MUNIYIELD NEW YORK INSURED FUND INC
Form N-CSR
December 28, 2004

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: MuniYield New York Insured Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Terry K. Glenn, President, MuniYield New York Insured Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 10/31/04

Date of reporting period: 11/01/03 - 10/31/04

Item 1 - Report to Stockholders

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MuniYield New York
Insured Fund, Inc.

Annual Report
October 31, 2004

[LOGO] Merrill Lynch Investment Managers

MuniYield New York Insured Fund, Inc.

The Benefits and Risks of Leveraging

MuniYield New York Insured Fund, Inc. utilizes leveraging to seek to enhance the yield and net asset value of its Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, the Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of $100 million and the issuance of Preferred Stock 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 approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strong, positive slope. The fund pays dividends on the $50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of $150 million earns the income based on long-term interest rates. Of course, increases in short-term interest rates would reduce (and even eliminate) the dividends on the Common Stock.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As a part of its investment strategy, the Fund may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Fund to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed rate, tax-exempt securities. To the extent the Fund invests in inverse floaters, the market value of the Fund's portfolio and the net asset value of the Fund's shares may also be more volatile than if the Fund did not invest in such securities. As of October 31, 2004, the percentage of the Fund's total net assets invested in inverse floaters was 11.71%, before the deduction of Preferred Stock.

Swap Agreements

The Fund may also invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

A Letter From the President

Dear Shareholder

As we ended the current reporting period, the financial markets were facing a number of uncertainties. At the top of investors' minds were questions about economic expansion, corporate earnings, interest rates and inflation, politics, oil prices and terrorism.

After benefiting from aggressive monetary and fiscal policy stimulus, some fear the U.S. economy has hit a "soft patch." In fact, economic expansion has slowed somewhat in recent months, but we believe it is easing into a pace of growth that is sustainable and healthy. The favorable economic environment has served to benefit American corporations, which have continued to post strong earnings. Although the most impressive results were seen earlier in the year, solid productivity, improved revenue growth and cost discipline all point to a vital corporate sector.

In terms of inflation and interest rates, the Federal Reserve Board (the Fed) has signaled its confidence in the economic recovery by increasing the Federal Funds target rate four times in the past several months, from 1% to 2% as of the November 10 Federal Open Market Committee meeting. Inflation, for its part, has remained in check. Investors and economists are focused on how quickly Fed policy will move from here.

With the presidential election now behind us, any politically provoked market angst should subside to some extent. The effect of oil prices, however, is more difficult to predict. At around $50 per barrel, the price of oil is clearly a concern. However, on an inflation-adjusted basis and considering modern usage levels, the situation is far from the crisis proportions we saw in the 1980s. Finally, although terrorism and geopolitical tensions are realities we are forced to live with today, history has shown us that the financial effects of any single event tend to be short-lived.

Amid the uncertainty, the Lehman Brothers Municipal Bond Index posted a 12-month return of +6.03% and a six-month return of +4.79% as of October 31, 2004. Long-term bond yields were slightly lower at October 31, 2004 than they were a year earlier. As always, our investment professionals are closely monitoring the markets, the economy and the overall environment in an effort to make well-informed decisions for the portfolios they manage. For the individual investor, the key during uncertain times is to remain focused on the big picture. Investment success comes not from reacting to short-term volatility, but from maintaining a long-term perspective and adhering to the disciplines of asset allocation, diversification and rebalancing. We encourage you to work with your financial advisor to ensure these time-tested techniques are incorporated into your investment plan.

We thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

/s/ Terry K. Glenn

Terry K. Glenn
President and Director

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A Discussion With Your Fund's Portfolio Manager

We continued to focus on increasing the Fund's yield while also looking to improve the portfolio's liquidity and flexibility in order to better respond to changing market conditions.

Describe the recent market environment relative to municipal bonds.

Over the past 12 months, amid considerable monthly volatility, long-term U.S. Treasury bond yields generally moved lower -- despite an increase in short-term interest rates by the Federal Reserve Board (the Fed). On October 31, 2004, the 30-year Treasury bond yield stood at 4.79%, a decline of 34 basis points (.34%) from a year earlier. The yield on the 10-year U.S. Treasury note was 4.02%, a 27 basis point drop during the same 12-month period.

While tax-exempt bond yields followed the same pattern as their taxable counterparts, volatility in the municipal market was more subdued. Yields on long-term revenue bonds, as measured by the Bond Buyer Revenue Bond Index, fell 27 basis points during the past 12 months. According to Municipal Market Data, yields on AAA-rated issues maturing in 30 years declined 22 basis points to 4.60%, while yields on 10-year AAA-rated issues dropped 28 basis points to 3.40%.

While more than $360 billion in new long-term tax-exempt bonds was issued in the past 12 months, this represented a decline of approximately 6% compared to the previous year. In New York, supply was even further limited, with a year-over-year decline of 16% as of October 31, 2004.

Describe conditions in the State of New York.

New York maintains credit ratings of A2 from Moody's Investors Service, AA from Standard & Poor's and AA- from Fitch. Moody's recently assigned a positive outlook to the state's credit rating, while Fitch carries a stable trend and Standard & Poor's applies a negative outlook.

The weakened economy continued to put pressure on New York's budget. Despite spending cuts and significant increases in personal and sales tax rates, the state relied on one-time revenue sources, particularly $4.2 billion in proceeds from tobacco settlement revenue bonds, to close its budget gap in fiscal year 2004 (which ended March 31, 2004).

