

BLACKROCK MUNIYIELD INSURED FUND, INC
Form N-CSR
October 08, 2009

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 811-06540

Name of Fund: BlackRock MuniYield Insured Fund, Inc. (MYI)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock MuniYield
Insured Fund, Inc., 40 East 52nd Street, New York, NY 10022.

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

Date of fiscal year end: 07/31/2009

Date of reporting period: 07/31/2009

Item 1 Report to Stockholders

Annual Report

JULY 31, 2009

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

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past 12 months reveal two distinct market backdrops – one of extreme investor pessimism and decided weakness, and another of cautious optimism and nascent signs of recovery. The first half of the period was characterized by the former, as the global financial crisis erupted into the worst recession in decades. Daily headlines recounted universal macroeconomic deterioration, financial sector casualties, volatile swings in global equity markets, and unprecedented government intervention that included widespread (and globally coordinated) monetary and quantitative easing by central banks and large-scale fiscal stimuli. Sentiment improved noticeably in March 2009, however, on the back of new program announcements by the US Treasury Department and Federal Reserve, as well as generally stronger-than-expected economic data in a few key areas, including retail sales, business and consumer confidence, manufacturing and housing.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March 2009 before going on a three-month rally that largely negated year-to-date losses. Late in the period, investor enthusiasm waned and a correction ensued for several weeks, mostly as a result of profit taking and portfolio rebalancing, as opposed to a change in the economic outlook. Equities rallied once again as the period drew to a close, resulting in positive year-to-date returns for all major indexes. The experience in international markets was similar to that in the United States, though performance was generally more extreme both on the decline and on the upturn. Notably, emerging markets, which lagged most developed regions through the downturn, reassumed leadership in 2009 as these areas of the globe have generally seen a stronger acceleration in economic recovery.

In fixed income markets, while the flight to quality remained a prevalent theme, relatively attractive yields and distressed valuations, alongside a more favorable macro environment, eventually captured investor attention, leading to a sharp recovery in non-Treasury assets. This has been particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. At the same time, the municipal bond market enjoyed a strong return after the exceptional market volatility of 2008, buoyed by a combination of attractive valuations, robust retail investor demand and a slowdown in forced selling. Direct aid to state and local governments via the American Recovery and Reinvestment Act of 2009 has also lent support to municipal bonds.

| Total Returns as of July 31, 2009 | 6-month | 12-month |
|--|---------|----------|
| US equities (S&P 500 Index) | 21.18% | (19.96)% |
| Small cap US equities (Russell 2000 Index) | 26.61 | (20.72) |
| International equities (MSCI Europe, Australasia, Far East Index) | 30.63 | (22.60) |
| US Treasury securities (Merrill Lynch 10-Year US Treasury Index) | (3.91) | 7.58 |
| Taxable fixed income (Barclays Capital US Aggregate Bond Index) | 4.47 | 7.85 |
| Tax-exempt fixed income (Barclays Capital Municipal Bond Index) | 4.38 | 5.11 |
| High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 30.11 | 5.30 |

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

The market environment has clearly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional insight and timely food for thought, we invite you to visit our award-winning *Shareholder* magazine, now available exclusively online at www.blackrock.com/shareholdermagazine. We thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Announcement to Shareholders

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays Board of Directors had accepted BlackRock's offer to acquire Barclays Global Investors (BGI). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2009

BlackRock MuniHoldings Insured Fund II, Inc.

Investment Objective

BlackRock MuniHoldings Insured Fund II, Inc. (MUE) (the Fund) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2009, the Fund returned 7.24% based on market price and 1.58% 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 7.93% based on market price and 1.51% on a NAV basis. 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 price and performance based on NAV. Sector allocation played an important role in determining how the Fund performed during the reporting period. The Fund was significantly overweight in pre-refunded securities in the one- to five-year maturity range. This enhanced performance as the yield curve steepened. The Fund's overweight in the housing and utilities sectors, also helped performance as these issues outperformed. During the 12 months, Fund management maintained high cash allocations in an effort to reduce volatility and ensure that ample cash was available to take advantage of potential opportunities in the new-issue market. The Fund's cash balance lowered portfolio duration, which was beneficial; however, it also held the yield down slightly as the money was invested in lower-yielding short-term investments, a negative factor. As the landscape of the insured municipal market changed and several of the monoline insurers were downgraded multiple times over the last year, the credit quality allocation of the Fund reflects a higher percentage of bonds in the A credit quality range and lower percentage of bonds in the AA credit quality range.

