

COLONIAL NEW YORK INSURED MUNICIPAL FUND

Form N-30D

January 28, 2002

COLONIAL NEW YORK
INSURED MUNICIPAL FUND

ANNUAL REPORT
NOVEMBER 30, 2001

PRESIDENT'S LETTER

DEAR SHAREHOLDER,

I want to take this opportunity to let you know that the sale of Liberty Financial's asset management companies -- including Colonial Management Associates -- to FleetBoston Financial was completed effective November 1, 2001.

In light of this change and recent turmoil in the markets, I think it is important to assure you that only the ownership of Colonial has changed. Your fund will continue to be managed following the same investment principles which attracted you to the fund in the first place.

The past year has been an interesting time for US investment markets. At the beginning of 2001, the Fed began lowering interest rates in hopes of stimulating the sagging economy. In total, we saw 10 rate cuts during the year, bringing the short-term interest rate down from 6.5% to 2.0%. These aggressive rate cuts raised some concerns that inflationary pressures could surface, but inflation has thus far been kept in check. At the same time, economic weakness and stock market volatility has prompted investors to shift assets into the bond market -- a move which has benefited municipal bond prices.

Thank you for choosing Colonial New York Insured Municipal Fund. If you have further questions, we encourage you to contact your financial advisor.

Sincerely,

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/s/ Keith T. Banks

Keith T. Banks
President

MEET THE NEW PRESIDENT

On November 1, 2001, Keith T. Banks became president of Liberty Funds. Mr. Banks is currently chief investment officer and chief executive officer of Fleet Asset Management, a position he has held since 2000. Prior to joining Fleet, he was managing director and head of US equity for J.P. Morgan Investment Management from 1996 to 2000. He began his investment career in 1981 as an equity analyst at Home Insurance. A chartered financial analyst, Mr. Banks earned his BA from Rutgers University and his MBA from Columbia Business School.

Not FDIC May Lose Value Economic and market conditions can frequently
Insured ----- change. There is not assurance that the trends
 No Bank Guarantee described herein will continue or commence.

----- HIGHLIGHTS -----

PRICE PER SHARE AS OF 11/30/01 (\$)

Net asset value	15.78
-----------------	-------

Market price	14.60
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ONE YEAR TOTAL RETURN AS OF 11/30/01 (%)

Net asset value	11.88
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Market price	5.63
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DISTRIBUTIONS DECLARED

PER COMMON SHARE

12/1/00-11/30/01 (\$)

0.833

A portion of the fund's income may be subject to the alternative minimum tax. The fund may at times purchase tax-exempt securities at a discount from their

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original issue price. Some or all of this discount may be included in the fund's ordinary income, and any market discount is taxable when distributed.

QUALITY BREAKDOWN AS OF 11/30/01 (%)

AAA	74.1
-----	-----
AA	14.8
-----	-----
A	6.2
-----	-----
BBB	2.9
-----	-----
Non-Rated	2.0
-----	-----

TOP 10 INDUSTRY SECTORS AS OF 11/30/01 (%)

Education	15.3
-----	-----
Special non-property tax	14.4
-----	-----
State appropriated	9.7
-----	-----
Airport	8.4
-----	-----
Hospitals	8.0
-----	-----
Water & sewer	7.0
-----	-----
Municipal electric	5.1
-----	-----
Local general obligations	4.7
-----	-----
Toll facilities	4.0
-----	-----
State general obligations	3.9
-----	-----

Quality breakdowns are calculated as a percentage of total investments, including short-term obligations. Ratings shown in the quality breakdown represent the highest rating assigned to a particular bond by one of the following nationally-recognized rating agencies: Standard & Poor's Corporation, Moody's Investors Service, Inc. or Fitch Investors Service, Inc. Sector breakdowns are calculated as a percentage of net assets.

Because the fund is actively managed, there can be no guarantee that the fund will continue to maintain this quality breakdown or invest in these sectors in the future.

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- FUND MAINTAINED DURATION IN THE FACE OF FALLING INTEREST RATES

Colonial New York Insured Municipal Fund generated an 11.88% return (based on net asset value) during the fiscal year ended November 30, 2001. The fund remained ahead of its peer group, the Lipper New York Insured Municipal Debt Funds, which posted an average return of 9.86%. As the Federal Reserve cut rates throughout 2001, short-term rates fell sharply, steepening the yield curve. In the face of falling rates, our primary strategy was to maintain a longer average duration than that of our peers, thus increasing the fund's interest rate sensitivity.

- NEW YORK ECONOMY BATTERED LATE IN THE FISCAL YEAR

Clearly, the horrific events of September 11 severely impacted the state's economy. However, the months leading up to the attacks had already seen a significant economic slowdown in New York. Unemployment claims rose as capital spending slowed and business revenues decreased. After September 11, the state's economy staggered as New York City struggled to recover from the terrorist attacks. New unemployment claims reached record levels in the days after the attacks. The need for increased security and clean-up costs further strained the state's finances.

The state's financial woes were not confined to New York City. Buffalo, in particular, is in the midst of a fiscal emergency, as some analysts voice concern over the city's ability to meet its financial obligations.

Still, our emphasis on above-average duration, as well as a focus on noncallable and discounted bonds, served the fund well during the period. Though short-term rates declined sharply, we were able to lock in favorable interest rates at the long end of the curve.

