floaters.

Premium Income and Premium Income 2 are subject to certain investment restrictions that are not applicable to the Acquiring Fund, which are discussed in the Joint Proxy Statement.

Q. What specific proposals will I be asked to vote on in connection with a proposed Reorganization?

- A. Generally, shareholders of each Acquired Fund will be asked to vote on an Agreement and Plan of Reorganization with common shareholders and preferred shareholders (i.e., holders of VRDP Shares) voting as a single class and preferred shareholders voting separately. Shareholders of the Acquiring Fund will be asked to vote on the issuance of common shares in connection with the Reorganizations, with common and preferred shareholders voting as a single class and common shares voting separately, and preferred shareholders of the Acquiring Fund will be asked to vote on the Agreement and Plan of Reorganization.

Q. Will shareholders of the Acquired Funds receive new shares in exchange for their current shares?

- A. Yes. Upon the closing of the Reorganizations, each Acquired Fund will transfer substantially all of its assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of substantially all of the liabilities of the Acquired Fund. Each Acquired Fund will then be liquidated, dissolved and terminated in accordance with its declaration of trust or articles of incorporation, as applicable.

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Acquired Fund shareholders will become shareholders of the Acquiring Fund. Holders of VRDP Shares of each Acquired Fund will receive on a one-for-one basis newly issued VRDP Shares of the Acquiring Fund, in exchange for VRDP Shares of the Acquired Fund held immediately prior to the Reorganization. Holders of common shares will receive newly issued common shares of the Acquiring Fund, the aggregate net asset value of which will be equal to the aggregate net asset value of the common shares of the Acquired Fund held immediately prior to the Reorganization (including for this purpose fractional Acquiring Fund common shares to which shareholders would be entitled).

Current shareholders of the Acquiring Fund will remain shareholders of the Acquiring Fund.

Q. Do the Reorganizations constitute a taxable event for the Acquired Fund shareholders?

- A.** No. Each Reorganization is intended to qualify as a tax-free reorganization for federal income tax purposes. It is expected that you will recognize no gain or loss for federal income tax purposes as a direct result of a Reorganization, except that gain or loss may be recognized by preferred shareholders who exercise dissenters' rights of appraisal under Minnesota law. To the extent that portfolio securities are sold in connection with the Reorganizations, an Acquired Fund may realize capital gains or losses. Gains from such sales will be taxable to Acquired Fund preferred shareholders to the extent such amounts are required to be allocated to distributions received by Acquired Fund preferred shareholders. However, it is not currently expected that any significant portfolio sales will occur in connection with the Reorganizations (less than 12% of the assets of each Acquired Fund). Increased portfolio turnover also may result from the New Fundamental 80% Policy described below, if approved.

Q. What will happen if the required shareholder approvals in connection with a Reorganization are obtained for one Fund but not other Funds?

- A.** The closing of the Reorganizations is contingent upon certain conditions being satisfied or waived. Principally, shareholders of each Acquired Fund, voting separately, must approve the Reorganization of their Fund into the Acquiring Fund. The Acquiring Fund also must obtain the shareholder approvals described in this Joint Proxy Statement with respect to the Reorganizations in order for the Reorganizations to occur. Because the closing of the Reorganizations is contingent on all of the Acquired Funds and the Acquiring Fund obtaining the requisite shareholder approvals and satisfying their other closing conditions, it is possible that your Fund's Reorganization will not occur, even if shareholders of your Fund approve the Reorganization and your Fund satisfies all of its closing conditions, if one or more of the other Funds do not obtain their requisite shareholder approvals or satisfy their closing conditions. If all the shareholder approvals are not obtained, each Fund's Board may take such actions as it deems in the best interests of the Fund, including conducting additional solicitations with respect to the proposals or continuing to operate the Funds as stand-alone funds.

Q. Will I have to pay any direct fees or expenses in connection with the Reorganizations?

- A.** No. The Reorganizations are expected to result in cost savings for each Fund (excluding the costs of leverage). The costs of the Reorganizations (whether or not consummated) will be allocated between the Funds pro rata based on the relative benefits of the Reorganizations comprised of forecasted cost savings and distribution increases, if any, to each Fund during the first year following the Reorganizations and paid out of such Fund's net assets. Common shareholders will indirectly bear the costs of the Reorganizations. The costs of the

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Reorganizations are estimated to be \$160,000 for the Acquiring Fund, \$365,000 for Premium Income, \$290,000 for Premium Income 2, and \$20,000 for Dividend Advantage. Preferred shareholders are not expected to bear any costs of the Reorganizations.

Q. What is the timetable for the Reorganizations?

A. If the shareholder voting and other conditions to closing are satisfied (or waived), the Reorganizations are expected to take effect on or about April 6, 2012 or as soon as practicable thereafter.

Q. How does the Board recommend that I vote on the Reorganizations?

A. After careful consideration, the Board has determined that the Reorganizations are in the best interests of each Fund and recommends that you vote FOR your Fund's proposal(s).

Proposal Regarding New Fundamental 80% Policy

Q. What am I being asked to approve?

A. You are being asked to approve a change to each Fund's fundamental policy requiring it to invest at least 80% of its assets in insured municipal securities. Under the new fundamental policy, each Fund will no longer be required to invest in insured municipal securities, and instead will invest at least 80% of its assets in municipal securities (the New Fundamental 80% Policy) and, as a non-fundamental policy, at least 80% of its assets in investment grade quality municipal securities. It is not anticipated, however, that the new non-fundamental policy will be implemented by a Fund unless its shareholders approve the New Fundamental 80% Policy. The Acquiring Fund will continue its non-fundamental policy to invest, under normal circumstances, at least 80% of its assets in municipal securities and other related investments that pay interest exempt from the federal AMT. Each Fund's investment objectives will remain unchanged.

Q. Why has the Board recommended the elimination of the current fundamental 80% policy and the adoption of the New Fundamental 80% Policy?

A. As a result of changes in municipal bond insurance described below, Nuveen Fund Advisors, Inc. (the Adviser) and the Board believe it is in the best interests of each Fund to modify its current fundamental 80% policy, to provide the Fund with additional flexibility to achieve its objectives. With respect to the Acquiring Fund, if these changes are approved, the Board will change the name of the Acquiring Fund to Nuveen California AMT-Free Municipal Income Fund and if the proposal is approved by an Acquired Fund but the Reorganizations are not approved, the Board will remove the word Insured from the name of the Acquired Funds.

