



June 3, 2016

Franklin Insured Tax-Free Income Fund Proposed Reorganization

The Board of Trustees **Franklin Insured Tax-Free Income Fund** (the "Fund") has approved a proposal to reorganize the Fund into **Franklin Federal Tax-Free Income Fund** at the close of market on or about **December 2, 2016** (reorganization date), subject to shareholder approval. Please see the enclosed prospectus supplement for more information. Additional operational details will be provided in upcoming notifications.

Prospectus supplement



TF1_P2_0616

Shares of Franklin Insured Tax-Free Income Fund share classes A, C and Advisor will be exchanged for shares of Franklin Federal Tax-Free Income Fund shares classes A, C and Advisor respectively.

Fund Name	Share Class	Fund #	CUSIP	NASDAQ
Franklin Insured Tax-Free Income Fund	A	121	354 723 108	FTFIX
Franklin Insured Tax-Free Income Fund	C	221	354 723 652	FRITX
Franklin Insured Tax-Free Income Fund	Advisor	631	354 723 264	FINZX

Fund Name	Share Class	Fund #	CUSIP	NASDAQ
Franklin Federal Tax-Free Income Fund	A	116	353 519 101	FKTIX
Franklin Federal Tax-Free Income Fund	C	216	353 519 200	FRFTX
Franklin Federal Tax-Free Income Fund	Advisor	620	353 519 408	FAFTX

Operational Details

- Shareholders will receive shares of Franklin Federal Tax-Free Income Fund, which will have the same aggregate net asset value as their investment in Franklin Insured Tax-Free Income Fund. The exchange of shares will be based on each fund's net asset value per share on December 2, 2016, and processed on or about December 5, 2016.
- Account options will be carried over from the Franklin Insured Tax-Free Income Fund account to the new Franklin Federal Tax-Free Income Fund account.
- Shareholders that have an existing account in Franklin Federal Tax-Free Income Fund that matches the registration on their Franklin Insured Tax-Free Income Fund account will have their shares exchanged into the existing account.

Tax Implications

While this transaction is intended to qualify as a tax-free reorganization for federal income tax purposes, please note that redemptions made before the reorganization date may be taxable. Shareholders should consult their tax advisor about the effect, if any, of the transaction in light of their individual circumstances.

How will financial advisors and shareholders be notified?

- A message was posted to Franklin Insured Tax-Free Income Fund's main page on franklintempleton.com on June 2, 2016.
- Financial advisors will be sent an email detailing these changes on or about June 20, 2016; for financial advisors without an email address on file, a letter will be mailed to them on about the same date.
- A prospectus supplement and statement message detailing the proposed fund reorganization will be included with shareholders' quarterly asset summary statements, which will be mailed in early July 2016. Shareholders of record will be mailed a combined prospectus/proxy statement in September 2016.

Franklin Templeton Investor Services, LLC.
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If you have questions, please contact your Dedicated Service Team at 1-800/266-6768.

Franklin California Insured Tax-Free Income Fund Proposed Reorganization

The Board of Trustees **Franklin California Insured Tax-Free Income Fund** (the "Fund") has approved a proposal to reorganize the Fund into **Franklin California Tax-Free Income Fund** at the close of market on or about **October 28, 2016** (reorganization date), subject to shareholder approval. Please see the enclosed prospectus supplement for more information. Additional operational details will be provided in upcoming notifications.

Prospectus supplement



CAT_P2_0616

Shares of Franklin California Insured Tax-Free Income Fund share classes A, C and Advisor will be exchanged for shares of Franklin California Tax-Free Income Fund shares classes A, C and Advisor respectively.

Fund Name	Share Class	Fund #	CUSIP	NASDAQ
Franklin California Insured Tax-Free Income Fund	A	124	352 519 102	FRCIX
Franklin California Insured Tax-Free Income Fund	C	224	352 519 409	FRCAIX
Franklin California Insured Tax-Free Income Fund	Advisor	654	352 519 805	FZCAX

Fund Name	Share Class	Fund #	CUSIP	NASDAQ
Franklin California Tax-Free Income Fund	A	112	352 518 104	FKTFX
Franklin California Tax-Free Income Fund	C	212	352 518 203	FRCTX
Franklin California Tax-Free Income Fund	Advisor	614	352 518 401	FCAVX

Operational Details

- Shareholders will receive shares of Franklin California Tax-Free Income Fund, which will have the same aggregate net asset value as their investment in Franklin California Insured Tax-Free Income Fund. The exchange of shares will be based on each fund's net asset value per share on October 28, 2016, and processed on or about October 31, 2016.
- Account options will be carried over from Franklin California Insured Tax-Free Income Fund account to the new Franklin California Tax-Free Income Fund account.
- Shareholders that have an existing account in the Franklin California Tax-Free Income Fund that matches the registration on their Franklin California Insured Tax-Free Income Fund account will have their shares exchanged into the existing account.

Tax Implications

While this transaction is intended to qualify as a tax-free reorganization for federal income tax purposes, please note that redemptions made before the reorganization date may be taxable. Shareholders should consult their tax advisor about the effect, if any, of the transaction in light of their individual circumstances.

How will financial advisors and shareholders be notified?

- A message was posted to the Franklin California Insured Tax-Free Income Fund's main page on franklintempleton.com on June 2, 2016.
- Financial advisors will be sent an email detailing these changes on or about June 20, 2016; for financial advisors without an email address on file, a letter will be mailed to them on about the same date.
- A prospectus supplement and statement message detailing the proposed fund reorganization will be included with shareholders' quarterly asset summary statements, which will be mailed in early July 2016. Shareholders of record will be mailed a combined prospectus/proxy statement in August 2016.

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