The state's 2005 fiscal year opened without an adopted budget. The governor's executive budget totals $99 billion and recommends closing a $5 billion gap through $2.6 billion in spending cuts and $1.5 billion in non-recurring sources, significantly less than the prior two fiscal years. Adopting and maintaining a balanced budget has been complicated by political resistance to additional tax hikes and cuts in popular programs, as well as pressures from local governments for pension and Medicaid relief, and a lack of readily available one-time revenue sources. The proposed budget also does not address a lawsuit recently won by the Campaign for Fiscal Equity that could require up to $2 billion in annual state education spending.

How did the Fund perform during the fiscal year in light of the existing market conditions?

For the 12-month period ended October 31, 2004, the Common Stock of MuniYield New York Insured Fund, Inc. had net annualized yields of 5.66% and 6.35%, based on a year-end per share net asset value of $14.81 and a per share market price of $13.20, respectively, and $.838 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +6.53%, based on an unchanged per share net asset value of $14.81, and assuming reinvestment of ordinary income dividends.

The Fund's total return, based on net asset value, lagged the +8.35% average return of the Lipper New York Insured Municipal Debt Funds category for the 12-month period. (Funds in this Lipper category invest primarily in securities exempt from taxation in New York and insured as to timely payment.) Fund performance was a reflection of our defensive market stance, which we employed in anticipation of a growing economy and rising interest rates. The defensive positioning, including a relatively short duration, was designed to reduce volatility in the portfolio and mitigate the negative price impact associated with a rise in interest rates.

The Fund's yield continued to be attractive throughout the year. In fact, the Fund was able to increase its dividend reserves, which should help maintain an attractive income stream, even in less favorable market scenarios.

For the six-month period ended October 31, 2004, the total investment return on the Fund's Common Stock was +6.62%, based on a change in per share net asset value from $14.35 to $14.81, and assuming reinvestment of ordinary income dividends.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common stock may vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the year?

Given the decline in new issuance of New York municipal bonds, opportunities to restructure the portfolio have been somewhat limited. In general, we focused on increasing the Fund's yield while also improving liquidity and diversification in the portfolio, giving it the flexibility to capitalize on market opportunities as they arise. This involved selling some of the portfolio's lower-yielding, less-appealing bonds while seeking to add more attractively structured issues in the 25-year to 30-year maturity range. In addition, by selling some of our less-appealing uninsured bonds, we freed up the portfolio's uninsured basket somewhat, thereby allowing us the flexibility to add higher-yielding uninsured bonds as they become available.

The Fund also disposed of its holding of Cicero bonds and liquidated its position in unenhanced tobacco bonds.

The average yields for the Fund's Auction Market Preferred Stock (AMPS) for the six months ended October 31, 2004, were: 1.12% for Series A; .86% for Series B; 1.11% for Series C; 1.01% for Series D; and 1.09% for Series E. These attractive funding levels, in combination with the steep municipal yield curve, continued to provide a significant income benefit to the Fund's Common Stock shareholders from the leveraging of Preferred Stock. While the Fed is likely to continue raising short-term interest rates, the increases are expected to be gradual and should not have an immediate material impact on the positive advantage leverage has had on the Fund's Common Stock yield. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 30.74% of total net assets. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the portfolio's position at the close of the period?

We found ourselves in an unprecedented market in the past year. As the Fed increased short-term interest rates, yields on longer-dated bonds actually declined as their prices rallied. While our defensive stance was a detriment under these circumstances, we believe it is the prudent course going forward. We expect the Fed to continue its measured program of interest rate increases, which should force long-term bond yields higher. Thus, our defensive stance should lessen the Fund's net asset value volatility, while also continuing to generate an attractive yield for our shareholders.

We continue to maintain a fully invested portfolio targeting bonds with 25- to 30-year maturities. We are looking for opportunities to participate in bonds that appeal to retail as well as institutional investors, and believe that legislation through the "Liberty Program" should encourage new issuance. The legislation, passed after the events of September 11, 2001, allows for additional re-funding and provides for certain projects that would benefit New York City rebuilding efforts. The increased issuance could provide more attractive trading opportunities and the potential to further diversify the portfolio.

Timothy T. Browse, CFA
Vice President and Portfolio Manager

November 9, 2004

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Schedule of Investments (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York--132.0%				
	AAA	Aaa	$ 23,790	Albany County, New York, Airport Authorit Bonds, AMT, 6% due 12/15/2023 (c)
	AAA	Aaa	8,200	Buffalo and Fort Erie, New York, Public B Bridge System Revenue Bonds, 5.75% due 1/
				Buffalo, New York, School, GO, Series D (
	AAA	Aaa	1,250	5.50% due 12/15/2014
	AAA	Aaa	1,500	5.50% due 12/15/2016
	AAA	Aaa	4,300	Buffalo, New York, Sewer Authority, Reven Series F, 6% due 7/01/2013 (b)
	AAA	Aaa	1,700	Dutchess County, New York, Resource Recov Bonds (Solid Waste System--Forward), Seri due 1/01/2013 (d)