Q. Was there a particular catalyst or portfolio concern prompting this proposal?

A. In the aftermath of the 2008 financial crisis and the downgrade of most bond insurers, bond insurance has lost much of its economic value, and most insured municipal bonds now trade based upon their underlying creditworthiness. The resulting steep decline in the use of bond insurance has led to lack of new issue supply and a limited universe of potential investments for the Funds. The New Fundamental 80% Policy would potentially enhance each Fund's ability to achieve its investment objectives.

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Q. What are the potential benefits of the New Fundamental 80% Policy to shareholders of the Funds?

- A. The proposed New Fundamental 80% Policy is intended to give each Fund additional investment flexibility and improve its ability to pursue investment opportunities. If approved, each Fund would no longer be required to invest primarily in insured obligations, which would allow each Fund to invest in a broader universe of municipal obligations; however, each Fund would continue to invest at least 80% of its assets in municipal securities and other related investments that pay interest exempt from regular federal and California income taxes and, with respect to the Acquiring Fund as a non-fundamental policy, from the federal AMT. The Adviser believes the proposed New Fundamental 80% Policy is in the best interests of each Fund and is consistent with each Fund's investment objectives.

Q. What actions are required in order to implement the New Fundamental 80% Policy?

- A. In order to implement the New Fundamental 80% Policy and obtain the potential benefits described above, shareholders are being asked to approve the elimination of an existing fundamental policy and the adoption of the New Fundamental 80% Policy. If approved, the New Fundamental 80% Policy will be put into effect for each Fund promptly after the annual meeting. However, the Board does not intend to remove the word "insured" from the names of the Acquired Funds pending the consummation of the Reorganizations. As required by the terms of the VRDP Shares, each Fund will need to obtain certain consents from rating agencies and the liquidity provider with respect to its VRDP Shares in order to implement the New Fundamental 80% Policy if approved.

Q. What happens if shareholders of my Fund do not approve the elimination of the fundamental investment policy and/or do not approve the New Fundamental 80% Policy?

- A. A Fund will not be able to implement the New Fundamental 80% Policy as discussed above unless its shareholders approve both proposals. The Fund would likely incur further expenses to solicit additional shareholder participation and may experience potential disruptions to its investment operations. Each Fund's Board urges you to vote without delay in order to avoid the potential for higher costs and/or disruptions to portfolio operations.

To the extent an Acquired Fund's shareholders do not approve its New Fundamental 80% Policy but the Reorganizations are approved, it is possible the Acquired Fund's shareholders will be subject to the New Fundamental 80% Policy following the completion of the Reorganizations (as shareholders of the Acquiring Fund) even though they did not vote to approve the New Fundamental 80% Policy. Conversely, if the Acquiring Fund's shareholders do not approve the New Fundamental 80% Policy but the Reorganizations are approved, it is possible that shareholders of an Acquired Fund that approved the New Fundamental 80% Policy for its Fund will not benefit from the New Fundamental 80% Policy following the completion of the Reorganizations.

Proposal Regarding New Fundamental Loan Policy

Q. What are the potential benefits to shareholders of the Funds of the new fundamental policy regarding loans?

- A. Investment policies currently vary across otherwise-similar Nuveen municipal closed-end funds, reflecting evolving markets and guidelines as the different funds were launched over the

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past 20 years. As part of a continuing broader “best practices” initiative, which began approximately three years ago, all Nuveen municipal closed-end funds, including the Funds, are seeking to adopt a uniform set of investment policies that reflect municipal market and regulatory developments over time. The proposed new fundamental investment policy would permit each Fund to make loans to the extent permitted by the securities laws (the “New Fundamental Loan Policy”). Among other things, this change is intended to provide each Fund the flexibility to make loans in circumstances where a municipal issuer is in distress, if the investment adviser believes that doing so would both:

facilitate a timely workout of the issuer’s situation in a manner which benefits that Fund; and

be the best choice for reducing the likelihood or severity of loss on the Fund’s investment.

Conforming and updating these investment policies is intended to benefit common shareholders by increasing portfolio manager efficiency and flexibility to take advantage of a wide range of appropriate opportunities in the municipal bond markets in pursuit of the Fund’s investment objectives.

The potential benefits to VRDP shareholders are increased flexibility in diversifying portfolio risks and optimizing returns on current investments in order to pursue the preservation of, and possible growth of, capital which, if successful, will help to sustain and build net asset value and therefore, asset coverage levels for VRDP Shares.

Q. What actions are required in order to implement the New Fundamental Loan Policy?

A. In order to implement the New Fundamental Loan Policy and obtain the potential benefits described above, shareholders are being asked to approve the elimination of an existing fundamental policy and the implementation of a new replacement fundamental policy. If approved, the New Fundamental Loan Policy will be put into effect for each Fund promptly after the annual meetings. As required by the terms of the VRDP Shares, each Fund will need to obtain certain consents from rating agencies and the liquidity provider with respect to its VRDP Shares in order to implement the New Fundamental Loan Policy if approved.

Q. What happens if shareholders do not approve the elimination of the fundamental investment policy and/or do not approve the New Fundamental Loan Policy?

A. A Fund will not be able to implement the New Fundamental Loan Policy as discussed above unless its shareholders approve both proposals. The Fund would likely incur further expenses to solicit additional shareholder participation and may experience potential disruptions to its investment operations. Each Fund’s Board urges you to vote without delay in order to avoid the potential for higher costs and/or disruptions to portfolio operations.

To the extent an Acquired Fund’s shareholders do not approve its New Fundamental Loan Policy but the Reorganizations are approved, it is possible the Acquired Fund’s shareholders will be subject to the New Fundamental Loan Policy following the completion of the Reorganizations (as shareholders of the Acquiring Fund) even though they did not vote to approve the New Fundamental Loan Policy. Conversely, if the Acquiring Fund’s shareholders do not approve the New Fundamental Loan Policy but the Reorganizations are approved, it is possible that shareholders of an Acquired Fund that approved the New Fundamental Loan Policy with respect to its Fund will not benefit from the New Fundamental Loan Policy following completion of the Reorganizations.