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, 2009 (\$11.40) ¹ | 7.11% |
| Tax Equivalent Yield ² | 10.94% |
| Current Monthly Distribution per Common Share ³ | \$0.0675 |
| Current Annualized Distribution per Common Share ³ | \$0.8100 |
| Leverage as of July 31, 2009 ⁴ | 41% |

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:

| | 7/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|---------|----------|---------|
| Market Price | \$ 11.40 | \$ 11.30 | 0.88% | \$ 11.55 | \$ 7.00 |
| Net Asset Value | \$ 12.27 | \$ 12.84 | (4.44)% | \$ 13.11 | \$ 9.70 |

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

Sector Allocations

| | 7/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 29% | 29% |
| Transportation | 23 | 25 |
| Utilities | 21 | 14 |
| State | 10 | 10 |
| Health | 9 | 11 |
| Housing | 5 | 6 |
| Corporate | 2 | 2 |
| Education | 1 | 3 |

Credit Quality Allocations⁵

| | 7/31/09 | 7/31/08 |
|-----------|----------------|---------|
| AAA/Aaa | 50% | 48% |
| AA/Aa | 19 | 45 |
| A/A | 27 | 6 |
| BBB/Baa | 2 | 1 |
| Not Rated | 2 ₆ | |

- ⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (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, 2009, the market value of these securities was \$10,104,059 representing 2% of the Fund's long-term investments.

Fund Summary as of July 31, 2009

BlackRock MuniYield California Insured Fund, Inc.

Investment Objective

BlackRock MuniYield California Insured Fund, Inc. (MCA) (the Fund) seeks 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 by investing primarily in a portfolio of long-term, investment grade municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal and California income taxes. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2009, the Fund returned 4.17% based on market price and 3.03% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 5.13% based on market price and 0.69% on a NAV basis. All returns reflect reinvestment of dividends. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises funds representing various states and not California alone. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's duration positioning was neutral for most of the period. The Fund benefited from a relatively lower exposure to poorer-rated monoline insurers. The underlying quality of the securities covered by the insurance wrap is sound, which helped protect valuations. Along with extremely attractive borrowing costs, the Fund income accrual permitted an increase in dividends in June. Our strategy is to pursue a balanced approach to returns, continue to bolster current yield and commit cash reserves when research uncovers appropriate opportunities. Credit fundamentals warrant monitoring in the current weak economic environment, especially in California, considering budgetary challenges. Management is alert to improve quality as opportunities arise. As the landscape of the insured municipal market changed and several of the monoline insurers were downgraded multiple times over the last year, the credit quality allocation of the Fund reflects a higher percentage of bonds in the A credit quality range and lower percentage of bonds in the AA credit quality range.

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Fund Information

| | |
|--|------------------|
| Symbol on NYSE | MCA |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of July 31, 2009 (\$12.08) ¹ | 6.06% |
| Tax Equivalent Yield ² | 9.32% |
| Current Monthly Distribution per Common Share ³ | \$0.061 |
| Current Annualized Distribution per Common Share ³ | \$0.732 |
| Leverage as of July 31, 2009 ⁴ | 36% |

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 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:

| | 7/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|---------|----------|----------|
| Market Price | \$ 12.08 | \$ 12.33 | (2.03)% | \$ 12.54 | \$ 6.95 |
| Net Asset Value | \$ 13.43 | \$ 13.86 | (3.10)% | \$ 14.17 | \$ 10.46 |

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

Sector Allocations

| | 7/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 44% | 38% |
| Utilities | 25 | 23 |
| Transportation | 13 | 13 |
| Education | 10 | 12 |
| Health | 3 | 5 |
| State | 3 | 5 |
| Housing | 2 | 4 |

Credit Quality Allocations⁵

| | 7/31/09 | 7/31/08 |
|-----------|---------|---------|
| AAA/Aaa | 44% | 42% |
| AA/Aa | 28 | 46 |
| A | 27 | 11 |
| BBB/Baa | 1 | |
| Not Rated | | 16 |

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, 2008, the market value of these securities was \$6,574,300 representing 1% of the Fund's long-term investments.

Fund Summary as of July 31, 2009

BlackRock MuniYield Insured Fund, Inc.

Investment Objective

BlackRock MuniYield Insured Fund, Inc. (MYI) (the Fund) seeks 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 by investing primarily in a portfolio of long-term, investment grade municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2009, the Fund returned 5.72% based on market price and 1.70% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 7.93% based on market price and 1.51% on a NAV basis. 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 price and performance based on NAV. The above-average yield was beneficial to the total return of the portfolio. This is a product of higher yielding securities held. During the first half of the period, the Fund was negatively affected by three factors: its constructive position in the market during a period of increasing yields; a higher-than-average exposure to the longer end of the yield curve, where rates increased; and, a higher-than-average exposure to certain monoline insurers that experienced difficulties, in particular those with weaker underlying credits. Fortunately, during the second half of the period, these factors reversed course and benefited the Fund. Municipal yields generally declined, with the longer end of the yield curve outperforming. Additionally, credit spreads tightened, which aided some insured bonds with weaker underlying credits. The portfolio's overall credit quality fell during the period due largely to the impact of further monoline insurer downgrades. However, during the period Fund management worked to improve credit quality by purchasing higher-rated insured bonds and/or insured bonds with stronger underlying credit quality. Additionally, we favored moving in on the yield curve opportunistically by seeking to shorten the average maturity of the portfolio by adding to bonds with shorter maturities. During the 12 months, Fund management maintained high cash allocations in an effort to reduce volatility and ensure that ample cash was available to take advantage of potential opportunities in the new-issue market. The Fund's cash balance lowered portfolio duration, which was beneficial; however, it also held the yield down slightly as the money was invested in lower-yielding short-term investments, a negative factor.