- NEW YORK BEGINS ITS RECOVERY

Generally, we expect to continue our focus on longer-term debt instruments. Though we anticipate another quarter or two of negative to zero economic growth, we feel that the state and national economies should begin to turn around some time in 2002. We will pay close attention to city and state legislators, who face a significant challenge in closing projected budget deficits. Further, federal aid and insurance proceeds should lessen the severe financial impact of the faltering economy and the attacks on the World Trade Center.

/s/ William C. Loring, Jr.

WILLIAM C. LORING, Jr.

/s/ Brian M. Hartford

BRIAN M. HARTFORD, CFA

Effective December 19, 2001, the Colonial New York Insured Municipal Fund is managed by Maureen G. Newman. Ms. Newman is a senior vice president of Colonial Management Associates, Inc. (CMA). Prior to joining CMA, she worked at Fidelity Investments for 11 years, managing several mutual funds. Ms. Newman received her BA in economics from Boston College and her MBA from Babson College. She is a chartered financial analyst, a member of the Boston Security Analysts Society and former chairman of the National Federation of Municipal Analysts.

Tax-exempt investing offers current tax-free income, but it also involves certain risks. The value of fund shares will be affected by interest rate changes and the creditworthiness of issues held in the fund. Single-state municipal bond funds pose additional risks due to limited geographical diversification. Interest income from certain tax-exempt bonds may be subject to the federal alternative minimum tax for individuals and corporations.

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----- INVESTMENT PORTFOLIO -----

November 30, 2001 (New York unless otherwise stated)

MUNICIPAL BONDS - 98.0%	PAR	VALUE
-------------------------	-----	-------

EDUCATION - 15.3%

EDUCATION - 15.3%

Niagara County Industrial Development Agency, Niagara University, Series 2001 A, 5.350% 11/1/23	\$1,000,000	\$ 996,120
--	-------------	------------

Schenectady Industrial Development Agency, Union College, Series 1999 A, 5.450% 12/1/29	1,000,000	1,028,420
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St. Lawrence County Industrial Development Agency, St. Lawrence University, Series 1998 A, 5.375% 7/1/18	700,000	722,547
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State Dormitory Authority, New York: University, Series 1998 A, 5.750% 7/1/27	1,500,000	1,662,495
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Pratt Institute, Series 1999, 6.000% 7/1/28	500,000	538,990
--	---------	---------

Cooper Union, Series 1999, 6.000% 7/1/19	1,000,000	1,094,490
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6,043,062

HEALTHCARE - 12.0%

CONGREGATE CARE RETIREMENT - 1.4%

State Dormitory Authority, Miriam Osborn Memorial Home, Series 2000 B, 6.875% 7/1/19	300,000	340,191
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Suffolk County Industrial Development Agency, Jefferson Ferry, Series 1999 A, 7.200% 11/1/19	200,000	208,500
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548,691

HOSPITALS - 8.0%

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New Island Hospital, Series 1999 B, 5.750% 7/1/19	1,000,000	1,062,810
Sloan Kettering Cancer Center, Series 1998, 5.500% 7/1/23	1,000,000	1,069,640
State Dormitory Authority, St. Francis Hospital, Series 1999 A, 5.500% 7/1/29	1,000,000	1,027,690

		3,160,140

NURSING HOME - 2.6% Syracuse Housing Authority, Loretto Rest, Series 1997 A, 5.700% 8/1/27	1,000,000	1,039,600

HOUSING - 3.0%		
ASSISTED LIVING/SENIOR - 0.4%		
Huntington Housing Authority, Gurwin Jewish Senior Center, Series 1999, 6.000% 5/1/29	\$ 200,000	\$ 176,000

SINGLE FAMILY - 2.6% State Mortgage Agency, Series 1999 8-2, 5.650% 4/1/30	1,000,000	1,012,410

OTHER - 2.8%		
OTHER - 1.3%		
New York City, Tobacco Trust II, Series 2001, 5.750% 6/1/43	500,000	511,475

POOL/BOND BANK - 1.5% State Environmental Facilities Corp., Series 2000, 5.700% 7/15/22	540,000	571,617

OTHER REVENUE - 2.6%		
RECREATION - 2.6%		
New York City Cultural Trust, American Museum of Natural History, Series 1997 A, 5.650% 4/1/22	1,000,000	1,040,580

TAX-BACKED - 32.7%		
LOCAL GENERAL OBLIGATIONS - 4.7%		
New York City:		

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Series 1998 B, 5.375% 8/1/22	1,000,000	1,017,200
Series 1998 D, 5.250% 8/1/21	500,000	503,730
PR Commonwealth of Puerto Rico Municipal Finance Agency, Series 1999 A, 5.500% 8/1/23	300,000	314,421
		----- 1,835,351 -----
SPECIAL NON-PROPERTY TAX - 14.4%		
Metropolitan Transportation Authority, Series 1998 A, 5.250% 7/1/28 (a)	1,000,000	1,013,260
New York City Transitional Finance Authority, Series 2000 A, 5.750% 8/15/24	1,500,000	1,585,110

See notes to investment portfolio.