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Q. Was there a particular catalyst or portfolio concern prompting this proposal?

A. This proposal is part of a broader policy initiative undertaken by Nuveen for the past several years. There are currently no identified credit situations within the complex where this option is intended or targeted. As stated in the Joint Proxy Statement, this policy change proposal reflects the broader intent to provide Nuveen's municipal closed-end funds, including the Funds, the same portfolio management flexibility already available to other funds with similar investment objectives within the Nuveen complex.

Q. Does this proposal reflect a growing concern over the state of municipal issuers?

A. Nuveen's portfolio management and research team is actively engaged in monitoring both macro issues impacting the municipal bond market and individual credit holdings held by the various funds. The team regularly comments on the strength of the municipal bond market as well as providing in-depth research articles.

Providing a Fund with the option of making loans to help facilitate a timely workout of a distressed issuer's situation merely provides the Fund with an additional tool to help preserve shareholder value and, importantly, should not be viewed as a commentary on the state of the municipal bond market.

Q. Have the Nuveen municipal closed-end funds participated in loans to municipal issuers in the past?

A. Though such a loan situation in the municipal market is rare, it represents a more common workout practice in the corporate bond market. The most recent situation in which a Nuveen fund with the flexibility to do so made a loan to an issuer facing a credit workout situation occurred approximately eight years ago. Since that time, a limited number of funds having a policy permitting the making of loans have considered doing so in particular workout situations, but have taken other actions in pursuit of maximizing shareholder value.

General

Q. Who do I call if I have questions?

A. If you need any assistance, or have any questions regarding the proposal or how to vote your shares, please call Computershare Fund Services, your proxy solicitor, at (866) 963-5818 weekdays during its business hours of 9:00 a.m. to 11:00 p.m. and Saturdays 12:00 p.m. to 6:00 p.m. Eastern time. Please have your proxy materials available when you call.

Q. How do I vote my shares?

A. You may vote by mail, by telephone or over the Internet:

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

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Q. Will anyone contact me?

A. You may receive a call from Computershare Fund Services, the proxy solicitor hired by your Fund, to verify that you received your proxy materials, to answer any questions you may have about the proposals and to encourage you to vote your proxy.

We recognize the inconvenience of the proxy solicitation process and would not impose on you if we did not believe that the matters being proposed were important. Once your vote has been registered with the proxy solicitor, your name will be removed from the solicitor's follow-up contact list.

Your vote is very important. We encourage you as a shareholder to participate in your Fund's governance by returning your vote as soon as possible. If enough shareholders fail to cast their votes, your Fund may not be able to hold its meeting or the vote on each issue, and will be required to incur additional solicitation costs in order to obtain sufficient shareholder participation.

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JANUARY , 2012

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND (NKX) NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC) NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC. (NCL) AND

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NKL) (EACH, A FUND AND COLLECTIVELY, THE FUNDS)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 24, 2012

To the Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders (the Annual Meeting) of Nuveen Insured California Tax-Free Advantage Municipal Fund (Tax-Free Advantage or Acquiring Fund), and Nuveen Insured California Premium Income Municipal Fund, Inc. (Premium Income), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (Premium Income 2), and Nuveen Insured California Dividend Advantage Municipal Fund (Dividend Advantage) (each, an Acquired Fund and collectively, the Acquired Funds), will be held in the offices of Nuveen Investments, Inc. (Nuveen or Nuveen Investments), 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, February 24, 2012, at 2:00 p.m., Central time, for the following purposes:

1. Election of Board Members.

- (a) For shareholders of each of Tax-Free Advantage and Dividend Advantage, to elect five (5) members of the Board of Directors as follows:
 - (i) Three (3) Board members to be elected by the holders of common shares and preferred shares voting as a single class. Board Members Amboian, Kundert and Toth are nominees for election by all shareholders.
 - (ii) Two (2) Board members to be elected by the holders of preferred shares only, voting separately as a single class. Board Members Hunter and Schneider are nominees for election by holders of preferred shares.
- (b) For shareholders of each of Premium Income and Premium Income 2, to elect ten (10) Board members as follows:
 - (i) Eight (8) Board members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board members Amboian, Bremner, Evans, Kundert, Stockdale, Stone, Stringer and Toth are nominees for election by all shareholders.
 - (ii) Two (2) Board members are to be elected by holders of preferred shares, all series voting together as a single class. Board members Hunter and Schneider are nominees for election by holders of preferred shares.

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2. Agreement and Plan of Reorganization. The shareholders of each Acquired Fund voting as set forth below, for an Agreement and Plan of Reorganization pursuant to which each Acquired Fund would (i) transfer substantially all of its assets to the Acquiring Fund in exchange solely for common shares and preferred shares of the Acquiring Fund, and the Acquiring Fund's assumption of substantially all of the liabilities of the Acquired Fund, (ii) distribute such shares of the Acquiring Fund to the common shareholders and preferred shareholders of the Acquired Fund (with cash being issued in lieu of fractional common shares), and (iii) liquidate, dissolve and terminate in accordance with the Acquired Fund's declaration of trust or articles of incorporation, as applicable.
- (a)(i) For the shareholders of each Acquired Fund, the common and preferred shareholders voting as a single class, to approve the Agreement and Plan of Reorganization.
- (a)(ii) For the shareholders of each Fund, the preferred shareholders voting separately as a single class, to approve the Agreement and Plan of Reorganization.
3. Approval of Issuance of Common Shares by the Acquiring Fund.

Shareholders of Tax-Free Advantage:

- (a)(i) The common and preferred shareholders voting as a single class to approve the issuance of additional common shares in connection with each Reorganization pursuant to the Agreement and Plan of Reorganization.
- (a)(ii) The common shareholders voting as a single class to approve the issuance of additional common shares in connection with each Reorganization pursuant to the Agreement and Plan of Reorganization.
4. Updated 80% Policy.
- (a)(i) For shareholders of each Fund, the common and preferred shares voting as a single class, to approve the elimination of the existing fundamental investment policy related to the Fund's investment of at least 80% of its assets in insured municipal securities.
- (a)(ii) For shareholders of each Fund, the preferred shares voting separately as a single class, to approve the elimination of the existing fundamental investment policy related to the Fund's investment of at least 80% of its assets in insured municipal securities.
- (b)(i) For shareholders of each Fund, the common and preferred shares voting as a single class, to approve a new fundamental investment policy related to the Fund's investment of at least 80% of its assets in municipal securities.
- (b)(ii) For shareholders of each Fund, the preferred shares voting separately as a single class, to approve a new fundamental investment policy related to the Fund's investment of at least 80% of its assets in municipal securities.