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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, 2009 (\$12.12) ¹ | 6.04% |
| Tax Equivalent Yield ² | 9.29% |
| Current Monthly Distribution per Common Share ³ | \$0.061 |
| Current Annualized Distribution per Common Share ³ | \$0.732 |
| Leverage as of July 31, 2009 ⁴ | 39% |

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- 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 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:

| | 7/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|---------|----------|---------|
| Market Price | \$ 12.12 | \$ 12.22 | (0.82)% | \$ 12.29 | \$ 7.07 |
| Net Asset Value | \$ 12.27 | \$ 12.86 | (4.59)% | \$ 13.22 | \$ 9.02 |

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

Sector Allocations

| | 7/31/09 | 7/31/08 |
|--|---------|---------|
| Transportation | 31% | 30% |
| County/City/Special District/School District | 24 | 21 |
| Utilities | 17 | 16 |
| State | 8 | 7 |
| Education | 7 | 7 |
| Health | 6 | 12 |
| Housing | 5 | 5 |
| Corporate | 2 | 2 |

Credit Quality Allocations⁵

| | 7/31/09 | 7/31/08 |
|---------|---------|---------|
| AAA/Aaa | 47% | 50% |
| AA/Aa | 23 | 37 |
| A/A | 25 | 9 |
| BBB/Baa | 5 | 4 |

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

Fund Summary as of July 31, 2009

BlackRock MuniYield Michigan Insured Fund II, Inc.

Investment Objective

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM) (the Fund) seeks 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 by investing primarily in a portfolio of long-term municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal and Michigan income taxes. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2009, the Fund returned 6.34% based on market price and 3.81% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 5.13% based on market price and 0.69% on a NAV basis. All returns reflect reinvestment of dividends. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises funds representing various states and not Michigan alone. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund benefited from a declining interest rate environment during the period. Sector allocation was also accretive to performance, as the Fund's allocation to pre-refunded and escrowed issues outperformed. Low short-term rates resulted in increased income to the Fund from leverage, which allowed a dividend increase beginning with the July 1, 2009 distribution. As the landscape of the insured municipal market changed and several of the monoline insurers were downgraded multiple times over the last year, the credit quality allocation of the Fund reflects a higher percentage of bonds in the A credit quality range and lower percentage of bonds in the AA credit quality range.

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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, 2009 (\$11.58) ¹ | 6.89% |
| Tax Equivalent Yield ² | 10.60% |
| Current Monthly Distribution per Common Share ³ | \$0.0665 |
| Current Annualized Distribution per Common Share ³ | \$0.7980 |
| Leverage as of July 31, 2009 ⁴ | 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%.

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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:

| | 7/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|---------|----------|----------|
| Market Price | \$ 11.58 | \$ 11.63 | (0.43)% | \$ 11.74 | \$ 7.00 |
| Net Asset Value | \$ 12.87 | \$ 13.24 | (2.79)% | \$ 13.54 | \$ 10.95 |

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

Sector Allocations

| | 7/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 23% | 25% |
| Health | 16 | 15 |
| Corporate | 15 | 14 |
| Utilities | 12 | 11 |
| Transportation | 11 | 11 |
| State | 11 | 10 |
| Education | 10 | 13 |
| Housing | 2 | 1 |

Credit Quality Allocations⁵

| | 7/31/09 | 7/31/08 |
|-----------|---------|---------|
| AAA/Aaa | 28% | 36% |
| AA/Aa | 27 | 50 |
| A | 40 | 10 |
| BBB/Baa | 2 | 3 |
| Not Rated | 3 | 1 |

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

Fund Summary as of July 31, 2009

BlackRock MuniYield New York Insured Fund, Inc.

Investment Objective

BlackRock MuniYield New York Insured Fund, Inc. (MYN) (the Fund) seeks to provide shareholders with as high a level of current income exempt from federal income tax and New York State and New York City personal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income tax and New York State and New York City personal income taxes. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2009, the Fund returned 2.44% based on market price and 2.29% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 5.13% based on market price and 0.69% on a NAV basis. All returns reflect reinvestment of dividends. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises funds representing various states and not New York alone. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. Fund performance was more of a reflection of its price movement, rather than its distribution rate, which was roughly average for the period. The one-year period comprised of two separate and major fixed income market moves. The end of 2008 witnessed severe dislocations whereby, as a result of illiquidity and credit concerns, municipal bonds were treated as risk assets and traded at historically-wide spreads versus Treasuries. The second half of the period saw a return of liquidity and more normal demand metrics, accompanied by significant spread compression and yield curve flattening. The Fund outperformed during this time due to its overweight in longer-dated bonds, its slightly longer duration and our participation in new-issue deals, which were coming at considerable discounts to secondary market levels. Due to ongoing monoline insurers' credit problems, as well as the government's Build America Bond program, we are finding fewer opportunities to add attractively-priced insured bonds. If this continues, the incentive to turn over the portfolio will decrease, while also continuing to benefit from the longer-dated bonds within the Fund. As the landscape of the insured municipal market changed and several of the monoline insurers were downgraded multiple times over the last year, the credit quality allocation of the Fund reflects a higher percentage of bonds in the A credit quality range and lower percentage of bonds in the AA credit quality range.