			Erie County, New York, IDA, School Facili of Buffalo Project) (c):
AAA	Aaa	1,900	5.75% due 5/01/2020
AAA	Aaa	5,250	5.75% due 5/01/2024
			Huntington, New York, GO, Refunding (a):
NR*	Aaa	485	5.50% due 4/15/2011
NR*	Aaa	460	5.50% due 4/15/2012
NR*	Aaa	455	5.50% due 4/15/2013
NR*	Aaa	450	5.50% due 4/15/2014
NR*	Aaa	450	5.50% due 4/15/2015
NR*	Aaa	1,675	Ilion, New York, Central School District, due 6/15/2010 (b)(e)
			Long Island Power Authority, New York, El Bonds, Series A (a):
AAA	Aaa	7,000	5% due 9/01/2029
AAA	Aaa	5,000	5% due 9/01/2034
NR*	Aaa	975	Manhasset, New York, Union Free School Di due 9/15/2027 (b)
AAA	Aaa	2,000	Metropolitan Transportation Authority, Ne Facilities Revenue Bonds, Series A, 5.75%
AAA	Aaa	10,000	Metropolitan Transportation Authority, Ne Facilities Revenue Refunding Bonds, Serie due 7/01/2018 (b)(h)
			Metropolitan Transportation Authority, Ne Fund Revenue Bonds, Series A:
AAA	Aaa	7,280	5% due 11/15/2031 (b)
AAA	Aaa	1,015	5% due 11/15/2032 (c)
			Metropolitan Transportation Authority, Ne Fund Revenue Refunding Bonds, Series A:
AAA	Aaa	7,500	5.50% due 11/15/2026 (c)
AAA	Aaa	10,000	5% due 11/15/2030 (d)
			Metropolitan Transportation Authority, Ne Refunding Bonds:
NR*	Aaa	28,900	RIB, Series 724X, 9.49% due 11/15/2
AAA	Aaa	2,500	Series A, 5.50% due 11/15/2018 (a)
AAA	Aaa	1,740	Series A, 5.125% due 11/15/2022
AAA	Aaa	2,500	Series A, 5.25% due 11/15/2031 (b)
AAA	Aaa	1,500	Series B, 5% due 11/15/2028 (d)
AAA	Aaa	2,000	Metropolitan Transportation Authority, Ne Contract Revenue Refunding Bonds, Series

Portfolio Abbreviations

To simplify the listings of MuniYield New York Insured Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts

GO	General Obligation Bonds
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
RIB	Residual Interest Bonds
VRDN	Variable Rate Demand Notes

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Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York (continued)				
				Metropolitan Transportation Authority, Ne Facilities Revenue Refunding Bonds, Serie
	AAA	Aaa	$ 2,885	5.125% due 1/01/2012
	AAA	Aaa	1,640	5.125% due 7/01/2012
	AAA	Aaa	2,500	Metropolitan Transportation Authority, Ne Revenue Bonds, Series A, 5% due 11/15/203
				Metropolitan Transportation Authority, Ne Revenue Refunding Bonds (d):
	AAA	Aaa	800	Series E, 5.125% due 11/15/2024
	AAA	Aaa	6,235	Series F, 5.25% due 11/15/2027
	AAA	Aaa	8,200	Series F, 5% due 11/15/2031
				Monroe County, New York, IDA, Revenue Bon Project), AMT:
	NR*	Aa1	1,400	6.125% due 2/01/2020
	NR*	Aa1	1,125	6.25% due 2/01/2031
	AAA	Aaa	12,130	Nassau Health Care Corporation, New York, Bonds, 5.75% due 8/01/2009 (c)(e)(m)
	BBB	A3	455	New York City, New York, City Health and Health System Revenue Bonds, Series A, 5.
	AAA	Aaa	3,000	New York City, New York, City Health and Health System Revenue Refunding Bonds, Se due 2/15/2012 (a)
	AAA	Aaa	1,275	New York City, New York, City IDA, Civic Refunding Bonds (Nightingale-Bamford Scho due 1/15/2018 (a)
	AAA	Aaa	13,175	New York City, New York, City IDA, IDR (J AMT, 6% due 11/01/2015 (c)
	AAA	Aaa	7,970	New York City, New York, City IDA, Parkin Bonds (Royal Charter--New York Presbyteri due 12/15/2029 (c)
	AAA	Aaa	14,970	New York City, New York, City IDA, Specia

			Bonds (Terminal One Group), AMT, 6.125% d
AAA	Aaa	500	New York City, New York, City Municipal W Water and Sewer System Crossover Revenue Series F, 5% due 6/15/2029 (c)
			New York City, New York, City Municipal W Water and Sewer System Revenue Bonds:
NR*	Aaa	12,500	RIB, Series 726X, 9.49% due 6/15/20
AAA	Aaa	2,850	Series A, 5.75% due 6/15/2031 (b)
AAA	Aaa	4,085	Series B, 5.75% due 6/15/2006 (d)(e
AAA	Aaa	17,200	Series B, 5.75% due 6/15/2029 (d)
			New York City, New York, City Municipal W Water and Sewer System Revenue Refunding
AAA	Aaa	5,000	5.50% due 6/15/2033 (d)
AAA	Aaa	2,250	Series A, 5.375% due 6/15/2026 (c)
AAA	Aaa	1,250	Series A, 5.125% due 6/15/2034 (d)
AAA	Aaa	7,015	Series B, 5.75% due 6/15/2026 (d)
AAA	Aaa	1,020	New York City, New York, City Transit Aut Transportation Authority, Triborough, COP due 1/01/2012 (a)
AAA	Aaa	1,000	New York City, New York, City Transitiona Refunding Bonds, Future Tax Secured Reven due 5/01/2030 (a)
			New York City, New York, City Transitiona Revenue Bonds, Future Tax Secured:
AAA	Aaa	6,805	Series B, 6.25% due 5/15/2010 (b)(e
AA+	Aa2	800	Series B, 6.25% due 5/15/2010 (e)
AA+	Aa2	3,160	Series C, 5.50% due 5/01/2025
AAA	Aaa	16,195	Series C, 5% due 2/01/2033 (b)
AAA	Aaa	8,020	Series E, 5.25% due 2/01/2017 (b)
AAA	Aaa	2,500	Series E, 5.25% due 2/01/2022 (d)