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5. Updated Loan Policy.

- (a)(i) For shareholders of each Fund, the common and preferred shares voting as a single class, to approve the elimination of the Fund's existing fundamental investment policy related to the Fund's ability to make loans.
- (a)(ii) For shareholders of each Fund, the preferred shares voting as a single class, to approve the elimination of the Fund's existing fundamental investment policy related to the Fund's ability to make loans.
- (b)(i) For shareholders of each Fund, the common and preferred shares voting as a single class, to approve a new fundamental investment policy related to the Fund's ability to make loans.
- (b)(ii) For shareholders of each Fund, the preferred shares voting as a single class, to approve a new fundamental investment policy related to the Fund's ability to make loans.

6. With respect to each Fund, to transact such other business as may properly come before the Annual Meeting.

Together with this notice, each Fund is delivering to holders of its preferred shares a Joint Proxy Statement and to holders of its common shares a separate proxy statement/prospectus with respect to the matters outlined above. Only shareholders of record as of the close of business on December 28, 2011 are entitled to notice of and to vote at the Annual Meeting or adjournments or postponements thereof.

As described in the accompanying Joint Proxy Statement under the caption "Proposal No. 2 Information about the Reorganizations Dissenting Shareholders Rights of Appraisal, preferred shareholders of Premium Income and Premium Income 2 who object to the proposed reorganization of their Fund are entitled to demand payment of the fair value of their preferred shares under procedures set forth in the Minnesota Business Corporation Act. The relevant sections of that Act are reproduced in Appendix E to this Joint Proxy Statement.

All shareholders are cordially invited to attend the Annual Meeting. In order to avoid delay and additional expense for the Funds, and to assure that your shares are represented, please vote as promptly as possible, whether or not you plan to attend the Annual Meeting. You may vote by mail, by telephone or over the Internet.

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

Kevin J. McCarthy

Vice President and Secretary

The Nuveen Funds

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NUVEEN FUNDS

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CHICAGO, ILLINOIS 60606

(800) 257-8787

JOINT PROXY STATEMENT

(PREFERRED SHAREHOLDERS)

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND (NKX)

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC)

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

AND

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NKL)

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

JANUARY , 2012

This Joint Proxy Statement is being furnished to the preferred shareholders of Nuveen Insured California Tax-Free Advantage Municipal Fund (Tax-Free Advantage or Acquiring Fund), and Nuveen Insured California Premium Income Municipal Fund, Inc. (Premium Income), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (Premium Income 2), and Nuveen Insured California Dividend Advantage Municipal Fund (Dividend Advantage) (each, an Acquired Fund and collectively, the Acquired Funds), each a closed-end management investment company, in connection with the solicitation of proxies by each Fund s Board of Trustees or Board of Directors (each, a Board and each Trustee or Director a Board Member) for use at the Annual Meeting of Shareholders of each Fund to be held in the offices of Nuveen Investments, Inc. (Nuveen or Nuveen Investments), 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, February 24, 2012, at 2:00 p.m., Central time, and at any and all adjournments or postponements thereof (each, an Annual Meeting and collectively, the Annual Meetings) to consider the proposals listed below and discussed in greater detail elsewhere in this Joint Proxy Statement. Tax-Free Advantage and Dividend Advantage are each organized as a Massachusetts business trust. Premium Income and Premium Income 2 are each organized as a Minnesota corporation. The enclosed proxy and this Joint Proxy Statement are first being sent to preferred shareholders of the Funds on or about January , 2012. Shareholders of record of the Funds as of the close of business on December 28, 2011 are entitled to notice of, and to vote at, the Annual Meeting and any and all adjournments or postponements thereof.

This Joint Proxy Statement explains concisely what you should know before voting on the proposals described in this Joint Proxy Statement or investing in the Acquiring Fund. Please read it carefully and keep it for future reference.

On the matters coming before each Annual Meeting as to which a choice has been specified by shareholders on the accompanying proxy card, the shares will be voted accordingly where such proxy card is properly executed, timely received and not properly revoked (pursuant to the instructions below). If a proxy is returned and no choice is specified, the shares will be voted **FOR** the proposals. Shareholders of a Fund who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. Merely attending the Annual Meeting, however, will not revoke any previously submitted proxy.

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The Board of each Fund has determined that the use of this Joint Proxy Statement for the Annual Meeting is in the best interests of each Fund and its preferred shareholders in light of the similar matters being considered and voted on by the preferred shareholders.

The proposals of each Fund for which the votes of the holders of the Fund's Variable Rate Demand Preferred Shares (VRDP Shares or preferred shares) are being solicited are set forth below.

For Premium Income,

- 1(b)(i) the common and preferred shareholders voting as a single class, to elect eight (8) Board members,
- 1(b)(ii) the preferred shareholders voting separately as a single class, to elect two (2) Board members,
- 2(a)(i) the common and preferred shareholders voting as a single class, to approve the Agreement and Plan of Reorganization,
- 2(a)(ii) the preferred shareholders voting separately as a single class, to approve the Agreement and Plan of Reorganization,
- 4(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of the existing fundamental investment policy related to Premium Income's investment of at least 80% of its assets in insured municipal securities,
- 4(a)(ii) the preferred shareholders voting separately as a single class, to approve the elimination of the existing fundamental investment policy related to Premium Income's investment of at least 80% of its assets in insured municipal securities,
- 4(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income's investment of at least 80% of its assets in municipal securities,
- 4(b)(ii) the preferred shareholders voting separately as a single class, to approve a new fundamental investment policy related to Premium Income's investment of at least 80% of its assets in municipal securities,
- 5(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of Premium Income's existing fundamental investment policy related to its ability to make loans,
- 5(a)(ii) the preferred shareholders voting as a single class, to approve the elimination of Premium Income's existing fundamental investment policy related to its ability to make loans,
- 5(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income's ability to make loans, and
- 5(b)(ii) the preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income's ability to make loans.

