

BLACKROCK MUNIYIELD NEW YORK INSURED FUND, INC.

Form N-CSR

October 07, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06500

Name of Fund: BlackRock MuniYield New York Insured Fund, Inc. (MYN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock MuniYield New York Insured Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2010

Date of reporting period: 07/31/2010

Item 1 – Report to Stockholders

July 31, 2010

Annual Report

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

BlackRock MuniYield Insured Fund, Inc. (MYI)

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM)

BlackRock MuniYield New York Insured Fund, Inc. (MYN)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

The global economy is continuing to slowly improve, with the United States and emerging markets leading the way; however global and US economic statistics show that the pace of economic growth has trailed off in recent months. Market volatility has remained elevated over the past several months as investors remain uncertain about the future direction of economic growth. The sovereign debt crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip recession have all acted to depress investor sentiment. It is our view that the recent soft patch of economic data is just that – a slowdown in the pace of recovery and not an indication that the economy is sliding back into recession. In the United States, we expect to see slightly slower economic growth over the next several quarters; however, true double-dip recessions are quite rare, and unless there is a major shock to the economy, we believe the recovery will continue.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred – primarily as a result of mixed economic data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets were staging a muted recovery. On a 12-month basis global equities were still showing positive returns thanks to improving corporate revenues and profits and a reasonably strong macro backdrop. From a geographic perspective, US equities have significantly outpaced their international counterparts over the past six and twelve months, as the domestic economic recovery has been more pronounced and credit-related issues have held European markets down. Within the United States, smaller cap stocks have outperformed large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Over recent months, risk aversion and credit issues kept interest rates low and US Treasury yields have fallen significantly as investors favored safe haven assets. As the period drew to a close, higher-risk fixed income assets performed well due to strong earnings announcements and better-than-expected results on European bank stress tests. Meanwhile, tax-exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of July 31, 2010	6-month	12-month
US large cap equities (S&P 500 Index)	3.61%	13.84%
US small cap equities (Russell 2000 Index)	8.79	18.43
International equities (MSCI Europe, Australasia, Far East Index)	(0.62)	6.26
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.06	0.16
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	7.67	8.34
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.85	8.91
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	4.06	9.15
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.72	23.69

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

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Although conditions are certainly better than they were a couple of years ago, global financial markets continue to face high volatility while questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*® magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. We thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2010

BlackRock MuniHoldings Insured Fund II, Inc.

Fund Overview

BlackRock MuniHoldings Insured Fund II, Inc. s (MUE) (the Fund) investment objective is to provide shareholders with current income exempt from federal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more that are covered by insurance guaranteeing the timely payment of principal and interest at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Fund returned 33.51% based on market price, and 18.04% based on net asset value (NAV). For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 24.23% based on market price, and 15.41% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund held health and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened over the last 12 months. The Fund s exposure to insured issues with weak underlying credits detracted from performance as investor confidence in monoline insurers waned.

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

Fund Information

Symbol on New York Stock Exchange (NYSE)	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of July 31, 2010 (\$14.26) ¹	6.19%
Tax Equivalent Yield ²	9.52%
Current Monthly Distribution per Common Share ³	\$0.0735
Current Annualized Distribution per Common Share ³	\$0.8820
Leverage as of July 31, 2010 ⁴	39%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.26	\$ 11.40	25.09%	\$ 14.32	\$ 11.40
Net Asset Value	\$ 13.57	\$ 12.27	10.59%	\$ 13.88	\$ 12.26

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	28%	29%
Utilities	23	21
Transportation	23	23
State	11	10
Health	9	9
Housing	5	5
Corporate	1	2
Education		1

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	54%	50%
AA/Aa	24	19
A	20	27
BBB/Baa	1	2
Not Rated ⁶	1	2

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

⁶

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The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010 and July 31, 2009, the market value of these securities was \$3,925,265, representing 1% and \$10,104,059, representing 2%, respectively, of the Fund's long-term investments.

Fund Summary as of July 31, 2010

BlackRock MuniYield California Insured Fund, Inc.**Fund Overview**

BlackRock MuniYield California Insured Fund, Inc. s (MCA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Fund returned 23.00% based on market price, and 15.69% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 21.26% based on market price, and 14.03% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund maintains a relatively generous degree of income accrual, which was a positive factor. The tightening of credit quality spreads in the uninsured basket of the Fund s holdings also aided results. A fully-invested and slightly longer relative duration posture were additive, too, as rates declined over the period. The municipal market benefited from the Build America Bond Program, which effectively moved supply to the taxable market and, thus, alleviated supply pressure in the tax-exempt space. Management s focus on the quality of underlying credits while the market placed less value on monoline insurance also aided relative performance. Secondary market demand for insured municipals weakened, resulting in limited liquidity and widening spreads on some sectors of insured bonds. Cash reserves held in the Fund during the period also detracted from performance as cash underperformed longer maturity coupon bonds in an environment of falling interest rates and tightening spreads.