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----- INVESTMENT PORTFOLIO (CONTINUED) -----

November 30, 2001 (New York unless otherwise stated)

MUNICIPAL BONDS (CONTINUED)	PAR	VALUE

TAX-BACKED (CONTINUED)		
SPECIAL NON-PROPERTY TAX (CONTINUED)		
PR Commonwealth of Puerto Rico: Highway & Transportation Authority, Series 1996 Y, 5.500% 7/1/36	\$1,500,000	\$ 1,558,470
Public Building Authority, Series 1997 B, 5.000% 7/1/27	1,000,000	998,950
VI Virgin Islands Public Finance Authority, Series 1999, 6.500% 10/1/24	500,000	540,590
		----- 5,696,380 -----
STATE APPROPRIATED - 9.7%		

State Dormitory Authority, City

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University of New York, Series 1997 I, 5.125% 7/1/27	1,000,000	991,920
State University Dorm Facilities, Series 1999 C, 5.500% 7/1/29	1,700,000	1,760,095
State Urban Development Corp., Series 1999 C, 6.000% 1/1/29	1,000,000	1,080,340

		3,832,355

STATE GENERAL OBLIGATIONS - 3.9% PR Commonwealth of Puerto Rico, Series 1997, 5.375% 7/1/25	1,500,000	1,532,910

TRANSPORTATION - 15.0%		
AIRPORT - 8.4%		
Albany County Airport Authority, Series 1997, 5.500% 12/15/19	1,500,000	1,534,170
Niagara Frontier Transportation Authority, Series 1999 A, 5.625% 4/1/29	1,750,000	1,800,418

		3,334,588

TOLL FACILITIES - 4.0%		
Triborough Bridge & Tunnel Authority, Series 1992 Y, 6.125% 1/1/21	1,390,000	1,586,393

TRANSPORTATION - 2.6%		
New York City Transportation Authority, Series 1999 A, 5.250% 1/1/29	1,000,000	1,007,860

UTILITY - 14.6%		
INDEPENDENT POWER PRODUCER - 2.5%		
New York City Industrial Finance Agency, Brooklyn Navy Yard Partners, Series 1997, 5.650% 10/1/28	\$ 300,000	\$ 292,692
Port Authority of New York & New Jersey, KIAC Partners, Series 1996 IV, 6.750% 10/1/19	200,000	203,000
Suffolk County Industrial Development Agency, Nissequogue		

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Cogen Partners, Series 1998, 5.500% 1/1/23	200,000	186,500
PR Commonwealth of Puerto Rico Industrial, Educational, Medical & Environmental Cogeneration Facilities, AES Project, Series 2000, 6.625% 6/1/26	250,000	271,360

		953,552

MUNICIPAL ELECTRIC - 5.1%		
GM Guam Power Authority, Series 1999 A, 5.250% 10/1/34	1,000,000	1,013,900
Long Island Power Authority, Series 1998 A, 5.250% 12/1/26	1,000,000	1,004,760

		2,018,660

WATER & SEWER - 7.0%		
Albany Municipal Water Finance Authority, >Series 2000 A, 6.375% 12/1/17	200,000	227,524
Buffalo Municipal Water Finance Authority, Series 1999, 6.000% 7/1/29	1,450,000	1,572,481
Clifton Park Water Authority, Series 1999 A, 5.000% 10/1/29	1,000,000	976,430

		2,776,435

TOTAL INVESTMENTS - 98.0% (cost of \$35,171,192) (b)		38,678,059

OTHER ASSETS & LIABILITIES, NET - 2.0%		785,142

NET ASSETS - 100.0%		\$39,463,201

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2001

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NOTES TO INVESTMENT PORTFOLIO:

- (a) This security, or a portion thereof, with a market value of \$101,326 is being used to collateralize open futures contracts.
- (b) Cost for both financial statement and federal income tax purposes is the same.

Short futures contracts open at November 30, 2001:

Type	Par value covered by contracts	Expiration month	Unrealized appreciation at 11/30/01
Municipal Bond Index	\$3,900,000	March	\$85,590

Long futures contracts open at November 30, 2001:

Type	Par value covered by contracts	Expiration month	Unrealized depreciation at 11/30/01
U.S. Treasury Bond	\$800,000	March	\$(38,981)

Summary of securities by insurer (unaudited):

Insurer	% of Total Investments
Municipal Bond Investors Assurance	38.18%
American Municipal Bond Assurance Corp.	13.24
Financial Security Assurance	12.81
Financial Guaranty Insurance Co.	5.73
Asset Guaranty Co.	3.97
Federal Housing Administration	2.69
ACA Financial Guaranty Corp.	0.88
	77.50%
	=====

See notes to financial statements.

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STATEMENT OF ASSETS & LIABILITIES

November 30, 2001

ASSETS

Investments, at cost	\$35,171,192
Investments, at value	\$38,678,059
Cash	11,912
Receivable for:	
Investments sold	1,000,187
Interest	734,467
Expense reimbursement due from Advisor	93,934
Deferred Trustees' compensation plan	1,252
Total Assets	40,519,811

LIABILITIES

Payable for:	
Investments purchased	1,001,301
Futures variation margin	4,187
Distributions -- preferred shares	1,487
Management fee	11,548
Bookkeeping fee	833
Audit fee	26,400
Trustees' fee	100
Deferred Trustees' fee	1,252
Other liabilities	9,502
Total Liabilities	1,056,610

NET ASSETS	\$39,463,201
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COMPOSITION OF NET ASSETS

Auction Preferred Shares (564 shares issued and outstanding at \$25,000 per share)	\$14,100,000
Paid-in capital -- common shares	22,687,782
Undistributed net investment income	207,841
Accumulated net realized loss	(1,085,898)
Net unrealized appreciation on:	
Investments	3,506,867
Futures contracts	46,609