For Premium Income 2,

- 1(b)(i) the common and preferred shareholders voting as a single class, to elect eight (8) Board members,
- 1(b)(ii) the preferred shareholders voting separately as a single class, to elect two (2) Board members,

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- 2(a)(i) the common and preferred shareholders voting as a single class, to approve the Agreement and Plan of Reorganization,
- 2(a)(ii) the preferred shareholders voting separately as a single class, to approve the Agreement and Plan of Reorganization,
- 4(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of the existing fundamental investment policy related to Premium Income 2's investment of at least 80% of its assets in insured municipal securities,
- 4(a)(ii) the preferred shareholders voting separately as a single class, to approve the elimination of the existing fundamental investment policy related to Premium Income 2's investment of at least 80% of its assets in insured municipal securities,
- 4(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income 2's investment of at least 80% of its assets in municipal securities,
- 4(b)(ii) the preferred shareholders voting separately as a single class, to approve a new fundamental investment policy related to Premium Income 2's investment of at least 80% of its assets in municipal securities,
- 5(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of Premium Income 2's existing fundamental investment policy related to its ability to make loans,
- 5(a)(ii) the preferred shareholders voting as a single class, to approve the elimination of Premium Income 2's existing fundamental investment policy related to its ability to make loans,
- 5(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income 2's ability to make loans, and
- 5(b)(ii) the preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Premium Income 2's ability to make loans.

For Dividend Advantage,

- 1(a)(i) the common and preferred shareholders voting as a single class, to elect three (3) Board members,
- 1(a)(ii) the preferred shareholders voting separately as a single class, to elect two (2) Board members,
- 2(a)(i) the common and preferred shareholders voting as a single class, to approve the Agreement and Plan of Reorganization,
- 2(a)(ii) the preferred shareholders voting separately as a single class, to approve the Agreement and Plan of Reorganization,
- 4(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of the existing fundamental investment policy related to Dividend Advantage's investment of at least 80% of its assets in insured municipal securities,
- 4(a)(ii) the preferred shareholders voting separately as a single class, to approve the elimination of the existing fundamental investment policy related to Dividend Advantage's investment of at least 80% of its assets in insured municipal securities,

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- 4(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Dividend Advantage's investment of at least 80% of its assets in municipal securities,
- 4(b)(ii) the preferred shareholders voting separately as a single class, to approve a new fundamental investment policy related to Dividend Advantage's investment of at least 80% of its assets in municipal securities,
- 5(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of Dividend Advantage's existing fundamental investment policy related to its ability to make loans,
- 5(a)(ii) the preferred shareholders voting as a single class, to approve the elimination of Dividend Advantage's existing fundamental investment policy related to its ability to make loans,
- 5(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Dividend Advantage's ability to make loans, and
- 5(b)(ii) the preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Dividend Advantage's ability to make loans.

For Tax-Free Advantage,

- 1(a)(i) the common and preferred shareholders voting as a single class, to elect three (3) Board members,
- 1(a)(ii) the preferred shareholders voting separately as a single class, to elect two (2) Board members,
- 2(a)(ii) the preferred shareholders voting separately as a single class, to approve the Agreement and Plan of Reorganization,
- 3(a)(i) the common and preferred shareholders voting as a single class, to approve the issuance of additional common shares in connection with each reorganization pursuant to the Agreement and Plan of Reorganization,
- 4(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of the existing fundamental investment policy related to Tax-Free Advantage's investment of at least 80% of its assets in insured municipal securities,
- 4(a)(ii) the preferred shareholders voting separately as a single class, to approve the elimination of the existing fundamental investment policy related to Tax-Free Advantage's investment of at least 80% of its assets in insured municipal securities,
- 4(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Tax-Free Advantage's investment of at least 80% of its assets in municipal securities,
- 4(b)(ii) the preferred shareholders voting separately as a single class, to approve a new fundamental investment policy related to Tax-Free Advantage's investment of at least 80% of its assets in municipal securities,
- 5(a)(i) the common and preferred shareholders voting as a single class, to approve the elimination of Tax-Free Advantage's existing fundamental investment policy related to its ability to make loans,

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- 5(a)(ii) the preferred shareholders voting as a single class, to approve the elimination of Tax-Free Advantage's existing fundamental investment policy related to its ability to make loans,
- 5(b)(i) the common and preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Tax-Free Advantage's ability to make loans, and
- 5(b)(ii) the preferred shareholders voting as a single class, to approve a new fundamental investment policy related to Tax-Free Advantage's ability to make loans.

Each Fund is separately soliciting the votes of its respective common shareholders on each of the foregoing proposals that require common shareholders to vote together with preferred shareholders as a single class through a separate proxy statement and not through this Joint Proxy Statement.

A quorum of shareholders is required to take action at each Annual Meeting. A majority of the shares entitled to vote at each Annual Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Annual Meeting, except that for the election of the two Board Member nominees to be elected by holders of preferred shares of each Fund, 33 1/3% of the preferred shares entitled to vote and represented in person or by proxy will constitute a quorum. Votes cast by proxy or in person at each Annual Meeting will be tabulated by the inspectors of election appointed for that Annual Meeting. The inspectors of election will determine whether or not a quorum is present at the Annual Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

Those persons who were shareholders of record at the close of business on December 28, 2011 will be entitled to one vote for each share held and, with respect to holders of common shares, a proportionate fractional vote for each fractional common share held.

As of December 28, 2011, the shares of the Funds issued and outstanding were as follows:

Fund Ticker Symbol*	Common Shares	VRDP Shares
Tax-Free Advantage, NKX	5,887,263	355
Premium Income, NPC	6,446,401	427
Premium Income 2, NCL	12,667,023	740
Dividend Advantage, NKL	15,261,643	1,044

* The common shares of Premium Income and Premium Income 2 are listed on the New York Stock Exchange (NYSE). The common shares of Tax-Free Advantage and Dividend Advantage are listed on the NYSE Amex. The VRDP Shares of each Fund are not listed on any exchange.