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

Fund Information

Symbol on NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2010 (\$14.02) ¹	5.82%
Tax Equivalent Yield ²	8.95%
Current Monthly Distribution per Common Share ³	\$0.068
Current Annualized Distribution per Common Share ³	\$0.816
Leverage as of July 31, 2010 ⁴	40%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The Monthly Distribution per Common Share declared on September 1, 2010 was increased to \$0.0705. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.02	\$ 12.08	16.06%	\$ 14.05	\$ 12.03
Net Asset Value	\$ 14.66	\$ 13.43	9.16%	\$ 14.92	\$ 13.42

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	55%	44%
Utilities	22	25
Transportation	11	13
Education	7	10
State	2	3
Health	2	3
Corporate	1	
Housing		2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	57%	44%
AA/Aa	29	28
A	14	27
BBB/Baa		1

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

Fund Summary as of July 31, 2010

BlackRock MuniYield Insured Fund, Inc.**Fund Overview**

BlackRock MuniYield Insured Fund, Inc. s (MYI) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Fund returned 24.03% based on market price, and 18.19% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 24.23% based on market price, and 15.41% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. Overall the tax-exempt municipal market benefited from the Build America Bond Program, which made the taxable market accessible to municipal issuers. This alleviated supply pressure in the tax-exempt space, which, coupled with increased investor demand for municipals, resulted in a favorable supply-demand paradigm and strong performance. The Fund benefited from its modestly long duration positioning as interest rates declined over the period. The Fund s exposure to the long end of the yield curve made a positive impact as prices of longer-dated bonds are most sensitive to declining interest rates. The Fund s holdings of insured bonds with lower-rated underlying credits also aided results as credit quality spreads tightened over the period. Detracting from performance was the Fund s exposure to zero-coupon bonds, which underperformed relative to the broader municipal bond market as spreads in this sector generally widened. The Fund s exposure to bonds with shorter maturities and/or call dates also detracted as declining interest rates had less of an impact on the shorter end of the yield curve.

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Fund Information

Symbol on NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of July 31, 2010 (\$14.17) ¹	6.01%
Tax Equivalent Yield ²	9.25%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852

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Leverage as of July 31, 2010⁴

38%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The Monthly Distribution per Common Share declared on September 1, 2010 was increased to \$0.072. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.17	\$ 12.12	16.91%	\$ 14.26	\$ 11.46
Net Asset Value	\$ 13.67	\$ 12.27	11.41%	\$ 13.88	\$ 12.25

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

	7/31/10	7/31/09
Transportation	27%	31%
County/City/Special District/School District	21	24
Utilities	17	17
Education	8	7
State	8	8
Health	7	6
Housing	6	5
Corporate	6	2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	46%	47%
AA/Aa	29	23
A	20	25
BBB/Baa	5	5

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

Fund Summary as of July 31, 2010

BlackRock MuniYield Michigan Insured Fund II, Inc.**Fund Overview**

BlackRock MuniYield Michigan Insured Fund II, Inc. s (MYM) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and Michigan income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Michigan income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Fund returned 26.01% based on market price, and 14.62% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 21.26% based on market price, and 14.03% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund benefited from its allocation to the health sector, which performed well during the period. Positive investment income coupled with a low cost of leverage enabled the Fund to increase its dividend twice in 2010. Overall the Fund benefited from increasing bond prices in the declining interest rate environment, however, its exposure to pre-refunded and escrowed issues detracted from performance as the shorter maturity structure of these issues limited their upward price movement.

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Fund Information

Symbol on NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2010 (\$13.67) ¹	6.28%
Tax Equivalent Yield ²	9.66%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Leverage as of July 31, 2010 ⁴	37%

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Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

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

⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 13.67	\$ 11.58	18.05%	\$ 13.69	\$ 11.45
Net Asset Value	\$ 13.82	\$ 12.87	7.38%	\$ 14.11	\$ 12.85

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	26%	23%
Health	15	16
State	13	11
Transportation	12	11
Utilities	12	12
Corporate	12	15
Education	8	10
Housing	2	2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	40%	28%
AA/Aa	27	27
A	28	40
BBB/Baa	2	2
Not Rated	3 ₆	3

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010, the market value of these securities was \$4,382,645, representing 2% of the Fund's long-term investments.

Fund Summary as of July 31, 2010

BlackRock MuniYield New York Insured Fund, Inc.

Fund Overview

BlackRock MuniYield New York Insured Fund, Inc. s (MYN) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New York State and New York City personal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City personal income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Fund returned 26.36% based on market price, and 16.15% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 21.26% based on market price, and 14.03% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s outperformance relative to its peer group resulted more from its price appreciation than its distributions, which were below average for the period. On average, the Fund had a neutral-to-positive duration bias over the period. This positioning along with a low cash balance resulted in positive capital appreciation. Overall the tax-exempt municipal market benefited from the Build America Bond Program, which made the taxable market accessible to municipal issuers. This alleviated supply pressure in the tax-exempt space, which, coupled with increased investor demand for municipals, resulted in a favorable supply-demand paradigm and strong performance. Many of the Fund s holdings began the period with depressed valuations resulting from their underperformance during the periods of dislocations in the credit market, which positioned them for more upward price movement potential as the market continued its recovery. We purchased a number of new issues structured with the goal of creating greater potential for price appreciation in response to declining interest rates. The Fund s exposure to the health and housing sectors and Puerto Rico credits also added to performance. Detracting from performance was the Fund s exposure to zero-coupon bonds, which underperformed as investors continued to favor the liquidity and defensiveness of current coupon bonds. The Fund s concentration in the longer end of the yield curve benefited the portfolio while the Fund s modest exposure to the short-term, high-grade, pre-refunded sector hindered performance.