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York (continued)				
				New York City, New York, City Transitiona Revenue Refunding Bonds:
	AAA	Aaa	$ 3,000	Future Tax Secured, Series D, 5.25%
	AAA	Aaa	1,000	Series A, 5% due 11/15/2026 (b)
				New York City, New York, GO:
	NR*	Aaa	11,042	RIB, Series 725X, 9.49% due 3/15/20
	AAA	Aaa	3,000	Series A, 5.75% due 5/15/2024 (b)

AAA	Aaa	2,500	Series B, 5.75% due 8/01/2013 (d)
A	A2	3,750	Series D, 5.25% due 10/15/2023
A	A2	8,000	Series J, 5% due 5/15/2023
A	A2	2,295	Sub-Series C-1, 4.75% due 8/15/2025
A	A2	1,150	Sub-Series C-1, 5.25% due 8/15/2026
A	A2	750	Sub-Series C-1, 5.10% due 8/15/2027
			New York City, New York, GO, Refunding:
AAA	A2	315	Series A, 6.375% due 5/15/2010 (b)(
AAA	A2	685	Series A, 6.375% due 5/15/2013 (b)
AAA	A2	70	Series B, 7% due 2/01/2018 (a)
A	A2	2,285	Series G, 5.75% due 2/01/2006 (e)
A	A2	1,365	Series G, 5.75% due 2/01/2020
			New York City, New York, Sales Tax Asset Revenue Bonds, Series A (a):
AAA	Aaa	10,000	5.25% due 10/15/2027
AAA	Aaa	10,000	5% due 10/15/2032
			New York City, New York, Trust for Cultur Refunding Bonds (American Museum of Natur Series A (d):
AAA	Aaa	4,250	5% due 7/01/2036
AAA	Aaa	6,250	5% due 7/01/2044
AAA	Aaa	2,345	New York State Dormitory Authority, Hospi Bonds (The New York-Presbyterian Hospital due 8/15/2019 (c)
AAA	Aaa	1,230	New York State Dormitory Authority, Menta Revenue Bonds, Series B, 5.25% due 2/15/2
			New York State Dormitory Authority Revenu
AAA	NR*	4,045	(Eger Health Care and Rehabilitatio due 8/01/2037 (i)
AAA	Aaa	500	(Fordham University), 5% due 7/01/2
AA	NR*	1,500	(Long Island University), Series B, due 9/01/2028 (k)
AA-	NR*	1,840	(Mental Health Services Facilities 5.25% due 2/15/2023
AAA	Aaa	2,000	(New School for Social Research), 5
AAA	Aaa	1,180	(New York State Rehabilitation Asso 5.25% due 7/01/2019 (j)
AAA	Aaa	1,000	(New York State Rehabilitation Asso 5.125% due 7/01/2023 (j)
AAA	Aaa	6,900	(School Districts Financing Program due 10/01/2030 (d)
AAA	Aaa	1,000	Series B, 6.50% due 2/15/2011 (d)(h
AAA	Aaa	3,560	(State University Adult Facilities) due 5/15/2010 (c)(e)
AAA	Aaa	710	(Upstate Community Colleges), Serie due 7/01/2015 (c)
AAA	Aaa	1,070	(Upstate Community Colleges), Serie due 7/01/2016 (c)
			New York State Dormitory Authority, Reven
AAA	Aaa	1,000	(City University System), Consolida due 1/01/2008 (c)(e)
AAA	Aaa	4,400	(City University System), Series C, due 7/01/2010 (b)
AAA	A3	4,255	(Mental Health Services Facilities 5.75% due 2/15/2007 (d)(e)

AAA	A3	150	(Mental Health Services Facilities 5.75% due 2/15/2027 (d)
AAA	Aaa	1,370	(School District Financing Program) due 10/01/2018 (d)
AAA	Aaa	6,000	(Siena College), 5.75% due 7/01/202