The reorganizations seek to combine four Funds that have similar (but not identical) investment objectives, policies and risks to achieve certain economies of scale and other operational efficiencies for the Funds (each a Reorganization and collectively, the Reorganizations). The Agreement and Plan of Reorganization by and among each Acquired Fund and Acquiring Fund (the Agreement) provides for (i) the Acquiring Fund's acquisition of substantially all of the assets of each Acquired Fund in exchange for newly issued common shares of the Acquiring Fund, par value \$0.01 per share, and newly issued VRDP Shares of the Acquiring Fund, with a par value of \$0.01 per share and

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liquidation preference of \$100,000 per share, and the Acquiring Fund's assumption of substantially all of the liabilities of each Acquired Fund, and (ii) the distribution of the Acquiring Fund common shares and Acquiring Fund VRDP Shares received by each Acquired Fund to its common and preferred shareholders, as part of the liquidation, dissolution and termination of each Acquired Fund in accordance with its declaration of trust or articles of incorporation, as applicable. The aggregate net asset value of Acquiring Fund common shares received by each Acquired Fund in a Reorganization will equal the aggregate net asset value of Acquired Fund common shares held by shareholders of such Acquired Fund immediately prior to the Reorganizations. Prior to the closing of the Reorganizations, the net asset value of each Acquired Fund and Acquiring Fund will be reduced by the costs of the Reorganization borne by such Fund. No fractional Acquiring Fund common shares will be issued to an Acquired Fund's shareholders and, in lieu of such fractional shares, an Acquired Fund's shareholders will receive cash in an amount equal to the value received for such shares in the open market, which may be higher or lower than net asset value. VRDP shareholders of each Acquired Fund will receive the same number of Acquiring Fund VRDP Shares having substantially identical terms as the outstanding VRDP Shares of the Acquired Fund held by such preferred shareholders immediately prior to the Reorganization. Each new series of the Acquiring Fund VRDP Shares will have the same variable dividend rate terms, mandatory tender terms, liquidity provider purchase obligation and liquidation preference as the Acquired Fund VRDP Shares for which it will be exchanged. The optional tender for remarketing right of each new series of VRDP Shares of the Acquiring Fund will be substantially the same as the rights of the corresponding Acquired Fund VRDP Shares as of the closing of the Reorganization. The aggregate liquidation preference of the Acquiring Fund VRDP Shares received in each Reorganization will equal the aggregate liquidation preference of the corresponding Acquired Fund VRDP Shares held immediately prior to the Reorganization. The Acquiring Fund will continue to operate after the Reorganization as a registered closed-end investment company with the investment objectives and policies described in this Joint Proxy Statement, subject to the policy modifications under Proposals 4 and 5 for which approval is being sought at the Annual Meeting.

With respect to each Reorganization, the Reorganization is required to be approved by the affirmative vote of the holders of a majority of the outstanding shares of the Acquired Fund's common shares and preferred shares, voting as a single class, and by the affirmative vote of a majority of the Acquired Fund's outstanding preferred shares, voting separately as a single class. Each Reorganization also is required to be approved by the affirmative vote of the holders of a majority of the Acquiring Fund's outstanding preferred shares voting as a separate class. In addition, common and preferred shareholders of the Acquiring Fund voting as a single class, and common shareholders voting separately, are being asked to approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganizations.

The closing of the Reorganizations is contingent upon certain conditions being satisfied or waived. Principally, shareholders of each Acquired Fund, voting separately, must approve the Reorganization of their Fund into the Acquiring Fund. The Acquiring Fund also must obtain the shareholder approvals described in this Joint Proxy Statement with respect to the Reorganizations in order for the Reorganizations to occur. Additionally, in order for the Reorganization to occur, each Fund must obtain certain consents and/or waivers from various third parties, including liquidity providers with respect to outstanding VRDP Shares. Because the closing of the Reorganizations is contingent on all of the Acquired Funds and the Acquiring Fund obtaining the requisite shareholder approvals and satisfying (or obtaining the waiver of) their other closing conditions, it is possible your Fund's Reorganization will not occur, even if shareholders of your Fund approve the Reorganization and your Fund satisfies all of its closing conditions. If the requisite shareholder approvals are not

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obtained, the Boards of the Funds may take such actions as they deem in the best interest of the Funds, including conducting additional solicitations with respect to the proposals or continuing to operate the Funds as stand-alone funds.

To the extent shareholders of an Acquired Fund do not approve the proposals relating to the new fundamental investment policies but the Reorganizations are approved, it is possible the Acquired Fund's shareholders will be subject to the new fundamental investment policies following the completion of the Reorganizations (as shareholders of the Acquiring Fund) even though they did not vote to approve the new fundamental investment policies. Conversely, if the shareholders of the Acquiring Fund do not approve the new fundamental investment policies but the Reorganizations are approved, it is possible that shareholders of an Acquired Fund that approved the new investment policies with respect to its Fund will not benefit from the new fundamental investment policies following the completion of the Reorganizations.

This Joint Proxy Statement concisely sets forth the information preferred shareholders of the Funds should know before voting on the proposals and constitutes an offering of preferred shares of the Acquiring Fund only. Holders of preferred shares should read it carefully and retain it for future reference. The Funds are separately soliciting the votes of the holders of common shares with respect to the proposals through a separate proxy statement and not through this Joint Proxy Statement.

The following documents have been filed with the SEC and are incorporated into this Joint Proxy Statement by reference:

- (i) the audited financial statements and related independent registered public accounting firm's report for the Acquiring Fund contained in the Fund's Annual Report for the fiscal year ended February 28, 2011;
- (ii) the audited financial statements and related independent registered public accounting firm's report for each Acquired Fund contained in the Fund's Annual Report for the fiscal year ended February 28, 2011;
- (iii) the unaudited financial statements for the Acquiring Fund contained in the Fund's Semi-Annual Report for the fiscal period ended August 31, 2011; and
- (iv) the unaudited financial statements for each Acquired Fund contained in the Fund's Semi-Annual Report for the fiscal period ended August 31, 2011.

No other parts of the Funds' Annual or Semi-Annual Reports are incorporated by reference herein.