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Fund Information

Symbol on NYSE	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2010 (\$13.57) ¹	6.19%
Tax Equivalent Yield ²	9.52%
Current Monthly Distribution per Common Share ³	\$0.07

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Current Annualized Distribution per Common Share ³	\$0.84
Leverage as of July 31, 2010 ⁴	37%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The Monthly Distribution per Common Share declared on September 1, 2010 was increased to \$0.071. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Fund's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 13.57	\$ 11.36	19.45%	\$ 13.57	\$ 11.32
Net Asset Value	\$ 13.89	\$ 12.65	9.80%	\$ 13.98	\$ 12.64

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

	7/31/10	7/31/09
Transportation	31%	29%
County/City/Special District/School District	29	31
State	11	11
Utilities	10	10
Education	7	5
Corporate	5	6
Health	4	4
Housing	2	3
Tobacco	1	1

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	44%	45%
AA/Aa	17	16
A	34	32
BBB/Baa	2	7
BB/Ba	3	

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

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their Common Shares. However, these objectives cannot be achieved in all interest rate environments.

To leverage, the Funds issue Preferred Shares, which pay dividends at prevailing short-term interest rates, and invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental net income.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to Preferred Shareholders are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of tender option bond (TOB) programs, as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund's NAV per share.

The use of leverage may enhance opportunities for increased returns to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Funds' net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate preferred shares issued by the Funds. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of July 31, 2010, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage
MUE	39%
MCA	40%
MYI	38%
MYM	37%
MYN	37%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. Each Fund's ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold a security that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments July 31, 2010

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 2.9%		
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	\$ 5,225	\$ 5,705,647
County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22	3,580	3,101,569
		<u>8,807,216</u>
Arizona 0.5%		
State of Arizona, COP, Department of Administration, Series A (AGM):		
5.25%, 10/01/28	1,175	1,221,730
5.00%, 10/01/29	305	309,688
		<u>1,531,418</u>
Arkansas 4.1%		
Arkansas Development Finance Authority, Refunding RB, Series C (NPFGC):		
5.35%, 12/01/11 (a)	1,050	1,129,380
5.35%, 12/01/35	11,115	11,235,598
		<u>12,364,978</u>
California 14.5%		
City of Vista California, COP, Refunding, Community Projects (NPFGC), 5.00%, 5/01/37	5,400	5,124,978
County of Sacramento California, RB, Senior Series A (AGC), 5.50%, 7/01/41	3,500	3,695,055
Dixon Unified School District California, GO, Election of 2002 (AGM), 5.20%, 8/01/44	1,890	1,902,833
Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	5,000	5,121,600
Modesto Schools Infrastructure Financing Agency, Special Tax Bonds (AMBAC), 5.50%, 9/01/36	4,240	3,925,265
Oceanside Unified School District California, GO, Series A (AGC), 5.25%, 8/01/33	3,175	3,292,507
Port of Oakland, RB, Series K, AMT (NPFGC), 5.75%, 11/01/21	2,975	2,976,993
Port of Oakland, Refunding RB, Series M, AMT (NPFGC), 5.38%, 11/01/27	2,220	2,221,909
Roseville Joint Union High School District California, GO, Election of 2004, Series A (NPFGC), 5.00%, 8/01/29	2,985	3,055,565

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Municipal Bonds	Par (000)	Value
California (concluded)		
Sacramento City Financing Authority California, RB, Capital Improvement (AMBAC), 5.00%, 12/01/27	\$ 150	\$ 151,457
San Francisco City & County Airports Commission, RB, Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	1,250	1,252,288
State of California, GO, Refunding, Veterans, Series BZ, AMT (NPFGC), 5.35%, 12/01/21	9,350	9,354,301
Stockton Public Financing Authority California, RB, Redevelopment Projects, Series A (Radian), 5.25%, 9/01/34	2,430	1,871,027
		43,945,778
Colorado 1.3%		
Colorado Health Facilities Authority, RB, Hospital, NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26	3,300	3,706,857
Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT, 7.50%, 4/01/31	155	164,787
		3,871,644
District of Columbia 0.8%		
District of Columbia, RB, Deed Tax, Housing Production Trust Fund, Series A (NPFGC), 5.00%, 6/01/32	2,500	2,519,975
Florida 20.3%		
City of Miami Florida, RB (NPFGC), 5.00%, 1/01/37	300	303,510
City of Orlando Florida, RB, Senior, 6th Cent Contract Payments, Series A (AGC), 5.25%, 11/01/38	675	663,235
County of Miami-Dade Florida, RB: CAB, Sub-Series A (NPFGC), 5.24%, 10/01/37 (b)	1,980	323,275
Miami International Airport, Series A, AMT (AGM), 5.25%, 10/01/41	13,785	13,838,486
Miami International Airport, Series A, AMT (AGM), 5.50%, 10/01/41	6,700	6,836,345
Series A, AMT (AGM), 5.00%, 10/01/33	6,730	6,567,134
Water & Sewer System (AGM), 5.00%, 10/01/39	11,010	11,327,749

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

ACA	ACA Financial Guaranty Corp.
AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.