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 | MYN |
| Initial Offering Date | February 28, 1992 |
| Yield on Closing Market Price as of July 31, 2009 (\$11.36) ¹ | 5.55% |
| Tax Equivalent Yield ² | 8.54% |
| Current Monthly Distribution per Common Share ³ | \$0.0525 |
| Current Annualized Distribution per Common Share ³ | \$0.6300 |
| Leverage as of July 31, 2009 ⁴ | 38% |

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- 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 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:

| | 7/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|---------|----------|---------|
| Market Price | \$ 11.36 | \$ 11.80 | (3.73)% | \$ 12.03 | \$ 6.64 |
| Net Asset Value | \$ 12.65 | \$ 13.16 | (3.88)% | \$ 13.50 | \$ 9.94 |

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

Sector Allocations

| | 7/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 31% | 33% |
| Transportation | 29 | 31 |
| State | 11 | 10 |
| Utilities | 10 | 12 |
| Corporate | 6 | 6 |
| Education | 5 | 3 |
| Health | 4 | 2 |
| Housing | 3 | 2 |
| Tobacco | 1 | 1 |

Credit Quality Allocations⁵

| | 7/31/09 | 7/31/08 |
|-----------|---------|---------|
| AAA/Aaa | 45% | 47% |
| AA/Aa | 16 | 39 |
| A | 32 | 9 |
| BBB/Baa | 7 | 4 |
| Not Rated | | 16 |

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- 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, 2008, the market value of these securities was \$4,624,822 representing 1% of the Fund's long-term investments.

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ANNUAL REPORT

JULY 31, 2009

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 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 the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's Common Shareholders will benefit from the incremental yield.

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 the 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.

Conversely, 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. 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, the value of the Fund's 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 Fund's Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also, from time to time, 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 the Funds' 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. The Funds 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 the Funds to incur losses. The use of leverage may limit the Funds' 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 a Fund. The Funds will incur expenses in connection with the use of leverage, all of which are borne by the holders of the Common Shares and may reduce returns on the Common Shares.

Under the Investment Company Act of 1940, each Fund is permitted to issue Preferred Shares in an amount of up to 50% of its 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, 2009, the Funds had economic leverage from Preferred Shares and TOBs as a percentage of their total managed assets as follows:

| | Percent of Leverage |
|--|------------------------|
| BlackRock MuniHoldings Insured Fund II, Inc. | 41% |
| BlackRock MuniYield California Insured Fund, Inc. | 36% |
| BlackRock MuniYield Insured Fund, Inc. | 39% |
| BlackRock MuniYield Michigan Insured Fund II, Inc. | 38% |
| BlackRock MuniYield New York Insured Fund, Inc. | 38% |

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts and swaps, as specified in Note 2 of the Notes to Financial Statements, which 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 and illiquidity of the derivative instrument. A 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 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, 2009

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| Alabama 0.8% | | |
| County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22 | \$ 3,580 | \$ 2,113,346 |
| Alaska 0.6% | | |
| City of Anchorage Alaska, Refunding RB (AMBAC), 6.00%, 9/01/24 | 1,630 | 1,650,408 |
| Arkansas 4.4% | | |
| Arkansas Development Finance Authority, Refunding RB, Series C (MBIA), 5.35%, 12/01/35 | 12,165 | 12,136,777 |
| California 16.7% | | |
| City of Vista California, COP, Community Projects (MBIA), 5.00%, 5/01/37 | 5,400 | 4,693,626 |
| County of Sacramento California, RB, Senior, Series A (AGC), 5.50%, 7/01/41 | 3,500 | 3,372,565 |
| Dixon Unified School District, California, GO, Election of 2002 (FSA), 5.20%, 8/01/44 | 2,405 | 2,321,306 |
| Eastern Municipal Water District, California, COP, Series H, 5.00%, 7/01/35 | 695 | 661,077 |
| Modesto Schools Infrastructure Financing Agency, Special Tax (AMBAC), 5.50%, 9/01/36 | 4,240 | 3,489,732 |
| Oceanside Unified School District, California, GO, Series A (AGC), 5.25%, 8/01/33 | 3,175 | 3,177,254 |
| Port of Oakland, RB (MBIA), AMT: | | |
| Series K, 5.75%, 5/01/10 (a) | 25 | 25,857 |
| Series K, 5.75%, 11/01/21 | 2,975 | 2,908,806 |
| Series L, 5.38%, 11/01/27 | 5,000 | 4,552,500 |
| Roseville Joint Union High School District, California, GO, Election of 2004, Series A (MBIA), 5.00%, 8/01/29 | 2,985 | 2,932,434 |
| Sacramento City Financing Authority, California, RB, Capital Improvement (AMBAC), 5.00%, 12/01/27 | 150 | 147,690 |
| San Francisco City & County Airports Commission, RB, Special Facilities Lease, SFO Fuel, Series A (FSA), AMT, 6.10%, 1/01/20 | 1,250 | 1,254,175 |
| State of California, GO, Veterans, Series BZ (MBIA), AMT, 5.35%, 12/01/21 | 9,350 | 9,031,632 |
| Stockton Public Financing Authority, California, RB, Redevelopment Projects, Series A (Radian): | | |
| 5.25%, 9/01/31 | 495 | 384,947 |
| 5.25%, 9/01/34 | 2,930 | 2,213,410 |
| Tustin Unified School District, California, Special Tax, Senior Lien, Community Facilities District 97-1, Series A (FSA): | | |
| 5.00%, 9/01/32 | 605 | 543,108 |
| 5.00%, 9/01/38 | 4,620 | 3,987,753 |
| | | 45,697,872 |