Copies of the foregoing may be obtained without charge by calling (800) 257-8787 or writing the Funds at 333 West Wacker Drive, Chicago, Illinois 60606. In addition, the Acquiring Fund will furnish, without charge, a copy of its most recent Annual or Semi-Annual Report to a shareholder upon request. Any such request should be directed to the Acquiring Fund by calling (800) 257-8787 or by writing the Acquiring Fund at 333 West Wacker Drive, Chicago, Illinois 60606.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the Investment Company Act of 1940, as amended (the "1940 Act"), and in accordance therewith file reports and other information with the SEC. Reports, proxy statements, registration statements and other information filed by the Funds may be inspected without charge and copied (for a duplication fee at prescribed rates) at the SEC's public reference room

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at 100 F Street, N.E., Washington, D.C. 20549 or at the SEC's New York Regional Office (3 World Financial Center, Suite 400, New York, New York 10281) or Chicago Regional Office (175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604). You may call the SEC at (202) 551-8090 for information about the operation of the public reference room. You may obtain copies of this information, with payment of a duplication fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549. You may also access reports and other information about the Funds on the EDGAR database on the SEC's Internet site at <http://www.sec.gov>.

The common shares of the Acquiring Fund and Dividend Advantage are listed on the NYSE Amex, and the common shares of Premium Income and Premium Income 2 are listed on the NYSE. The VRDP Shares of each Fund are not listed on any exchange. Reports, proxy statements and other information concerning the Funds can be inspected at the offices of the NYSE and NYSE Amex, 11 Wall Street, New York, New York 10005.

The VRDP Shares have not been registered under the Securities Act of 1933, as amended (the Securities Act), or any state securities laws, and unless so registered, may not be offered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the VRDP Shares to be issued in the Reorganizations are being offered and sold only to holders of VRDP Shares of the Acquired Funds that are qualified institutional buyers (as defined in Rule 144A under the Securities Act) in accordance with the exemption from the registration requirements of the Securities Act provided by Section 4(2) of the Securities Act and are subject to restrictions on transfer. See the Confidential Information Memorandum (the Memorandum) attached as Appendix F to this Joint Proxy Statement.

No person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement and, if so given or made, such information or representation must not be relied upon as having been authorized.

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JOINT PROXY STATEMENT

JANUARY , 2012

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND (NKX)

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC)

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

AND

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NKL)

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PROPOSAL NO. 1 THE ELECTION OF BOARD MEMBERS

(SHAREHOLDERS OF EACH FUND)

Tax-Free Advantage and Dividend Advantage Funds

Pursuant to the organizational documents of each of Tax-Free Advantage and Dividend Advantage (the Massachusetts Funds), each Board is divided into three classes, Class I, Class II and Class III, to be elected by the holders of the outstanding common shares and any outstanding preferred shares, voting together as a single class to serve until the third succeeding annual meeting subsequent to their election or thereafter, in each case until their successors have been duly elected and qualified. For each Massachusetts Fund, under normal circumstances, holders of preferred shares are entitled to elect two (2) Board Members. The Board Members elected by holders of preferred shares will be elected to serve until the next annual meeting or until their successors have been duly elected and qualified.

For each Massachusetts Fund:

- (a)(i) Three (3) Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members and are nominees for Board Members at the Annual Meetings for a term expiring at the 2014 annual meeting of shareholders or until their successors have been duly elected and qualified. Board Members Bremner, Evans, Stockdale, Stone and Stringer are continuing Board Members. Board Members Bremner and Evans have been designated as Class III Board Members for a term expiring at the 2012 annual meeting of shareholders or until their successors have been duly elected and qualified. Board Members Stockdale, Stone and Stringer have been designated as Class I Board Members for a term expiring at the 2013 annual meeting of shareholders or until their successors have been duly elected and qualified.

- (a)(ii) Two (2) Board Members are to be elected by holders of preferred shares, voting separately as a single class. Board Members Hunter and Schneider are nominees for election by holders of preferred shares for a term expiring at the next annual meeting or until their successors have been duly elected and qualified.

Premium Income and Premium Income 2 Funds

At the Annual Meeting of each of Premium Income and Premium Income 2 (the Minnesota Funds), Board Members are to be elected to serve until the next annual meeting or until their successors have been duly elected and qualified. Under the terms of each Minnesota Fund's organizational documents, under normal circumstances, holders of preferred shares are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class.

For each Minnesota Fund:

- (b)(i) Eight (8) Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board Members Amboian, Bremner, Evans, Kundert, Stockdale, Stone, Stringer and Toth are nominees for election by all shareholders.

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- (b)(ii) Two (2) Board Members are to be elected by holders of preferred shares, voting separately as a single class. Board Members Hunter and Schneider are nominees for election by holders of preferred shares.

It is the intention of the persons named in the enclosed proxy to vote the shares represented thereby for the election of the nominees listed in the table below unless the proxy is marked otherwise. Each of the nominees has agreed to serve as a Board Member of each Fund if elected. However, should any nominee become unable or unwilling to accept nomination for election, the proxies will be voted for substitute nominees, if any, designated by that Fund's present Board.

For each Minnesota Fund, each Board Member other than Board Member Stringer was last elected to each Fund's Board at the annual meeting of shareholders held on November 16, 2010.

For each Massachusetts Fund, Board Members Stockdale and Stone were last elected to the Fund's Board as Class I Board Members at the annual meeting of shareholders held on November 16, 2010.

For each Massachusetts Fund, Board Members Bremner and Evans were last elected to each Fund's Board as Class III Board Members at the annual meeting of shareholders held on November 30, 2009 and adjourned to January 12, 2010.

For each Massachusetts Fund, Board Members Hunter and Schneider were last elected to each Fund's Board at the annual meeting of shareholders held on November 30, 2009 and adjourned to January 12, 2010.

On January 1, 2011, Ms. Stringer was appointed as a Board Member for each Fund, and designated as a Class I Board Member with respect to each Massachusetts Fund.

Other than Mr. Amboian (for all Funds), all Board Member nominees are not interested persons as defined in the 1940 Act, of the Funds or of the Nuveen Fund Advisors, Inc. (the Adviser) and have never been an employee or director of Nuveen Investments, the Adviser's parent company, or any affiliate. Accordingly, such Board Members are deemed Independent Board Members.

For each Fund, the affirmative vote of a plurality of the shares present and entitled to vote at the Annual Meeting will be required to elect the Board Members of that Fund. For purposes of determining the approval of the proposal to elect nominees for each Fund, abstentions and broker non-votes will have no effect on the election of Board Members.