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AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FGIC	Federal Guaranty Insurance Co.
FHA	Federal Housing Administration
GAN	Grant Anticipation Notes
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDRB	Industrial Development Revenue Bonds
ISD	Independent School District
MRB	Mortgage Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
PSF-GTD	Permanent School Fund Guaranteed
RB	Revenue Bonds
S/F	Single Family
SBPA	Stand-by Bond Purchase Agreement
SONYMA	State of New York Mortgage Agency
VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Florida (concluded)		
County of Miami-Dade Florida, Refunding RB, Water & Sewer System (AGM), 5.00%, 10/01/29	\$ 3,000	\$ 3,151,140
County of St. John s Florida, RB, CAB (AMBAC), 5.36%, 6/01/31 (b)	4,940	1,575,662
Jacksonville Port Authority, RB, AMT (AGC), 6.00%, 11/01/38	3,625	3,714,972
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	12,375	13,254,367
		<u>61,555,875</u>
Georgia 2.8%		
Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41	3,425	3,504,803
Metropolitan Atlanta Rapid Transit Authority, RB, Third Indenture, Series B (AGM), 5.00%, 7/01/34	4,830	5,050,924
		<u>8,555,727</u>
Idaho 0.1%		
Idaho Housing & Finance Association, RB, S/F Mortgage, Series E, AMT, 6.00%, 1/01/32	260	274,760
Illinois 7.6%		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	2,080	2,371,158
Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	3,400	3,927,340
City of Chicago Illinois, GO, Refunding, Projects, Series A (AGM):		
5.00%, 1/01/28	2,315	2,467,049
5.00%, 1/01/29	3,585	3,794,651
5.00%, 1/01/30	1,430	1,502,287
City of Chicago Illinois, RB, General, Third Lien, Series C (AGM), 5.25%, 1/01/35	2,085	2,161,749
City of Chicago Illinois, Refunding RB, Second Lien (NPFGC), 5.50%, 1/01/30	2,270	2,520,994
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	4,000	4,247,360
		<u>22,992,588</u>

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Indiana 3.5%

Indiana Municipal Power Agency, RB, Series A (NPFGC), 5.00%, 1/01/42	8,000	8,087,200
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,370	2,583,016
		10,670,216

Iowa 1.0%

Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29	2,915	3,070,690
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Kansas 0.5%

Sedgwick & Shawnee Counties Kansas, MRB, Series A-2, AMT (Ginnie Mae), 6.20%, 12/01/33	1,585	1,609,631
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Kentucky 0.9%

Kentucky Economic Development Finance Authority, RB, Louisville Arena, Sub-Series A-1 (AGC), 6.00%, 12/01/38	1,000	1,091,170
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29	1,525	1,660,115
		2,751,285

Municipal Bonds	Par (000)	Value
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Louisiana 1.3%

Louisiana State Citizens Property Insurance Corp., RB, Series C-3 (AGC), 6.13%, 6/01/25	\$ 3,550	\$ 3,951,682
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Maine 0.9%

City of Portland Maine, RB, General (AGM), 5.25%, 1/01/35	2,795	2,891,427
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Michigan 11.0%

City of Detroit Michigan, RB:		
Second Lien, Series B (NPFGC), 5.50%, 7/01/29	4,170	4,274,625
Senior Lien, Series B (AGM), 7.50%, 7/01/33	2,500	3,010,175
City of Detroit Michigan, Refunding RB:		
Second Lien, Series C (BHAC), 5.75%, 7/01/27	2,600	2,841,566
Second Lien, Series E (BHAC), 5.75%, 7/01/31	5,060	5,407,723
Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27	4,180	4,886,963
Senior Lien, Series C-2 (BHAC), 5.25%, 7/01/29	1,860	1,926,923
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):		
5.25%, 10/15/24	1,440	1,568,621
5.25%, 10/15/25	750	809,580
Michigan Strategic Fund, Refunding RB, AMT, Detroit Edison Co. (Syncora):		
Pollution, Series C, 5.65%, 9/01/29	2,935	2,939,432
Project, Series A, 5.50%, 6/01/30	2,000	1,950,360
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	3,115	3,719,559

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33,335,527

Minnesota 0.7%

City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	1,975	2,220,947
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Nevada 2.0%

County of Clark Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39	5,765	5,880,646
Nevada Housing Division, Refunding RB, S/F Mortgage, Mezzanine, Series A-2, AMT (NPFGC), 6.30%, 4/01/22	95	96,516

5,977,162

New Jersey 6.0%

New Jersey EDA, RB, Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33	11,000	11,209,880
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	3,400	3,629,364
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGC), 5.63%, 12/15/28	2,930	3,292,470

18,131,714

New York 0.8%

New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	2,300	2,460,264
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North Carolina 0.3%

North Carolina HFA, RB, Home Ownership, Series 14A, AMT (AMBAC), 5.35%, 1/01/22	1,060	1,067,314
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Pennsylvania 2.0%

Delaware River Port Authority, RB, Series D (AGC), 5.00%, 1/01/40	3,000	3,083,850
Pennsylvania Turnpike Commission, RB, Sub-Series B (AGM), 5.25%, 6/01/39	3,000	3,151,200