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Colorado 1.3% | | |
| Colorado Health Facilities Authority, RB, Hospital, NCMC Inc. Project, Series B (FSA), 6.00%, 5/15/26 | \$ 3,300 | \$ 3,430,878 |
| | 175 | 188,498 |

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Colorado Housing & Finance Authority, Colorado, RB, S/F Program, Senior, Series A-2, AMT,
7.50%, 4/01/31

3,619,376

District of Columbia 0.9%

District of Columbia, RB, Deed Tax, Housing Production Trust Fund, Series A (MBIA), 5.00%,
6/01/32

2,500 2,382,100

Florida 23.3%

Broward County HFA, RB, Series E (FNMA), AMT, 5.90%, 10/01/39

2,240 2,259,667

City of Miami Florida, RB, Miami Revenues (MBIA), 5.00%, 1/01/37

2,900 2,634,911

City of Orlando Florida, RB, Senior, 6th Cent Contract Payments, Series A (AGC), 5.25%, 11/01/38

4,000 3,923,440

County of Miami-Dade Florida, RB, CAB, Sub-Series A (MBIA), 5.24%, 10/01/37 (b)

3,670 492,000

County of Miami-Dade Florida, RB, Series A (FSA), AMT:

5.00%, 10/01/33

6,730 5,754,621

Miami International Airport, 5.25%, 10/01/41

13,800 11,914,368

Miami International Airport, 5.50%, 10/01/41

6,700 6,015,729

County of Pasco Florida, RB, Half-Cent Sales Tax (AMBAC), 5.13%, 12/01/28

6,300 5,588,037

County of Saint Johns Florida, RB, CAB (AMBAC), 5.36%, 6/01/31 (b)

5,065 1,310,771

Jacksonville Health Facilities Authority, RB, Baptist Medical Center (FSA), 5.00%, 8/15/37

7,740 7,391,932

Jacksonville Port Authority, RB (AGC), AMT, 6.00%, 11/01/38

4,250 4,135,420

Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34

12,375 12,570,030

63,990,926

Idaho 0.1%

Idaho Housing & Finance Association, RB, S/F Mortgage, Series E, AMT, 6.00%, 1/01/32

320 327,542

Portfolio Abbreviations

To simplify the listings of portfolio holdings in each Fund's Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

| | |
|--------------|--|
| ACA | American Capital Access Corp. |
| AGC | Assured Guaranty Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| 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. |
| FGIC | Financial Guaranty Insurance Co. |
| FHA | Federal Housing Administration |
| FNMA | Federal National Mortgage Association |
| FSA | Financial Security Assurance Inc. |
| GAN | Grant Anticipation Notes |
| GNMA | Government National Mortgage Association |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Agency |
| ISD | Independent School District |
| MBIA | Municipal Bond Investors Assurance |