NET ASSETS	\$39,463,201
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Net assets at value including undeclared dividends applicable to 564 preferred shares outstanding	\$14,100,000
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Net assets at value applicable to 1,606,900 common shares of beneficial interest outstanding	\$25,363,201
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Net asset value per common share	\$ 15.78
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STATEMENT OF OPERATIONS

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For the Year Ended November 30, 2001

INVESTMENT INCOME	
Interest	\$2,094,727
EXPENSES	
Management fee	126,290
Bookkeeping fee	16,611
Transfer agent fee	37,537
Trustees' fee	8,460
Preferred shares remarketing commissions	35,871
Audit fee	42,900
Reports to shareholders	34,768
Other expenses	46,503

Total Expenses	348,940
Fees and expenses waived or reimbursed by Advisor	(143,420)
Custody earnings credit	(135)

Net Expenses	205,385

Net Investment Income	1,889,342

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS	
Net realized gain (loss) on:	
Investments	136,097
Futures contracts	(377,156)

Net realized loss	(241,059)

Net change in unrealized appreciation/depreciation on:	
Investments	1,368,464
Futures contracts	87,041

Net change in unrealized appreciation/depreciation	1,455,505

Net Gain	1,214,446

Increase in Net Assets from Operations	\$ 3,103,788
	=====

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED NOVEMBER 30,

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INCREASE (DECREASE) IN NET ASSETS	2001	2000
OPERATIONS:		
Net investment income	\$ 1,889,342	\$ 2,032,614
Net realized loss on investments and futures contracts	(241,059)	(837,558)
Net change in unrealized appreciation/depreciation on investments and futures contracts	1,455,505	2,229,971
Net Increase from Operations	3,103,788	3,425,027
DISTRIBUTIONS DECLARED TO SHAREHOLDERS:		
From net investment income to common shareholders	(1,338,553)	(1,484,596)
From net investment income to preferred shareholders	(397,551)	(533,848)
Total Distributions Declared to Shareholders	(1,736,104)	(2,018,444)
SHARE TRANSACTIONS:		
Preferred share initial offering	--	13,812,634
Distributions reinvested	--	3,149
Net Increase from Share Transactions	--	13,815,783
Total Increase in Net Assets	1,367,684	15,222,366
NET ASSETS		
Beginning of period	38,095,517	22,873,151
End of period (including undistributed net investment income of \$207,841 and \$47,321, respectively)	\$39,463,201	\$38,095,517
YEAR ENDED NOVEMBER 30,		
NUMBER OF FUND SHARES	2001	2000
Common Shares:		
Sold	--	233
Outstanding at:		
Beginning of period	1,606,900	1,606,667
End of period	1,606,900	1,606,900
Preferred Shares:		

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Issued in initial offering	--	564
Outstanding at:		
Beginning of period	564	--
	-----	-----
End of period	564	564
	-----	-----

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

November 30, 2001

NOTE 1. ACCOUNTING POLICIES

ORGANIZATION:

Colonial New York Insured Municipal Fund (the "Fund"), is a Massachusetts business trust registered under the Investment Company Act of 1940 (the "Act"), as amended, as a nondiversified, closed-end management investment company. The Fund's investment objective is to provide current income generally exempt from ordinary federal income tax and New York State and City personal income taxes. The Fund authorized an unlimited number of common shares of beneficial interest and 564 Auction Preferred Shares ("APS").

On November 19, 1999, the Fund completed the offering of 1,600,000 common shares at a price of \$15.00 per share, raising \$22,872,000, net of underwriting and offering costs.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION AND TRANSACTIONS:

Debt securities generally are valued by a pricing service based upon market transactions for normal, institutional-size trading units of similar securities. When management deems it appropriate, an over-the-counter or exchange bid quotation is used.

Futures contracts are valued based on the difference between the last sale price and the opening price of the contract.

Short-term obligations with a maturity of 60 days or less are valued at amortized cost.

Investments for which market quotations are not readily available are valued at fair value under procedures approved by the Trustees.

Security transactions are accounted for on the date the securities are purchased, sold or mature.

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Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

The Fund may trade securities on other than normal settlement terms. This may increase the risk if the other party to the transaction fails to deliver and causes the Fund to subsequently invest at less advantageous prices.

FEDERAL INCOME TAXES:

Consistent with the Fund's policy to qualify as a regulated investment company and to distribute all of its taxable and tax-exempt income, no federal income tax has been accrued.

At November 30, 2001, capital loss carryforwards available (to the extent provided in regulations) to offset future realized gains were approximately as follows:

YEAR OF EXPIRATION -----	CAPITAL LOSS CARRYFORWARD -----
2008	\$284,413 -----

Expired capital loss carryforwards, if any, are recorded as a reduction of paid-in capital.

INTEREST INCOME, DEBT DISCOUNT AND PREMIUM:

Interest income is recorded on the accrual basis. Original issue discount is accreted to interest income over the life of the security with a corresponding increase in the cost basis; market discount is not accreted. Premium is amortized against interest income with a corresponding decrease in the cost basis.

Effective December 1, 2001, the Fund will adopt the provisions of the AICPA Audit and Accounting Guide for Investment Companies and will be required to amortize premium and discount on all debt securities. Upon the effective date, this accounting principle change will not have an impact on total net assets but will result in a reclassification between cost of securities held and net unrealized appreciation/depreciation. Management of the Fund believes that the impact of adopting this principle will not be material to the financial statements.