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Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York (continued)				
				New York State Dormitory Authority, State Education Revenue Bonds, Series A:
	AA	A1	$ 1,625	5% due 3/15/2027
	AAA	Aaa	3,000	5% due 3/15/2032 (d)
	AAA	Aaa	12,750	New York State Energy Research and Develo Facilities Revenue Refunding Bonds (Conso New York), Series A, 6.10% due 8/15/2020
	AAA	Aaa	4,555	New York State Energy Research and Develo Facilities Revenue Bonds (Brooklyn Union Series B, 6.75% due 2/01/2024 (d)
	AAA	Aaa	3,500	New York State Environmental Facilities C Obligation Revenue Refunding Bonds (River 6.25% due 4/01/2012 (a)
	AAA	Aaa	2,405	New York State HFA Revenue Refunding Bond Project), Series A, 6.10% due 11/01/2015
	AAA	Aaa	800	New York State Housing Finance Agency, St Tax Revenue Bonds (Economic Development a 5% due 9/15/2023 (d)
	A1+	Aaa	8,000	New York State Local Government Assistanc Refunding Bonds, Sub Lien, VRDN, Series 4 due 4/01/2022 (c)(g)
				New York State Medical Care Facilities Fi Bonds, Series A:
	AAA	Aaa	5,375	(Health Center Project--Second Mort due 11/15/2019 (a)
	AAA	Aaa	1,500	(Mental Health Services), 6% due 2/
	AAA	Aa2	2,000	New York State Medical Care Facilities Fi Refunding Bonds (Hospital and Nursing Hom due 2/15/2025 (i)
	AAA	Aaa	9,645	New York State Mortgage Agency, Homeowner Refunding Bonds, AMT, Series 67, 5.80% du

AAA	Aaa	2,850	New York State Mortgage Agency Revenue Bo Series 295, 9.676% due 4/01/2030 (d)(f)
			New York State Municipal Bond Bank Agency Purpose Revenue Bonds, Series C:
A+	NR*	3,470	5.25% due 6/01/2019
A+	NR*	3,920	5.25% due 6/01/2020
A+	NR*	2,250	5.25% due 6/01/2021
AAA	Aaa	2,820	New York State Thruway Authority, Highway Revenue Bonds, Series A, 6.25% due 4/01/2
AAA	Aaa	2,000	New York State Thruway Authority, Local H Service Contract Revenue Bonds, Series A- due 4/01/2008 (d)(e)
			New York State Thruway Authority, Local H Service Contract Revenue Refunding Bonds
AAA	Aaa	2,170	6% due 4/01/2007 (e)
AAA	Aaa	1,330	6% due 4/01/2011
AAA	Aaa	2,075	6% due 4/01/2012
AAA	Aaa	3,045	New York State Thruway Authority, Second Bridge Trust Fund Revenue Bonds, Series A due 4/01/2023 (d)
AAA	Aaa	3,000	New York State Thruway Authority, Service Bonds (Local Highway and Bridges Project) due 4/01/2010 (a)(e)
AAA	Aaa	1,525	New York State Thruway, Transportation Au Personal Income Tax Revenue Bonds, Series due 3/15/2020 (d)
			New York State Urban Development Corporat Tax Revenue Bonds, Series C-1 (d):
AAA	Aaa	1,750	5% due 3/15/2023
AAA	Aaa	3,000	5% due 3/15/2033
AAA	Aaa	3,190	New York State Urban Development Corporat Bonds (Correctional Capital Facilities), due 1/01/2011 (c)

Schedule of Investments (continued)   (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York (continued)				

			Niagara County, New York, IDA, Solid Wast Refunding Bonds, AMT:
BBB	Baa1	$ 8,000	Series A, 5.45% due 11/15/2026
BBB	Baa1	2,000	Series C, 5.625% due 11/15/2024
AAA	Aaa	1,000	Niagara Falls, New York, GO (Water Treatm due 11/01/2010 (d)
AAA	Aaa	1,100	Niagara Falls, New York, Public Water Aut Sewer System Revenue Bonds, Series A, 5.5
AAA	Aaa	2,705	Niagara, New York, Frontier Authority, Ai (Buffalo Niagara International Airport), due 4/01/2019 (d)
AAA	Aaa	1,260	North Country, New York, Development Auth Management System Revenue Refunding Bonds
			North Hempstead, New York, GO, Refunding,
AAA	Aaa	1,745	6.40% due 4/01/2013
AAA	Aaa	555	6.40% due 4/01/2017
AAA	Aaa	1,665	Oneida County, New York, IDA, Civic Facil (Mohawk Valley), Series A, 5.20% due 2/01
			Port Authority of New York and New Jersey Bonds, AMT:
AAA	Aaa	2,180	97th Series, 6.50% due 7/15/2019 (b
AAA	Aaa	2,500	137th Series, 5.125% due 7/15/2030
AAA	Aaa	4,000	Port Authority of New York and New Jersey Refunding Bonds, AMT, 119th Series, 5.50%
NR*	Aaa	4,075	Port Authority of New York and New Jersey Receipts, AMT, Class R, Series 10, 9.654%
AAA	NR*	7,500	Port Authority of New York and New Jersey Bonds, DRIVERS, AMT, Series 177, 9.932% d
			Port Authority of New York and New Jersey Revenue Bonds, AMT (d):
AAA	NR*	1,750	DRIVERS, Series 192, 9.431% due 12/
AAA	NR*	5,080	DRIVERS, Series 278, 9.43% due 12/0
AAA	Aaa	14,750	(JFK International Air Terminal), S due 12/01/2010
AAA	Aaa	7,175	(JFK International Air Terminal LLC due 12/01/2011
AAA	Aaa	4,425	(Special Project--JFK International Series 6, 6.25% due 12/01/2013
AAA	Aaa	7,380	(Special Project--JFK International Series 6, 6.25% due 12/01/2014
AAA	Aaa	1,255	Rensselaer County, New York, IDA, Civic F (Polytech Institute), Series B, 5.50% due
A	A3	4,625	Suffolk County, New York, IDA, IDR (Keysp AMT, 5.25% due 6/01/2027
			Suffolk County, New York, IDA, Solid Wast Revenue Refunding Bonds (Ogden Martin Sys Project), AMT (a):
AAA	Aaa	8,530	6% due 10/01/2010