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| | |
|--------------|--|
| | (National Public Finance Guaranty Corp.) |
| PILOT | Payment in Lieu of Taxes |
| RB | Revenue Bonds |
| S/F | Single-Family |
| TAN | Tax Anticipation Notes |
| VRDN | Variable Rate Demand Note |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|-------------------|
| Illinois 4.3% | | |
| Chicago Board of Education, Illinois, GO, Chicago School Reform Board, Series A (MBIA), 5.50%, 12/01/26 | \$ 2,080 | \$ 2,278,245 |
| Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26 | 3,400 | 3,823,572 |
| City of Chicago Illinois, Refunding RB (MBIA): | | |
| General Airport Third Lien, Series A, AMT, 5.75%, 1/01/19 | 3,125 | 3,143,687 |
| Second Lien, 5.50%, 1/01/30 | 2,270 | 2,343,344 |
| Lake Cook-Dane & McHenry Counties Community Unit School District 220, Illinois, GO (MBIA), 6.00%, 12/01/20 | 125 | 130,930 |
| | | <u>11,719,778</u> |
| Indiana 3.6% | | |
| Indiana Municipal Power Agency, Indiana, RB, Series A (MBIA), 5.00%, 1/01/42 | 8,000 | 7,559,040 |
| Indianapolis Local Public Improvement Bond Bank, RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38 | 2,370 | 2,343,006 |
| | | <u>9,902,046</u> |
| Iowa 1.0% | | |
| Iowa Finance Authority, RB, Iowa Health System (AGC), 5.25%, 2/15/29 | 2,915 | 2,869,468 |
| Kansas 2.0% | | |
| Kansas Development Finance Authority, RB, Sisters of Charity, Series J, 6.13%, 12/01/20 | 3,510 | 3,574,093 |
| Sedgwick & Shawnee Counties Kansas, RB, Mortgage, Series A-2 (GNMA), AMT, 6.20%, 12/01/33 | 2,015 | 2,040,993 |
| | | <u>5,615,086</u> |
| Kentucky 1.0% | | |
| Kentucky Economic Development Finance Authority, Kentucky, RB, Louisville Arena, Sub-Series A-1 (AGC), 6.00%, 12/01/38 | 1,150 | 1,181,602 |
| Kentucky State Property & Buildings Commission, Kentucky, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29 | 1,525 | 1,593,427 |
| | | <u>2,775,029</u> |
| Louisiana 1.4% | | |
| Louisiana State Citizens Property Insurance Corp., RB, Series C-3, Remarketed (AGC), 6.13%, 6/01/25 | 3,550 | 3,882,209 |
| Michigan 16.3% | | |
| City of Detroit Michigan, RB: | | |
| Second Lien, Series B (MBIA), 5.50%, 7/01/29 | 4,170 | 4,047,110 |
| Second Lien, Series E, Remarketed (FGIC), 5.75%, 7/01/31 | 5,060 | 5,227,132 |

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| | | |
|---|-------|------------|
| Senior Lien, Series B, Remarketed (FSA), 7.50%, 7/01/33 | 1,190 | 1,377,877 |
| City of Detroit Michigan, Refunding RB, Remarketed: | | |
| Second Lien, Series C (FGIC), 5.75%, 7/01/27 | 2,600 | 2,767,648 |
| Senior Lien, Series B (MBIA), 5.25%, 7/01/22 | 9,235 | 8,989,811 |
| Senior Lien, Series C-1 (FSA), 7.00%, 7/01/27 | 4,180 | 4,748,313 |
| Senior Lien, Series C-2 (FGIC), 5.25%, 7/01/29 | 4,860 | 4,866,610 |
| Michigan Strategic Fund, Refunding RB (Syncora), AMT: | | |
| Detroit Edison Co. Project, Series A, 5.50%, 6/01/30 | 2,000 | 1,740,420 |
| Detroit Edison Pollution, Series C, 5.65%, 9/01/29 | 5,000 | 4,460,050 |
| Royal Oak Hospital Finance Authority, Michigan, RB, William Beaumont Hospital, 8.25%, 9/01/39 | 3,115 | 3,513,938 |
| Saint Clair County EDC, Michigan, Refunding RB, Detroit Edison, Series AA (AMBAC), 6.40%, 8/01/24 | 3,000 | 3,036,750 |
| | | 44,775,659 |

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| Minnesota 2.7% | | |
| City of Minneapolis Minnesota, RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | \$ 1,975 | \$ 2,151,427 |
| Prior Lake ISD No. 719, Minnesota, GO (FSA), 5.50%, 2/01/19 | 2,840 | 2,899,924 |
| Sauk Rapids ISD No. 47, Minnesota, GO, Series A (MBIA), 5.63%, 2/01/18 | 2,185 | 2,317,761 |
| | | 7,369,112 |
| Nevada 0.5% | | |
| County of Clark Nevada, RB, Jet Aviation Fuel Tax, Series C (AMBAC), AMT, 5.38%, 7/01/20 | 1,200 | 1,150,224 |
| Nevada Housing Division, Nevada, RB, S/F Mortgage, Mezzanine, Series A-2 (MBIA), AMT, 6.30%, 4/01/22 | 95 | 96,252 |
| | | 1,246,476 |
| New Jersey 6.3% | | |
| New Jersey EDA, RB, Motor Vehicle Surcharge Revenue, Series A (MBIA), 5.25%, 7/01/33 | 11,000 | 10,692,990 |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38 | 3,400 | 3,394,934 |
| New Jersey Transportation Trust Fund Authority, New Jersey, RB, Transportation System, Series A (AGC), 5.63%, 12/15/28 | 2,930 | 3,119,659 |
| | | 17,207,583 |
| New York 1.6% | | |
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-3, 5.25%, 1/15/39 | 2,300 | 2,296,504 |
| Tobacco Settlement Financing Corp., New York, RB, Asset Backed, Series A-3 (AMBAC), 5.25%, 6/01/21 | 2,000 | 2,057,900 |
| | | 4,354,404 |
| North Carolina 0.5% | | |
| North Carolina HFA, North Carolina, RB, Home Ownership, Series 14, Series A (AMBAC), AMT, 5.35%, 1/01/22 | 1,235 | 1,242,076 |
| Ohio 1.0% | | |
| Aurora City School District, COP (MBIA), 6.10%, 12/01/19 (a) | 1,745 | 1,796,094 |
| Kent State University Revenues, RB, General Receipts (AMBAC), 6.00%, 5/01/24 | 1,000 | 1,026,290 |
| | | 2,822,384 |