DISTRIBUTIONS TO SHAREHOLDERS:

Distributions to common and preferred shareholders are recorded on the ex-date.

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

The following reclassifications have been made to the financial statements:

	INCREASE (DECREASE) -----	
PAID-IN CAPITAL -----	UNDISTRIBUTED NET INVESTMENT INCOME -----	ACCUMULATED NET REALIZED LOSS -----

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\$ (1)

\$7,282

\$ (7,281)

These differences are primarily due to market discount reclassifications. Net investment income, net realized gains (losses) and net assets were not affected by this reclassification.

Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. Each dividend payment period for the APS is generally seven days. The applicable dividend rate for the APS on November 30, 2001 was 1.75%. For the year ended November 30, 2001, the Fund declared dividends to Auction Preferred shareholders amounting to \$397,551 representing an average APS dividend rate of 2.82%.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. FEES AND COMPENSATION PAID TO AFFILIATES

MANAGEMENT FEE:

Colonial Management Associates, Inc. (the "Advisor") is the investment advisor of the Fund and furnishes accounting and other services and office facilities for a monthly fee equal to 0.65% annually of the Fund's average daily net assets. For the period from the commencement of the Fund's operations through January 1, 2001, the Advisor agreed to waive all of its management fees. For the period from January 2, 2001 through November 30, 2004, the Advisor contractually agreed to waive a portion of its fee so that it will not exceed 0.35% annually.

On November 1, 2001, Liberty Financial Companies, Inc., the former parent of the Advisor, completed the sale of its asset management business, including the Advisor, to Fleet National Bank ("Fleet"). This transaction resulted in a change of control of the Advisor and, therefore, an assignment of the Advisor's investment advisory contract with the Fund to Fleet. The Fund had obtained approval of a new investment advisory contract by the Fund's Board of Trustees and shareholders, which became effective upon completion of the sale. The new contract is identical to the prior contract in all material respects except for its effective and termination dates.

BOOKKEEPING FEE:

The Advisor is responsible for providing pricing and bookkeeping services to the Fund under a Pricing and Bookkeeping Agreement. Under a separate agreement (the "Outsourcing Agreement"), the Advisor has delegated those functions to State Street Bank and Trust Company ("State Street"). The Advisor pays fees to State Street under the Outsourcing Agreement.

During the period December 1, 2000 to June 30, 2001, the Advisor provided bookkeeping and pricing services to the Fund for a monthly fee of \$1,500 for the first \$50 million of the Fund's average daily net assets, plus a monthly percentage fee of 0.0233% annually of the next \$950 million. Effective July 1, 2001, under its pricing and bookkeeping agreement with the Fund, the Advisor receives from the Fund an annual flat fee of \$10,000, paid monthly, and in any month that the Fund's average daily net assets are more than \$50 million, a monthly fee equal to the average daily net assets of the Fund for that month multiplied by a fee rate that is calculated by taking into account the fees

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payable to State Street under the Outsourcing Agreement.

EXPENSE LIMITS:

The Advisor has voluntarily agreed to waive fees and bear certain Fund expenses to the extent that total expenses (exclusive of management fees, brokerage commissions, interest, taxes and extraordinary expenses, if any) exceed 0.20% annually of the Fund's average daily net assets. This arrangement may be modified or terminated by the Advisor at any time.

OTHER:

The Fund pays no compensation to its officers, all of whom are employees of the Advisor.

The Fund's Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Fund's assets.

The Fund has an agreement with its custodian bank under which \$135 of custody fees were reduced by balance credits for the year ended November 30, 2001. The Fund could have invested a portion of the assets utilized in connection with the expense offset arrangements in an income producing asset if it had not entered into such agreements.

NOTE 3. PREFERRED SHARE OFFERING

On December 20, 1999, the Fund offered and currently has outstanding 564 APS. The APS are redeemable at the option of the Fund on any dividend payment date at the redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis unpaid through the redemption date (whether or not such dividends have been declared). Total proceeds, net of commissions, of \$13,959,000, were received upon completion of the offering.

APS commissions of \$141,000 from the offering and costs incurred by the Fund in connection with the offering of the APS totaling \$146,366 were recorded as a reduction of capital paid in excess of par applicable to common shares.

Under the Act, the Fund is required to maintain asset coverage of at least 200% with respect to the APS as of the last business day of each month in which any APS are outstanding. Additionally, the Fund is required to meet more stringent asset coverage requirements under the terms of the APS and in accordance with the guidelines prescribed by the rating agencies. Should these requirements not be met, or should dividends accrued on the APS not be paid, the Fund may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain of the APS. At November 30, 2001 there were no such restrictions on the Fund.

NOTE 4. PORTFOLIO INFORMATION

INVESTMENT ACTIVITY:

During the year ended November 30, 2001, purchases and sales of investments, other than short-term obligations, were \$1,488,270 and \$1,540,395, respectively.

Unrealized appreciation (depreciation) at November 30, 2001, based on cost of investments for both financial statement and federal income tax purposes, was:

Gross unrealized appreciation	\$3,509,567
Gross unrealized depreciation	(2,700)

Net unrealized appreciation	\$3,506,867

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OTHER:

There are certain risks arising from geographic concentration in any state. Certain revenue or tax related events in a state may impair the ability of certain issuers of municipal securities to pay principal and interest on their obligations.