6,235,050

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Puerto Rico 1.3%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	\$ 3,500	\$ 3,864,140
South Carolina 5.5%		
South Carolina State Housing Finance & Development Authority, Refunding RB, Series A-2, AMT (AGM), 6.35%, 7/01/19	960	973,920
South Carolina State Public Service Authority, RB, Series A (AMBAC), 5.00%, 1/01/42	15,000	15,600,150
		<u>16,574,070</u>
Texas 19.1%		
City of Austin Texas, Refunding RB, Series A (AGM):		
5.00%, 11/15/28	1,795	1,921,637
5.00%, 11/15/29	2,270	2,414,486
City of Dallas Texas, Refunding RB (AGC), 5.25%, 8/15/38	2,100	2,181,102
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35	6,700	7,711,365
County of Bexar Texas, RB, Venue Project, Motor Vehicle Rental (BHAC), 5.00%, 8/15/39	1,805	1,867,760
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35	1,000	1,137,870
Lower Colorado River Authority, Refunding RB, LCRA Transmission Services Project (AGC), 5.50%, 5/15/36	2,935	3,124,043
Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42	1,250	1,348,738
North Texas Tollway Authority, RB, System, First Tier, Series K-2 (AGC), 6.00%, 1/01/38	1,000	1,113,750
North Texas Tollway Authority, Refunding RB System, First Tier (NPFGC):		
5.75%, 1/01/40	14,750	15,353,865
Series A, 5.13%, 1/01/28	3,950	4,066,446
Series A, 5.63%, 1/01/33	10,975	11,471,399
Series B, 5.75%, 1/01/40	1,000	1,040,940
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37	3,000	3,293,040
		<u>58,046,441</u>
Utah 1.4%		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	4,085	4,180,385

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Virginia 0.8%

Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35	2,195	2,548,505
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Washington 1.9%

Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series A, AMT (AMBAC), 5.45%, 7/01/37	3,840	3,839,808
Washington Health Care Facilities Authority, Refunding RB, Providence Health, Series C (AGM), 5.25%, 10/01/33	1,830	1,916,687
		5,756,495

Total Municipal Bonds 115.8%

351,762,904

**Municipal Bonds Transferred to
Tender Option Bond Trusts (c)**

Alabama 1.3%

Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	3,750	3,821,100
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**Municipal Bonds Transferred to
Tender Option Bond Trusts (c)**

**Par
(000)**

Value

California 3.6%

City of San Jose California, GO, Libraries, Parks, and Public Safety Project (NPFGC), 5.00%, 9/01/30	\$ 3,805	\$ 3,932,669
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	1,486	1,531,262
Sequoia Union High School District California, GO, Refunding, Election of 2004, Series B (AGM), 5.50%, 7/01/35	5,189	5,450,384
		10,914,315

Colorado 3.1%

Colorado Health Facilities Authority, RB, Catholic Health, Series C-3 (AGM), 5.10%, 10/01/41	9,410	9,535,435
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District of Columbia 0.6%

District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35	1,700	1,921,227
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Florida 7.9%

City of St. Petersburg Florida, Refunding RB (NPFGC), 5.00%, 10/01/35	6,493	6,560,241
County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 6.00%, 7/01/38	12,500	13,966,375
	3,000	3,309,570

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Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40			23,836,186
Georgia 2.2%			
Augusta-Richmond County Georgia, RB (AGM), 5.25%, 10/01/34			6,290 6,564,307
Illinois 6.4%			
City of Chicago Illinois, RB, Series A, (AGM), 5.00%, 1/01/33			15,000 15,179,175
City of Chicago Illinois, Refunding RB, Second Lien (AGM), 5.25%, 11/01/33			3,969 4,230,986
			19,410,161
Kentucky 0.8%			
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27			2,304 2,519,346
Massachusetts 1.7%			
Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30			4,994 5,238,548
Nevada 6.7%			
Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38			10,000 11,237,500
Series B, 5.50%, 7/01/29			8,247 9,128,661
			20,366,161
New Jersey 1.4%			
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29			3,941 4,102,214
New York 2.4%			
Sales Tax Asset Receivable Corp., RB, Series A (AMBAC), 5.25%, 10/15/27			6,751 7,349,069
Washington 2.5%			
City of Bellevue Washington, GO, Refunding (NPFGC), 5.50%, 12/01/39			6,883 7,601,709
Total Municipal Bonds Transferred to Tender Option Bond Trusts 40.6%			123,179,778
Total Long-Term Investments (Cost \$460,007,768) 156.4%			474,942,682

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)
(Percentages shown are based on Net Assets)

Short-Term Securities	Par (000)	Value
Florida 0.4%		
Jacksonville Health Facilities Authority VRDN, 0.25%, 8/02/10 (d)	\$ 1,115	\$ 1,115,000
	Shares	
Money Market Fund 5.7%		
FFI Institutional Tax-Exempt Fund, 0.21% (e)(f)	17,366,850	17,366,850
Total Short-Term Securities		
(Cost \$18,481,850) 6.1%		18,481,850
Total Investments (Cost \$478,489,618*) 162.5%		493,424,532
Other Assets Less Liabilities 1.3%		3,986,834
Liability for Trust Certificates, Including		
Interest Expense and Fees Payable (20.7)%		(62,737,649)
Preferred Shares, at Redemption Value (43.1)%		(131,006,425)
Net Assets Applicable to Common Shares 100.0%		\$ 303,667,292

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 415,974,538
Gross unrealized appreciation	\$ 17,911,774
Gross unrealized depreciation	(3,154,714)
Net unrealized appreciation	\$ 14,757,060

- (a) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal

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bonds transferred to tender option bond trusts.