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| Oklahoma 1.0% | | |
|--|--------|------------|
| Claremore Public Works Authority, Oklahoma, RB, Series A (FSA), 5.25%, 6/01/14 (a) | 2,385 | 2,796,722 |
| Rhode Island 2.1% | | |
| Providence Redevelopment Agency, Rhode Island, RB, Public Safety & Municipal Buildings, Series A (AMBAC), 5.75%, 4/01/10 (a) | 5,555 | 5,796,476 |
| South Carolina 5.8% | | |
| South Carolina State Housing Finance & Development Authority, South Carolina, RB, Series A-2 (FSA), AMT, 6.35%, 7/01/19 | 1,110 | 1,125,473 |
| South Carolina State Public Service Authority, RB, Series A (AMBAC), 5.00%, 1/01/42 | 15,000 | 14,739,300 |
| | | 15,864,773 |

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 |
|--|--------------|--------------|
| Texas 18.5% | | |
| City of Dallas Texas, Refunding & Improvement, RB (AGC), 5.25%, 8/15/38 | \$ 2,100 | \$ 2,093,742 |
| City of El Paso Texas, Refunding & Improvement, RB, Series A (FSA): | | |
| 6.00%, 3/01/15 | 115 | 127,676 |
| 6.00%, 3/01/16 | 170 | 188,739 |
| 6.00%, 3/01/17 | 180 | 199,841 |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 6,700 | 7,360,553 |
| Dallas-Fort Worth International Airport Facilities Improvement Corp., Refunding & Improvement, RB, Series A (MBIA), AMT: | | |
| 5.88%, 11/01/18 | 2,150 | 2,214,887 |
| 5.88%, 11/01/19 | 2,390 | 2,455,510 |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35 | 1,000 | 1,080,070 |
| Lower Colorado River Authority, Refunding RB (AGC), 5.50%, 5/15/36 | 2,935 | 2,988,094 |
| Lubbock Copper Texas ISD, GO, School Building (AGC), 5.75%, 2/15/42 | 1,050 | 1,078,665 |
| North Texas Tollway Authority, Refunding RB, System, First Tier: | | |
| K-2 (AGC), 6.00%, 1/01/38 | 1,000 | 1,065,050 |
| (MBIA), 5.75%, 1/01/40 | 14,750 | 14,686,133 |
| Series A (MBIA), 5.63%, 1/01/33 | 10,975 | 10,953,160 |
| Series B (MBIA), 5.75%, 1/01/40 | 1,000 | 995,670 |
| Tarrant County Cultural Education Facilities Finance Corp., Christus Health, Refunding RB, Series A (AGC), 6.50%, 7/01/37 | 3,000 | 3,170,610 |
| | | 50,658,400 |
| Virginia 0.9% | | |
| Virginia Public School Authority, Virginia, RB, School Financing, 6.50%, 12/01/35 | 2,195 | 2,453,615 |
| Washington 1.8% | | |
| Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series A (AMBAC), AMT, 5.45%, 7/01/37 | 3,840 | 3,386,035 |
| County of Lewis Washington, GO, Refunding (AMBAC), 5.75%, 12/01/24 | 1,640 | 1,656,187 |
| | | 5,042,222 |
| Puerto Rico 1.3% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 3,500 | 3,629,605 |
| Total Municipal Bonds 121.7% | | 333,941,470 |

Municipal Bonds Transferred to
Tender Option Bond Trusts (c)

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| California 3.8% | | |
|---|-------|------------|
| City of San Jose California, GO, Libraries, Parks, Public Safety Series B, Project (MBIA), 5.00%, 9/01/30 | 3,805 | 3,816,312 |
| San Diego Community College District, California, GO, Election of 2002 (FSA), 5.00%, 5/01/30 | 1,486 | 1,463,324 |
| Sequoia Union High School District, California, GO, Refunding (FSA), 5.50%, 7/01/35 | 5,189 | 5,266,191 |
| | | 10,545,827 |

| Municipal Bonds Transferred to Tender Option Bond Trusts (c) | Par (000) | Value |
|---|------------------|--------------|
|---|------------------|--------------|

| Colorado 3.4% | | |
|---|----------|--------------|
| Colorado Health Facilities Authority, RB, Catholic Health, Series C3 (FSA), 5.10%, 10/01/41 | \$ 9,410 | \$ 9,176,914 |