The Fund may focus its investments in certain industries, subjecting it to greater risk than a fund that is more diversified.

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----- NOTES TO FINANCIAL STATEMENTS (CONTINUED) -----

The Fund may invest in municipal and Treasury bond futures contracts and purchase and write options on futures. The Fund may invest in these instruments to hedge against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, for duration management, or when the transactions are economically appropriate to the reduction of risk inherent in the management of the Fund and not for trading purposes. The use of futures contracts and options involves certain risks, which include (1) imperfect correlation between the price movement of the instruments and the underlying securities, (2) inability to close out positions due to different trading hours, or the temporary absence of a liquid market, for either the instrument or the underlying securities or (3) an inaccurate prediction by the Advisor of the future direction of interest rates. Any of these risks may involve amounts exceeding the amount recognized in the Fund's Statement of Assets and Liabilities at any given time.

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----- FINANCIAL HIGHLIGHTS -----

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise noted):

	YEAR ENDED NOVEMBER 30,		PERIOD NOVEMBER
	2001	2000	1999
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 14.93	\$ 14.24	\$
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	1.18 (b)	1.27 (c)	
Net realized and unrealized gain (loss) on investments and futures contracts	0.75	0.86	

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Total from Investment Operations	1.93	2.13	
	-----	-----	-----
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS:			
From net investment income to common shareholders	(0.83)	(0.93)	
From net investment income to preferred shareholders	(0.25)	(0.33)	
	-----	-----	-----
Total Distributions Declared to Shareholders	(1.08)	(1.26)	
	-----	-----	-----
LESS SHARE TRANSACTIONS:			
Offering costs -- common shares	--	--	
Commission and offering costs -- preferred shares	--	(0.18)	
	-----	-----	-----
Total Share Transactions	--	(0.18)	
	-----	-----	-----
NET ASSET VALUE, END OF PERIOD	\$ 15.78	\$ 14.93	\$
	=====	=====	=====
Market price per share -- common shares	\$ 14.60	\$ 14.63	\$
	=====	=====	=====
Total return -- based on market value (d) (e)	5.63%	3.58%	
	=====	=====	=====
RATIOS TO AVERAGE NET ASSETS:			
Expenses (g) (h)	0.81% (j)	0.32% (j)	0
Net investment income (g) (h)	7.49%	8.86%	5
Net investment income (g) (h)	5.91% (i)	6.53% (i)	5
Waiver/reimbursement (h)	0.57%	0.18%	
Portfolio turnover rate	4%	32%	
Net assets, end of period (000's) -- common shares	\$25,363	\$23,996	\$22,

- (a) The Fund commenced investment operations on November 19, 1999.
- (b) Per share data was calculated using average shares outstanding during the period.
- (c) The per share net investment income amount does not reflect the period's reclassification of differences between book and tax basis net investment income.
- (d) Total return at market value assuming all distributions reinvested at prices obtained by the dividend reinvestment plan.
- (e) Had the Advisor not waived or reimbursed a portion of expenses, total return would have been reduced.
- (f) Not annualized.
- (g) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had no impact.
- (h) Ratios reflect average net assets available to common shares only.
- (i) Ratios reflect reduction for dividend payments to preferred shareholders.
- (j) Ratios calculated using average net assets of the Fund equal 0.52% and 0.20% for the years ended November 30, 2001 and November 30, 2000, respectively.
- (k) Annualized.

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ASSET COVERAGE REQUIREMENTS

NOVEMBER 30,	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER SHARE	INVOLUNTARY LIQUIDATING PREFERENCE PER SHARE	AVERAGE MARKET VALUE PER SHARE
2001	\$14,100,000	\$69,970	\$25,003	\$25,000
2000*	14,100,000	67,545	25,014	25,000

* On December 20, 1999, the Fund began offering Auction Preferred Shares.

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REPORT OF INDEPENDENT ACCOUNTANTS

TO THE TRUSTEES AND SHAREHOLDERS OF COLONIAL NEW YORK INSURED MUNICIPAL FUND

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Colonial Insured New York Municipal Fund (the "Fund"), at November 30, 2001, the results of its operations, the changes in its net assets, and the financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and the financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of portfolio positions at November 30, 2001 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
January 10, 2002

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UNAUDITED INFORMATION

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RESULTS OF THE ANNUAL MEETING OF SHAREHOLDERS

On September 26, 2001, the Annual Meeting of Shareholders of the Colonial New York Insured Municipal Fund was held to conduct a vote for or against the approval of the following Items listed on the Fund's Proxy Statement for said Meeting. On July 16, 2001, the record date for the Meeting, the Fund had 1,606,899.667 common shares outstanding. The votes cast were as follows:

	SHARES -----	% OF SHARES TO TOTAL OUTSTANDING SHARES -----	% OF SHARES TO TOTAL SHARES VOTED -----
PROPOSAL 1: TO APPROVE A NEW INVESTMENT ADVISORY AGREEMENT:			
For	1,491,044.667	92.79%	96.43%
Against	22,045.000	1.37%	1.43%
Abstain	33,187.000	2.01%	2.14%