	AAA	Aaa	9,170	6.15% due 10/01/2011
	AAA	Aaa	6,470	6.25% due 10/01/2012
				Tobacco Settlement Financing Corporation Bonds:
	AAA	Aaa	5,000	Series A-1, 5.25% due 6/01/2020 (a)
	AAA	Aaa	5,000	Series A-1, 5.25% due 6/01/2021 (a)
	AAA	Aaa	2,000	Series A-1, 5.25% due 6/01/2022 (a)
	AA-	A3	2,000	Series C-1, 5.50% due 6/01/2021
	AA-	A3	1,900	Series C-1, 5.50% due 6/01/2022
				Triborough Bridge and Tunnel Authority, N Purpose Revenue Refunding Bonds (d):
	AAA	Aaa	2,500	Series A, 5% due 1/01/2032
	AAA	Aa3	2,305	Series Y, 6% due 1/01/2012 (h)

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
New York (concluded)				
				Triborough Bridge and Tunnel Authority, N Refunding Bonds (d):
	AAA	Aaa	$ 7,000	5.25% due 11/15/2023
	AAA	Aaa	22,175	5% due 11/15/2032
	AAA	Aaa	1,500	Series B, 5% due 11/15/2032
				Triborough Bridge and Tunnel Authority, N Revenue Bonds:
	AAA	Aaa	2,465	5% due 11/15/2028 (a)
	AAA	Aaa	2,500	5% due 11/15/2032 (b)
	AAA	Aaa	6,000	Series A, 5.25% due 11/15/2030 (d)
	NR*	A3	2,500	United Nations Development Corporation, N Refunding Bonds, Senior Lien, Series A, 5
	AAA	Aaa	1,680	Warren & Washington Counties, New York, I Revenue Bonds (Glens Falls Hospital Proje due 12/01/2035 (c)
	AAA	Aaa	2,010	Yonkers, New York, GO, Series A, 5.75% du
Guam--0.8%				
				A.B. Won Guam International Airport Autho Refunding Bonds, AMT, Series C (d):
	AAA	Aaa	2,240	5.25% due 10/01/2021
	AAA	Aaa	2,050	5.25% due 10/01/2022
Puerto Rico--10.4%				

			Puerto Rico Commonwealth, GO, Refunding,
AAA	Aaa	9,395	4% due 7/01/2031 (b)
AAA	Aaa	2,500	5% due 7/01/2031 (c)
			Puerto Rico Commonwealth Highway and Tran
			Transportation Revenue Bonds:
AAA	Aaa	1,900	5.25% due 7/01/2018 (b)
AAA	Aaa	2,265	Series G, 5.25% due 7/01/2019 (b)
AAA	Aaa	1,000	Series G, 5.25% due 7/01/2021 (b)
AAA	Aaa	1,250	Trust Receipts, Class R, Series B, due 7/01/2035 (d)(f)
A	Baa1	8,495	Puerto Rico Commonwealth, Highway and Tra Transportation Revenue Refunding Bonds, S due 7/01/2041
			Puerto Rico Commonwealth, Public Improvem
A-	Baa1	4,605	5.25% due 7/01/2019
A-	Baa1	7,480	5.25% due 7/01/2020
A-	A3	4,750	Puerto Rico Electric Power Authority, Pow Series NN, 5.125% due 7/01/2029
AAA	Aaa	3,000	Puerto Rico Public Buildings Authority, G Revenue Refunding Bonds, Series J, 5% due
			Puerto Rico Public Finance Corporation, C
			Appropriation Revenue Bonds, Series E:
BBB+	Baa2	2,300	5.50% due 2/01/2012 (e)
BBB+	Baa2	700	5.50% due 8/01/2029
AAA	NR*	6,100	Puerto Rico Public Finance Corporation Re Series 272, 9.32% due 8/01/2030 (f)
			Total Municipal Bonds (Cost--$785,350)--1

[LOGO] Merrill Lynch Investment Managers

Schedule of Investments (concluded) (in Thousands)

Shares Held	Short-Term Securities
52	CMA New York Municipal Money Fund (l)
	Total Short-Term Securities (Cost--$52)--

Total Investments (Cost--$785,402**)--143.2%

Other Assets Less Liabilities--1.1%

Preferred Stock, at Redemption Value--(44.3%)

Net Assets Applicable to Common Stock--100.0%

* Not Rated.

** The cost and unrealized appreciation/depreciation of investments as of October 31, 2004, as computed for federal income tax purposes, were as follows:

	(in Thousands)
Aggregate cost	$785,529
Gross unrealized appreciation	$ 51,425
Gross unrealized depreciation	(164)
Net unrealized appreciation	$ 51,261

\+ Ratings of issues shown are unaudited.

(a) AMBAC Insured.

(b) FGIC Insured.

(c) FSA Insured.

(d) MBIA Insured.

(e) Prerefunded.

(f) The interest rate is subject to change periodically and inversely based upon prevailing market rates. The interest rate shown is the rate in effect at October 31, 2004.