- (d) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (e) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares at July 31, 2009	Net Activity	Shares at July 31, 2010	Income
FFI Institutional Tax-Exempt Fund	17,593,090	(226,240)	17,366,850	\$ 20,203

- (f) Represents the current yield as of report date.

Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of July 31, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities:				
Long-Term Investments ¹		\$ 474,942,682		\$ 474,942,682
Short-Term Securities	\$ 17,366,850	1,115,000		18,481,850
Total	\$ 17,366,850	\$ 476,057,682		\$ 493,424,532

¹ See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

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Schedule of Investments July 31, 2010

BlackRock MuniYield California Insured Fund, Inc. (MCA)
 (Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
California 90.1%		
Corporate 0.9%		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,691,674
University of California, RB, Limited Project, Series B (AGM), 5.00%, 5/15/33	1,740	1,774,765
		<u>4,466,439</u>
County/City/Special District/ School District 50.2%		
Arcadia Unified School District California, GO, Election of 2006, Series A (AGM), 5.00%, 8/01/37	9,000	9,200,340
Bay Area Governments Association, Refunding RB, California Redevelopment Agency Pool, Series A (AGM), 6.00%, 12/15/24	255	259,452
Brentwood Infrastructure Financing Authority California, Special Assessment Bonds, Refunding, Series A (AGM), 5.20%, 9/02/29	3,980	4,032,417
Central Unified School District, GO, Election of 2008, Series A (AGC), 5.50%, 8/01/29	2,000	2,186,960
Chabot-Las Positas Community College District California, GO, CAB, Election of 2004, Series 4-B (AMBAC), 5.17%, 8/01/26 (a)	6,705	2,608,245
Chino Basin Desalter Authority, Refunding RB, Series A (AGC), 5.00%, 6/01/35	1,305	1,322,644
Chino Valley Unified School District, GO, Election of 2002, Series C (NPFGC), 5.25%, 8/01/30	3,000	3,064,770
City of Riverside California, COP (AMBAC), 5.00%, 9/01/28	3,000	3,025,440
City of San Jose California, GO, Libraries, Parks, and Public Safety Project (NPFGC), 5.00%, 9/01/27	7,910	8,239,847
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	2,000	2,227,960
Fairfield-Suisun Unified School District California, GO, Election of 2002 (NPFGC), 5.50%, 8/01/28	2,500	2,647,225
Fontana Unified School District California, GO, Series A (AGM), 5.25%, 8/01/31	3,000	3,144,840
Fremont Unified School District Alameda County California, GO, Series A (NPFGC), 5.50%, 8/01/26	10,755	11,381,049
Fresno Joint Powers Financing Authority California, RB, Series A (AGM), 5.75%, 6/01/26	3,295	3,389,336
Glendora Unified School District California, GO, Election of 2005, Series A (NPFGC):		
5.00%, 8/01/27	1,350	1,430,271
5.25%, 8/01/30	2,730	2,889,596

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Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27	10,000	10,166,800
Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC): 5.00%, 7/01/27	5,240	5,546,068
5.00%, 7/01/35	6,825	7,062,100
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/39	1,500	1,585,635
Los Angeles Unified School District California, GO: Election of 2002, Series C (AGM), 5.00%, 7/01/32	10,000	10,204,700
Election of 2004, Series F (FGIC), 5.00%, 7/01/30	5,000	5,066,200
Los Gatos Union School District California, GO, Election of 2001, Series C (NPFGC), 5.13%, 8/01/32	1,075	1,103,832
Merced Community College District California, GO, School Facilities Improvement District No. 1 (NPFGC), 5.00%, 8/01/31	6,850	6,906,512

Municipal Bonds	Par (000)	Value
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California (continued)

**County/City/Special District/
School District (concluded)**

Murrieta Valley Unified School District Public Financing Authority, Special Tax Bonds, Refunding, Series A (AGC), 5.13%, 9/01/26	\$ 8,000	\$ 8,477,200
Orange County Water District, COP, Refunding, 5.25%, 8/15/34	9,045	9,671,004
Orchard School District California, GO, Election of 2001, Series A (AGC), 5.00%, 8/01/34	7,490	7,658,899
Oxnard Union High School District California, GO, Refunding, Series A (NPFGC), 6.20%, 8/01/30	9,645	10,422,483
Peralta Community College District California, GO, Peralta Community College (AGM), 5.00%, 8/01/37	6,195	6,341,945
Pittsburg Unified School District, GO, Election of 2006, Series B (AGM): 5.50%, 8/01/34	2,000	2,131,780
5.63%, 8/01/39	4,500	4,830,795
Port of Oakland, Refunding RB, Series M, AMT (NPFGC), 5.38%, 11/01/27	16,930	16,944,560
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,210,100
Riverside Unified School District California, GO, Series C (AGC), 5.00%, 8/01/32	5,010	5,126,082
Saddleback Valley Unified School District California, GO (AGM), 5.00%, 8/01/29	2,565	2,634,178
San Bernardino City Unified School District California, GO, Series A (AGM), 5.00%, 8/01/28	5,000	5,131,150
San Diego Community College District California, GO, Election of 2006 (AGM), 5.00%, 8/01/32	7,090	7,356,938
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/38	1,115	1,152,542
San Jose Redevelopment Agency California, Tax Allocation Bonds, Housing Set Aside Merged Area, Series E, AMT (NPFGC), 5.85%, 8/01/27	7,300	7,325,404
San Juan Unified School District California, GO, Election of 2002: (AGM), 5.00%, 8/01/34	6,475	6,654,617
(NPFGC), 5.00%, 8/01/28	4,250	4,362,030