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The Board unanimously recommends that shareholders vote FOR the election of the nominees named below.

Board Nominees/Board Members

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member/Nominee	Other Directorships Held by Board Member/Nominee During the Past Five Years
Independent Board Members/Nominees					
Robert P. Bremner* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	Chairman of Board and Board Member	Term: Annual or Class III Board Member until 2012 Annual Meeting Length of Service: Since 1996	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.; Board Member, Independent Directors Council (affiliated with the Investment Company Institute).	241	N/A
Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/22/48)	Board Member	Term: Annual or Class III Board Member until 2012 Annual Meeting Length of Service: Since 1999	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); formerly, Director, Alliant Energy. Member of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College and the Iowa College Foundation; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.	241	Director and Chairman, United Fire Group, a publicly held company; formerly Director, Alliant Energy.

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Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member/Nominee	Other Directorships Held by Board Member/Nominee During the Past Five Years
William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (3/6/48)	Board Member	Term: Annual Board Member Length of Service: Since 2004	Dean (since 2006), Tippie College of Business, University of Iowa; Director (since 2005), Beta Gamma Sigma International Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Director (1997-2007), Credit Research Center at Georgetown University; formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003).	241	Director (since 2004) of Xerox Corporation.

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David J. Kundert* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/28/42)	Board Member	Term: Annual or Class II Board Member until 2011 Annual Meeting Length of Service: Since 2005	Director, Northwestern Mutual Wealth Management Company; retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Bank One Corporation and Chairman and CEO, Banc One Investment Management Group; Member, Board of Regents, Luther College; Member of the Wisconsin Bar Association; Member of Board of Directors, Friends of Boerner Botanical Gardens; Member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation.	241	N/A

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William J. Schneider* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/24/44)	Board Member	Term: Annual Board Member Length of Service: Since 1996	Chairman of Miller-Valentine Partners Ltd., a real estate investment company; Member, Mid-America Health System Board; Member, University of Dayton Business School Advisory Council; Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; formerly, Member, Dayton Philharmonic Orchestra Association; formerly, Director, Dayton Development Coalition; formerly, Member, Business Advisory Council, Cleveland Federal Reserve Bank.	241	N/A
Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (12/29/47)	Board Member	Term: Annual Board Member or Class I Board Member until 2013 annual meeting Length of Service: Since 1997	Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	241	N/A
Carole E. Stone* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (6/28/47)	Board Member	Term: Annual Board Member or Class I Board Member until 2013 annual meeting Length of Service: Since 2007	Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007).	241	Director, Chicago Board Options Exchange (since 2006).

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Virginia L. Stringer c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (8/16/44)	Board Member	Term: Annual Board Member or Class I Board Member until 2013 annual meeting Length of Service: Since 2011	Board Member, Mutual Fund Directors Forum; Member, Governing Board, Investment Company Institute's Independent Directors Council; Governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc., a management consulting firm; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company.	241	Previously, Independent Director (1987-2010) and Chair (1997-2010), First American Fund Complex.

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Terence J. Toth* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/29/59)	Board Member	Term: Class II Board Member 2011 Annual Meeting Length of Service: Since 2008	Director, Legal & General Investment Management America, Inc. (since 2008); Managing Partner, Promus Capital (since 2008); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); Member, Goodman Theatre Board (since 2004); Chicago Fellowship Board (since 2005) and Catalyst Schools of Chicago Board (since 2008); formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).	241	N/A

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Non-Independent Board Member/Nominee					
John P. Amboian ⁽²⁾ 333 West Wacker Drive Chicago, IL 60606 (6/14/61)	Board Member	Term: Annual or Class II Board Member until 2011 Annual Meeting Length of Service: Since 2008	Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc.; formerly, President (1999-2007); Chief Executive Officer (since 2007) of Nuveen Investments Advisers Inc.; Director (since 1998), formerly, Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, Inc.	241	N/A

* Also serves as a trustee of Nuveen Diversified Commodity Fund, an exchange-traded commodity pool managed by Nuveen Commodities Asset Management, LLC, an affiliate of each Fund's Adviser.

(1) Length of Time Served indicates the year in which the individual became a Board Member of a fund in the Nuveen Fund complex.

(2) Mr. Amboian is an interested person of the Funds as defined in the 1940 Act, by reason of his positions and Nuveen and certain of his subsidiaries.

The dollar range of equity securities beneficially owned by each Board Member in each Fund and all Nuveen funds overseen by the Board Member as of December 31, 2011 is set forth in Appendix B. The number of shares of each Fund beneficially owned by each Board Member and by the Board Members and officers of the Funds as a group as of October 31, 2011 is set forth in Appendix B. On October 31, 2011, Board Members and executive officers as a group beneficially owned approximately 1,100,000 shares of all funds managed by the Adviser (including shares held by the Board Members through the Deferred Compensation Plan for Independent Board Members and by executive officers in Nuveen's 401(k)/profit sharing plan). As of October 31, 2011, each Board Member's individual beneficial shareholdings of each Fund constituted less than 1% of the outstanding shares of each Fund. As of October 31, 2011, the Board Members and executive officers as a group beneficially owned less than 1% of the outstanding shares of each Fund. As of October 31, 2011, no shareholder beneficially owned more than 5% of any class of shares of any Fund, except as provided under General Information Shareholders of the Acquiring Fund and the Acquired Funds.

Compensation

Prior to January 1, 2012, Independent Board Members received a \$120,000 annual retainer plus (a) a fee of \$4,500 per day for attendance in person or by telephone at regularly scheduled meetings of the Board; (b) a fee of \$3,000 per meeting for attendance in person or by telephone at special, non-regularly scheduled meetings of the Board where in-person attendance was required and \$2,000

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per meeting for attendance by telephone or in person at such meetings where in-person attendance was not required; (c) a fee of \$2,500 per meeting for attendance in person or by telephone at Audit Committee meetings where in-person attendance was required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance was not required; (d) a fee of \$2,500 per meeting for attendance in person or by telephone at Compliance, Risk Management and Regulatory Oversight Committee meetings where in-person attendance was required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance was not required; (e) a fee of \$1,000 per meeting for attendance in person