	FOR ---	WITHHELD -----
PROPOSAL 2: ELECTION OF TRUSTEES:		
Douglas A. Hacker	1,518,636.667	27,640.000
Janet Langford Kelly	1,518,636.667	27,640.000
Richard W. Lowry	1,518,636.667	27,640.000
William E. Mayer	1,518,636.667	27,640.000
Charles R. Nelson	1,518,636.667	27,640.000
John J. Neuhauser	1,518,636.667	27,640.000
Joseph R. Palombo	1,518,636.667	27,640.000
Thomas C. Theobald	1,518,636.667	27,640.000
Anne-Lee Verville	1,518,636.667	27,640.000

On July 16, 2001, the record date for the Meeting, the Fund had 564 preferred shares outstanding. The votes cast were as follows:

	SHARES -----	% OF SHARES TO TOTAL OUTSTANDING SHARES -----	% OF SHARES TO TOTAL SHARES VOTED -----
PROPOSAL 1: TO APPROVE A NEW INVESTMENT ADVISORY AGREEMENT:			
For	558	98.94%	98.94%
Against	0	0.00%	0.00%
Abstain	6	1.06%	1.06%

FOR ---	WITHHELD -----
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PROPOSAL 2: ELECTION OF TRUSTEES:

Douglas A. Hacker	563	1
Janet Langford Kelly	563	1
Richard W. Lowry	563	1
Salvatore Macera	563	1
William E. Mayer	563	1
Charles R. Nelson	563	1
John J. Neuhauser	563	1
Joseph R. Palombo	563	1
Thomas E. Stitzel	563	1
Thomas C. Theobald	563	1
Anne-Lee Verville	563	1

FEDERAL TAX INFORMATION

99.65% of the distributions from net investment income will be treated as exempt income for federal income tax purposes.

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DIVIDEND REINVESTMENT PLAN

1. You, BankBoston, NA, will act as Agent for me, and will open an account for me under the Dividend Reinvestment Plan with the same registration as my shares of the Fund are currently registered. You will effect the dividend reinvestment option on my behalf as of the first record date for an income dividend or capital gain distribution ("distribution"), separately or collectively, after you receive the authorization duly executed by me.

2. Whenever the Fund declares a distribution payable in the Fund's shares of beneficial interest ("shares") or cash at the option of the shareholder, I hereby elect to take such distribution entirely in shares, subject to the terms of this Plan. If on the valuation date the Fund's net asset value per share is less than the market price (including estimated brokerage commissions), you shall on the payable date automatically receive for my account from the Fund that number of newly-issued shares that the cash otherwise receivable by me would purchase if the purchase price per share equaled the higher of: (a) net asset value per share on the valuation date, or (b) 95% of market price (not including estimated brokerage commission) on the payable date; except if the market price (not including estimated brokerage commissions) on the payable date is less than 95% of the net asset value per share on the valuation date, you shall receive a distribution of cash from the Fund and shall apply the amount of such distribution to the purchase in the open market of shares of my account, commencing on the business day after the payable date, subject to the condition that such purchases must be made at a "discount" during the remainder of the "buying period." "Discount" is defined as a market price per share (including estimated brokerage commissions) which is lower than the most recently determined net asset value per share (as calculated from time to time). "Buying period" shall mean the period commencing the first business day after the valuation date and ending at the close of business on the business day preceding the "ex" date for the next distribution. The valuation date will be the last business day of the week preceding the week of the payable date.

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3. Should the Fund's net asset value per share exceed the market price (including estimated brokerage commissions) on the valuation date for a distribution, you shall receive for my account a distribution in cash from the Fund and shall apply the amount of such distribution on my shares to the purchase in the open market of shares for my account commencing on the first business day after the valuation date, subject to the condition that such purchases must be made at a discount during the buying period.
4. In the event you are instructed to purchase shares in the open market pursuant to paragraph 2 or 3 hereof, and you are unable for any reason to invest the full amount of the distribution in shares acquired in open-market purchases at a discount during the buying period, you will invest the uninvested portion of such distribution in newly-issued shares at the close of business at the end of such buying period at the higher of: (a) net asset value determined at such close, or (b) 95% of the market price (not including estimated brokerage commissions) at such close.
5. You may not acquire newly-issued shares after the valuation date unless you have received a legal opinion that registration of such shares is not required under the Securities Act of 1933, as amended, or unless the shares to be issued are registered under such an Act.
6. For all purposes of the Plan: (a) the market price of the shares on a particular date shall be the last sales price on the New York Stock Exchange on that date, or if there is no sale on such Exchange on that date, then the mean between the closing bid and asked quotations for such shares on such Exchange on such date (in either case including or not including estimated brokerage commissions as provided above) and (b) net asset value per share of the shares on a particular date shall be as determined by or on behalf of the Fund.
7. Open-market purchases provided for above may be made on any securities exchange where the shares are traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as you shall determine. My cash funds held by you uninvested will not bear interest and it is understood that, in any event, you shall have no liability in connection with any inability to purchase shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. You shall have no responsibility as to the value of the shares acquired for my account. For the purposes of open-market purchases with respect to the Plan you may commingle my funds with those of other shareholders of the Fund for whom you similarly act as Agent, and the average price (including brokerage commissions) of all shares purchased by you as Agent shall be the price per share allocated to me in connection therewith.
8. You may hold my shares acquired pursuant to my authorization, together with the shares of other shareholders of the Fund acquired pursuant to similar authorizations, in non-certificate form in your name or that of your nominee. You will forward to me any proxy solicitation material and will vote any shares so held for me only in accordance with the proxy returned by me to the Fund. Upon my written request, you will deliver to me, without charge, a certificate or certificates for the full shares.
9. You will confirm to me each investment made for my account as soon as practicable but not later than 60 days after the date thereof. Although I may from time to time have an undivided fractional interest (computed to three decimal places) in a share, no certificates for a fractional share will be issued. However, distributions on fractional shares will be credited to my account. In the event of termination of my account under the Plan, you will sell such undivided fractional interests at the market value of the shares at the time of termination and send the net proceeds to me.
10. Any stock dividends or split shares distributed by the Fund on shares held

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by you for me will be credited to my account. In the event that the Fund makes available to its shareholders rights to purchase additional shares or other securities, the shares held for me under the Plan will be added to other shares held by me in calculating the number of rights to be issued to me.