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San Mateo County Transportation District California, Refunding RB, Series A (NPFGC), 5.00%, 6/01/29	4,350	4,547,099
Santa Rosa High School District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28	2,500	2,526,350
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,600	6,240,864
South Tahoe Joint Powers Financing Authority, RB, South Tahoe Redevelopment Project Area No. 1, Series A (AGM), 5.00%, 10/01/29	1,645	1,661,516
Ventura County Community College District, GO, Refunding, Series A (NPFGC), 5.00%, 8/01/27	3,395	3,562,170
Vista Unified School District California, GO, Series B (NPFGC), 5.00%, 8/01/28	2,550	2,617,218
West Contra Costa Unified School District California, GO, Election of 2002, Series B (AGM), 5.00%, 8/01/32	6,690	6,693,746
Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39	4,300	4,918,985
		252,891,894

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield California Insured Fund, Inc. (MCA)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
California (continued)		
Education 4.4%		
Chaffey Community College District, GO, Election of 2002, Series C (NPFGC):		
5.00%, 6/01/27	\$ 1,000	\$ 1,041,630
5.00%, 6/01/32	1,600	1,639,904
Escondido Union High School District, COP (AGM), 5.00%, 6/01/37	1,250	1,238,975
Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32	8,750	9,010,313
University of California, RB, Limited Project, Series D: (AGM), 5.00%, 5/15/37	2,775	2,871,653
(NPFGC), 5.00%, 5/15/37	5,340	5,510,186
(NPFGC), 5.00%, 5/15/41	1,000	1,026,560
		<u>22,339,221</u>
Health 2.6%		
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A:		
6.00%, 7/01/34	2,130	2,295,970
6.00%, 7/01/39	5,500	5,895,725
California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 6.00%, 10/01/23	3,685	3,853,146
California Statewide Communities Development Authority, Refunding RB, Catholic Healthcare West, Series D (BHAC), 5.50%, 7/01/31	1,010	1,067,600
		<u>13,112,441</u>
Housing 0.1%		
California Rural Home Mortgage Finance Authority, RB, AMT, Mortgage-Backed Securities Program (Ginnie Mae):		
Series A, 6.35%, 12/01/29	100	108,923
Series B, 6.25%, 12/01/31	70	70,773
County of San Bernardino California, Refunding RB, Home Mortgage-Backed Securities, Series A-1, AMT (Ginnie Mae), 6.25%, 12/01/31	140	146,070
		<u>325,766</u>
State 4.0%		
	3,500	3,768,450

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California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34		
State of California, GO, Various Purpose:		
6.00%, 3/01/33	5,000	5,412,500
6.50%, 4/01/33	9,875	11,105,524

20,286,474

Transportation 11.2%

City of San Jose California, RB, Series D (NPFGC), 5.00%, 3/01/28	4,575	4,610,639
County of Orange California, RB, Series B, 5.75%, 7/01/34	5,000	5,445,350
County of Sacramento California, RB:		
Senior-Series B AMT (AGM), 5.25%, 7/01/33	7,500	7,514,100
Subordinated and PFC/Grant, Series C (AGC), 5.75%, 7/01/39	5,380	5,786,567
Port of Oakland, RB, Series K, AMT (NPFGC), 5.75%, 11/01/29	11,405	11,405,570

Municipal Bonds	Par (000)	Value
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California (concluded)

Transportation (concluded)

San Francisco City & County Airports Commission, RB:		
Series E, 6.00%, 5/01/39	\$ 9,650	\$ 10,657,556
Special Facility Lease, SFO Fuel, Series A AMT (AGM), 6.10%, 1/01/20	1,000	1,001,830
Special Facility Lease, SFO Fuel, Series A AMT (AGM), 6.13%, 1/01/27	985	986,015
San Francisco City & County Airports Commission, Refunding RB, Second Series 34E, AMT (AGM):		
5.75%, 5/01/24	5,000	5,411,650
5.75%, 5/01/25	3,500	3,762,080

56,581,357

Utilities 16.7%

Castaic Lake Water Agency, COP, Refunding, 2001 Project, Series A (AGM), 5.00%, 8/01/30	1,000	1,030,160
City of Glendale California, RB (NPFGC), 5.00%, 2/01/32	4,390	4,431,047
City of Santa Clara California, RB, Sub-Series A (NPFGC), 5.00%, 7/01/28	5,500	5,556,265
Contra Costa Water District, Refunding RB:		
Series L (AGM), 5.00%, 10/01/32	4,135	4,269,718
Series O (AMBAC), 5.00%, 10/01/24	1,735	1,866,201
East Bay Municipal Utility District, RB, Series A (NPFGC), 5.00%, 6/01/37	6,500	6,813,755
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/33	4,125	4,344,161
El Centro Financing Authority California, RB, Series A (AGM), 5.25%, 10/01/35	1,100	1,106,248
Fortuna Public Financing Authority, RB (AGM), 5.00%, 10/01/36	1,500	1,507,005
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1 (AGM):		