(g) The interest rate is subject to change periodically based upon prevailing market rates. The interest rate shown is the rate in effect at October 31, 2004.

(h) Escrowed to maturity.

(i) FHA Insured.

(j) CIFG Insured.

(k) Radian Insured.

(l) Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

(in Thousands)

Affiliate	Net Activity	Dividend Income
CMA New York Municipal Money Fund	8	$6

(m) All or a portion of security held as collateral in connection with open future contracts. Forward interest rate swaps outstanding as of October 31, 2004 were as follows:

(in Thousands)

	Notional Amount	Unrealized Depreciation
Receive a variable rate equal to the change in 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.679% interest Broker, Morgan Stanley Capital		

Services, Inc. Expires December 2014	$83,000	$(1,493)

Financial futures contracts sold as of October 31, 2004 were as follows:

(in Thousands)

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
405	10-Year U.S. Treasury Notes	December 2004	$45,569	$(424)

See Notes to Financial Statements.

Statement of Net Assets

As of October 31, 2004

Assets		
	Investments in unaffiliated securities, at value (identified cost--$785,350,281)	
	Investments in affiliated securities, at value (identified cost--$51,720)	
	Cash	
	Receivables:	
	Securities sold	$ 1
	Interest	1
	Dividends from affiliates	----
	Prepaid expenses	
	Total assets	
Liabilities		
	Unrealized depreciation on forward interest rate swaps	
	Payables:	
	Securities purchased	2
	Investment adviser	
	Dividends to Common Stock shareholders	
	Variation margin	
	Other affiliates	----
	Accrued expenses and other liabilities	
	Total liabilities	
Preferred Stock		
	Preferred Stock, at redemption value, par value $.05 per share	

(1,700 Series A Shares, 1,700 Series B Shares, 2,800 Series C Shares, 1,960 Series D Shares and 2,200 Series E Shares of AMPS* authorized, issued and outstanding at $25,000 per share liquidation preference) ....

Net Assets Applicable to Common Stock	
Net assets applicable to Common Stock	

Analysis of Net Assets Applicable to Common Stock		
Common Stock, par value $.10 per share (39,445,962 shares issued and outstanding)		
Paid-in capital in excess of par		
Undistributed investment income--net	$	
Accumulated realized capital losses--net	(3	
Unrealized appreciation--net	4	
Total accumulated earnings--net		
Total--Equivalent to $14.81 net asset value per share of Common Stock (market price--$13.20)		

* Auction Market Preferred Stock.

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Statement of Operations

For the Year Ended October 31, 2004

Investment Income	
Interest	
Dividends from affiliates	
Total income	

Expenses	
Investment advisory fees	$
Commission fees	
Accounting services	
Transfer agent fees	
Printing and shareholder reports	
Professional fees	
Custodian fees	
Listing fees	
Directors' fees and expenses	

Pricing fees	
Other	
Total expenses before reimbursement	
Reimbursement of expenses	
Total expenses after reimbursement	
Investment income--net	

Realized & Unrealized Gain (Loss)--Net

Realized loss on:	
Investments--net	(
Forward interest rate swaps and futures contracts--net	(
Change in unrealized appreciation/depreciation on:	
Investments--net	1
Forward interest rate swaps and futures contracts--net	
Total realized and unrealized loss--net	

Dividends to Preferred Stock Shareholders

Investment income--net	
Net Increase in Net Assets Resulting from Operations	

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets:

Operations

Investment income--net	$ 3
Realized gain (loss)--net	(1
Change in unrealized appreciation/depreciation--net	1
Dividends to Preferred Stock shareholders	(
Net increase in net assets resulting from operations	3

Dividends to Common Stock Shareholders

Investment income--net	(3

Net decrease in net assets resulting from dividends to Common Stock shareholders	(3

Net Assets Applicable to Common Stock

Total increase (decrease) in net assets applicable to Common Stock	
Beginning of year	58
End of year*	$ 58
* Undistributed investment income--net	$

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.

Increase (Decrease) in Net Asset Value:	For the Year E		
	2004	2003	
Per Share Operating Performance			
Net asset value, beginning of year	$ 14.81	$ 14.83	$
Investment income--net	.91++	.97++	
Realized and unrealized gain (loss)--net	(.01)	(.09)	
Dividends and distributions to Preferred Stock shareholders:			
Investment income--net	(.06)	(.07)	
Realized gain--net	--	--	
Total from investment operations	.84	.81	
Less dividends and distributions to Common Stock shareholders:			
Investment income--net	(.84)	(.83)	
Realized gain--net	--	--	
Total dividends and distributions to Common Stock shareholders	(.84)	(.83)	
Net asset value, end of year	$ 14.81	$ 14.81	$
Market price per share, end of year	$ 13.20	$ 13.25	$

Total Investment Return*

Based on net asset value per share	6.53%	6.19%
Based on market price per share	6.13%	5.45%
Ratios Based on Average Net Assets of Common Stock		
Total expenses, net of reimbursement and excluding reorganization expenses**	.94%	.94%
Total expenses, excluding reorganization expenses**	.95%	.94%
Total expenses**	.95%	.94%
Total investment income--net**	6.23%	6.49%
Amount of dividends to Preferred Stock shareholders	.42%	.50%
Investment income--net, to Common Stock shareholders	5.81%	5.99%
Ratios Based on Average Net Assets of Common & Preferred Stock**		
Total expenses, net of reimbursement and excluding reorganization expenses	.65%	.65%
Total expenses, excluding reorganization expenses	.65%	.65%
Total expenses	.65%	.65%
Total investment income--net	4.31%	4.51%
Ratios Based on Average Net Assets of Preferred Stock		
Dividends to Preferred Stock shareholders	.95%	1.13%