11. Your fee for service described in this Plan will be paid by the Fund. I will be charged a pro rata share of brokerage commission on all open-market purchases.

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DIVIDEND REINVESTMENT PLAN (CONTINUED)

12. I may terminate my account under the Plan by notifying you in writing. Such termination will be effective immediately if my notice is received by you prior to the record date of subsequent distributions. The Plan may be terminated by you or the Fund upon notice in writing mailed to me at least 30 days prior to any record date for the payment of any distribution of the Fund. Upon any termination you will cause a certificate or certificates for the full shares held for me under the Plan and the proceeds from the sales of any fractional shares to be delivered to me without charge. If I elect by notice to you in writing in advance of such termination to have you sell part or all of my shares and remit the proceeds to me, you are authorized to deduct brokerage commission for this transaction from the proceeds.

If I decide to terminate my account under the Plan, I may request that all my Plan shares, both full and fractional, be sold. The per share price may fall during the period between my request for sale and the sale in the open market which will be made within ten trading days after the Agent receives my request. The proceeds of the sale less a \$2.50 service fee, plus any brokerage commission will be mailed to me after the settlement of funds from the brokerage firm. The settlement is three business days after the sale of shares.

13. These Terms and Conditions may be amended or supplemented by you or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to me appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by me unless, prior to the effective date thereof, you receive written notice of the termination of my account under the Plan. Any such amendment may include an appointment by you in your place and stead of successor Agent under these Terms and Conditions, with full power and authority to perform all or any of the acts to be performed by the Agent under these Terms and Conditions. Upon any such appointment of any Agent for the purpose of receiving distributions, the Fund will be authorized to pay to such successor Agent, for my account, all distributions payable on shares held in my name or under the Plan for retention or application by such successor Agent as provided in these Terms and Conditions.

14. You shall at all times act in good faith and agree to use your best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement and to comply with applicable law, but assume no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by your negligence, bad faith or willful misconduct, or that of your employees.

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15. These Terms and Conditions shall be governed by the laws of the Commonwealth of Massachusetts.

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TRANSFER AGENT

----- IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial New York Insured Municipal Fund is:

EquiServe Trust Company
100 Federal Street
Boston, MA 02110
1-800-730-6001

The Colonial New York Insured Municipal Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call 1-800-426-3750 and additional reports will be sent to you.

This report has been prepared for shareholders of Colonial New York Insured Municipal Fund.

TRUSTEES

DOUGLAS A. HACKER

President of UAL Loyalty Services and Executive Vice President of United Airlines (formerly Executive Vice President, Senior Vice President and Chief Financial Officer of UAL, Inc.)

JANET LANGFORD KELLY

Executive Vice President-Corporate Development and Administration, General Counsel and Secretary, Kellogg Company (formerly Senior Vice President, Secretary and General Counsel, Sara Lee Corporation)

RICHARD W. LOWRY

Private Investor (formerly Chairman and Chief Executive Officer, U.S. Plywood Corporation)

SALVATORE MACERA

Private Investor (formerly Executive Vice President and Director of Itek Corp.)

WILLIAM E. MAYER

Managing Partner, Park Avenue Equity Partners (formerly Founding Partner, Development Capital LLC; Dean and Professor, College of Business and Management, University of Maryland)

CHARLES R. NELSON

Van Voorhis Professor, Department of Economics, University of Washington; consultant of econometric and statistical matters (formerly Department Chairman and Director of the Institute for Economic Research)

JOHN J. NEUHAUSER

Academic Vice President and Dean of Faculties, Boston College (formerly Dean, Boston College School of Management)

JOSEPH R. PALOMBO

Chief Operating Officer, Fleet Asset Management; Executive Vice President and Director of Colonial Management Associates, Inc. and Stein Roe & Farnham Incorporated; Executive Vice President and Chief Administrative Officer of

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Liberty Funds Group LLC (formerly Chief Operations Officer, Mutual Funds, Liberty Financial Companies, Inc; Vice President of Liberty Mutual Funds, Stein Roe Mutual Funds and All-Star Funds, and Chief Operating Officer, Putnam Mutual Funds)

THOMAS E. STITZEL

Business Consultant and Chartered Financial Analysis (formerly Professor of Finance, College of Business, Boise State University)

THOMAS C. THEOBALD

Managing Director, William Blair Capital Partners (formerly Chief Executive Officer and Chairman of the Board of Directors, Continental Bank Corporation)

ANNE-LEE VERVILLE

Chairman of the Board of Directors, Enesco Group, Inc. and author and speaker on educational systems needs (formerly General Manager, Global Education Industry, and President, Applications Solutions Division, IBM Corporation)

COLONIAL NEW YORK INSURED MUNICIPAL FUND

ANNUAL REPORT