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5.00%, 7/01/35	3,000	3,088,110
5.00%, 7/01/37	13,500	13,937,535
Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33	7,175	7,384,079
Oxnard Financing Authority, RB, Redwood Trunk Sewer & Headworks, Series A (NPFGC), 5.25%, 6/01/34	13,000	13,210,990
Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/27	7,070	7,408,158
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01 /31	3,000	3,080,130
Turlock Public Financing Authority California, RB, Series A (NPFGC), 5.00%, 9/15/33	3,000	3,041,370
Vallecitos Water District California, COP, Refunding, Series A (AGM), 5.00%, 7/01/27	2,000	2,082,960
		84,157,892
Total Municipal Bonds 90.1%		454,161,484

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield California Insured Fund, Inc. (MCA)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (b)	Par (000)	Value
California 67.7%		
Corporate 5.6%		
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	\$ 19,630	\$ 20,596,385
University of California, RB, Series L, 5.00%, 5/15/40	7,398	7,620,716
		<u>28,217,101</u>
County/City/Special District/ School District 32.4%		
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	12,150	12,387,168
Fremont Unified School District Alameda County California, GO, Election of 2002, Series B (AGM), 5.00%, 8/01/30	15,997	16,452,840
Lodi Unified School District California, GO, Election of 2002 (AGM), 5.00%, 8/01/29	10,260	10,428,469
Los Angeles Community College District California, GO, Series A: Election of 2001 (AGM), 5.00%, 8/01/32	12,000	12,313,440
Election of 2001 (NPFGC), 5.00%, 8/01/32	26,438	27,080,496
Election of 2008, Series A, 6.00%, 8/01/33	9,596	10,826,270
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,104,400
Ohlone Community College District, GO, Ohlone, Series B (AGM), 5.00%, 8/01/30	19,998	20,567,660
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30	10,000	10,297,600
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	7,550	7,770,687
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/30	7,350	7,565,355
San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34	10,497	10,904,287
San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32	11,400	11,456,772
		<u>163,155,444</u>
Education 6.7%		
California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/39	4,860	4,911,905
Los Angeles Community College District California, GO, Election of 2003, Series E (AGM), 5.00%, 8/01/31	7,497	7,692,763

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University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/41	8,000	8,236,000
Series O, 5.75%, 5/15/34	11,190	12,637,538
		33,478,206

Utilities 23.0%

Anaheim Public Financing Authority California, RB, Electric System Distribution Facilities, Series A (AGM), 5.00%, 10/01/31		
	3,568	3,585,381
City of Napa California, RB (AMBAC), 5.00%, 5/01/35		
	9,070	9,336,295
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35		
	15,000	15,546,000
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37		
	7,990	8,375,677
Los Angeles Department of Water & Power, RB: Power System, Sub-Series A-1 (AGM), 5.00%, 7/01/31		
	5,007	5,192,815
Power System, Sub-Series A-1 (AMBAC), 5.00%, 7/01/37		
	5,029	5,192,301
System, Sub-Series A-2 (AGM), 5.00%, 7/01/35		
	7,500	7,720,200

**Municipal Bonds Transferred to
Tender Option Bond Trusts (b)**

**Par
(000)**

Value

California (concluded)

Utilities (concluded)

Los Angeles Department of Water & Power, Refunding RB, Power System, Sub-Series A-2 (NPFGC), 5.00%, 7/01/27		
	\$ 16,000	\$ 16,688,640
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37		
	15,000	15,796,500
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34		
	9,277	9,566,845
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33		
	8,510	8,836,103
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31		
	10,000	10,267,100
		116,103,857

**Total Municipal Bonds Transferred to
Tender Option Bond Trusts 67.7%**

340,954,608

**Total Long-Term Investments
(Cost \$778,127,360) 157.8%**

795,116,092

Short-Term Securities

Shares

BIF California Municipal Money Fund, 0.04%, (c)(d)	39,049,939	39,049,939
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**Total Short-Term Securities
(Cost \$39,049,939) 7.8%**

39,049,939

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Total Investments (Cost \$817,177,299*)	165.6%	834,166,031
Other Assets Less Liabilities	1.5%	7,479,248
Liability for Trust Certificates, Including		
Interest Expense and Fees Payable	(34.0)%	(171,228,214)
Preferred Shares, at Redemption Value	(33.1)%	(166,548,530)
Net Assets Applicable to Common Shares	100.0%	\$ 503,868,535

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 646,442,072
Gross unrealized appreciation	\$ 19,105,839
Gross unrealized depreciation	(2,519,301)
Net unrealized appreciation	\$ 16,586,538

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (c) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares at July 31, 2009	Net Activity	Shares at July 31, 2010	Income
BIF California Municipal Money Fund	21,941,944	17,107,995	39,049,939	\$ 5,332