Financial Highlights (concluded)

The following per share data and ratios have been derived from information provided in the financial statements.	For the Year Ended 2004	2003	2002
Supplemental Data			
Net assets applicable to Common			

Stock, end of year (in thousands)	$584,248	$584,025	$584,79
Preferred Stock outstanding, end of year (in thousands)	$259,000	$259,000	$259,00
Portfolio turnover	19.91%	51.89%	87.5
Leverage			
Asset coverage per $1,000	$ 3,256	$ 3,255	$ 3,25
Dividends Per Share on Preferred Stock Outstanding			
Series A--Investment income--net	$ 254	$ 249	$ 33
Series B--Investment income--net	$ 203	$ 232	$ 30
Series C+--Investment income--net	$ 240	$ 214	$ 35
Series D+--Investment income--net	$ 231	$ 454	$ 50
Series E+--Investment income--net	$ 251	$ 255	$ 35

* Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

\+ Series C, Series D and Series E were issued on March 6, 2000.

++ Based on average shares outstanding.

@ Amount is less than $(.01) per share.

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Notes to Financial Statements

1. Significant Accounting Policies:

MuniYield New York Insured Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock is listed on the New York Stock Exchange under the symbol MYN. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments -- Municipal bonds are traded primarily in the over-the-counter markets and are valued at the last available bid price in the over-the-counter market or on the basis of values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general direction of the Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the Fund. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the over-the-counter market, valuation is the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Fund's pricing service. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, under which method the investment is valued at cost and any premium or discount is amortized on a straight line basis to maturity. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

o Financial futures contracts -- The Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

o Options -- The Fund may write covered call options and purchase put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

  Written and purchased options are non-income producing investments.

o Forward interest rate swaps -- The Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

(c) Income taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Notes to Financial Statements (concluded)

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(e) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .50% of the Fund's average weekly net assets, including proceeds from the issuance of Preferred Stock. The Investment Adviser has agreed to reimburse its management fee by the amount of management fees the Fund pays to FAM indirectly through its investment in CMA New York Municipal Money Fund. For the year ended October 31, 2004, FAM reimbursed the Fund in the amount of $4,248.

For the year ended October 31, 2004, the Fund reimbursed FAM $16,087 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2004 were $247,795,449 and $156,836,816, respectively.

4. Stock Transactions:

The Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value $.10 per share, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of the holders of Common Stock.

Preferred Stock

Auction Market Preferred Stocks are redeemable shares of Preferred Stock of the Fund, with a par value of $.05 per share and a liquidation preference of $25,000 per share, plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2004 were as follows: Series A, 1.459%; Series B, 1.40%; Series C, 1.20%; Series D, 1.40%; and Series E, 1.40%.

The Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the year ended October 31, 2004, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of FAM, earned $253,691 as commissions.

5. Distributions to Shareholders:

The Fund paid a tax-exempt income dividend to holders of Common Shares in the amount of $.070000 per share on November 29, 2004 to shareholders of record on November 12, 2004.

The tax character of distributions paid during the fiscal years ended October 31, 2004 and October 31, 2003 was as follows:

	10/31/2004	10/31/2003
Distributions paid from:		
Tax-exempt income	$35,459,826	$35,564,863
Total distributions	$35,459,826	$35,564,863

As of October 31, 2004, the components of accumulated earnings on a tax basis were as follows:

Undistributed tax-exempt income--net	$ 7,289,401
Undistributed long-term capital gains--net	--
Total undistributed earnings--net	7,289,401
Capital loss carryforward	(28,156,850)*
Unrealized gains--net	43,501,048**
Total accumulated earnings--net	$ 22,633,599

* On October 31, 2004, the Fund had a net capital loss carryforward of $28,156,850, of which $8,566,493 expires in 2008, $3,007,157 expires in 2010 and $16,583,200 expires in 2012. This amount will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on wash sales, the tax deferral of losses on straddles, the difference between book and tax amortization methods for premiums and discounts on fixed income securities and the realization for tax purposes of unrealized gains on certain future contracts.

[LOGO] Merrill Lynch Investment Managers

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
MuniYield New York Insured Fund, Inc.:

We have audited the accompanying statement of net assets, including the schedule of investments, of MuniYield New York Insured Fund, Inc. as of October 31, 2004, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2004, by correspondence with the custodian and brokers; where replies were not received from brokers we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MuniYield New York Insured Fund, Inc. as of October 31, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Deloitte & Touche LLP
Princeton, New Jersey
December 14, 2004

Important Tax Information (unaudited)

All of the net investment income distributions paid by MuniYield New York Insured Fund, Inc. during its taxable year ended October 31, 2004 qualify as tax-exempt interest dividends for federal income tax purposes.

Quality Profile (unaudited)

The quality ratings of securities in the Fund as of October 31, 2004 were as follows:

Quality Rating S&P/Moody's	Percent of Total Investments
AAA/Aaa	88.4%
AA/Aa	2.0
A/A	7.9
BBB/Baa	1.7
Other*	