| District of Columbia 0.7% | | |
|---|-------|-----------|
| District of Columbia Water & Sewer Authority, Refunding RB, Series A, 6.00%, 10/01/35 | 1,700 | 1,839,525 |

| Florida 8.5% | | |
|---|--------|------------|
| City of St. Petersburg, Florida, Refunding RB (MBIA), 5.00%, 10/01/35 | 6,493 | 5,969,392 |
| County of Miami-Dade Florida, GO, Building Better Community Program, Series B-1, 6.00%, 7/01/38 | 12,500 | 12,997,625 |
| Lee County HFA, RB, Multi-County Program, Series A-2 (GNMA), AMT, 6.00%, 9/01/40 | 4,125 | 4,434,457 |
| | | 23,401,474 |

| Georgia 2.3% | | |
|---|-------|-----------|
| City of Augusta, Georgia, RB (FSA), 5.25%, 10/01/34 | 6,290 | 6,377,494 |

| Illinois 6.6% | | |
|---|--------|------------|
| City of Chicago, Illinois, RB, Series A (FSA), 5.00%, 1/01/33 | 15,000 | 14,185,050 |
| City of Chicago, Illinois, Refunding RB, Second Lien (FSA), 5.25%, 11/01/33 | 3,969 | 4,020,656 |
| | | 18,205,706 |

| Kentucky 0.9% | | |
|--|-------|-----------|
| Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | 2,304 | 2,442,469 |

| Massachusetts 3.9% | | |
|---|-------|------------|
| Massachusetts Bay Transportation Authority, Refunding RB, Senior Series A, 5.00%, 7/01/35 | 5,535 | 5,534,779 |
| Massachusetts School Building Authority, RB, Series A (FSA), 5.00%, 8/15/30 | 4,994 | 5,069,268 |
| | | 10,604,047 |

| Nevada 7.1% | | |
|--|--------|------------|
| Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38 | 10,000 | 10,660,000 |
| Series B, 5.50%, 7/01/29 | 8,247 | 8,711,788 |
| | | 19,371,788 |

| New York 2.6% | | |
|---|-------|-----------|
| Sales Tax Asset Receivable Corp., RB, Series A (AMBAC), 5.25%, 10/15/27 | 6,751 | 7,183,897 |

| Washington 2.6% | | |
|------------------------|--|--|
|------------------------|--|--|

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| | | |
|---|-------|--------------------|
| City of Bellevue, Washington, GO, Refunding (MBIA), 5.50%, 12/01/39 | 6,883 | 7,074,975 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 42.4% | | 116,224,116 |
| Total Long-Term Investments | | |
| (Cost \$462,544,006) 164.1% | | 450,165,586 |

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 1.2% Jacksonville Health Facilities Authority, Refunding RB, VRDN, Baptist, Series C, Remarketed, 0.32%, 8/03/09 (d) | \$ 3,300 | \$ 3,300,000 |
| | | Shares |
| Money Market Fund 6.4% FFI Institutional Tax-Exempt Fund, 0.42% (e)(f) | 17,593,090 | 17,593,090 |
| Total Short-Term Securities (Cost \$20,893,090) 7.6% | | 20,893,090 |
| Total Investments (Cost \$483,437,096*) 171.7% | | 471,058,676 |
| Liabilities in Excess of Other Assets (0.8)% | | (2,230,440) |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (23.1)% | | (63,477,112) |
| Preferred Shares, at Redemption Value (47.8)% | | (131,008,795) |
| Net Assets Applicable to Common Shares 100.0% | | <u>\$ 274,342,329</u> |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|------------------------|
| Aggregate cost | \$ 420,987,429 |
| Gross unrealized appreciation | \$ 9,303,568 |
| Gross unrealized depreciation | (22,519,149) |
| Net unrealized depreciation | <u>\$ (13,215,581)</u> |

(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.

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- (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 bonds transferred to tender option bond trusts.
- (d) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The 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, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-----------------------------------|-----------------|------------|
| FFI Institutional Tax-Exempt Fund | \$ (7,225,374) | \$ 140,389 |

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|------------------------------------|------------------------------|
| | Assets |
| Level 1 Short-Term Securities | \$ 17,593,090 |
| Level 2 | |
| Long-Term Investments ¹ | 450,165,586 |
| Short-Term Securities | 3,300,000 |
| | |
| Total Level 2 | 453,465,586 |
| Level 3 | |

| | |
|--------------|-----------------------|
| Total | <u>\$ 471,058,676</u> |
|--------------|-----------------------|

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

See Notes to Financial Statements.

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Schedule of Investments July 31, 2009

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| California 110.2% | | |
| Corporate 0.5% | | |
| City of Chula Vista California, RB, San Diego Gas, Series A, Remarketed, 5.88%, 2/15/34 | \$ 2,435 | \$ 2,468,360 |
| County/City/Special District/School District 58.2% | | |
| Alameda County Joint Powers Authority, RB, Lease Revenue (FSA), 5.00%, 12/01/34 | 2,960 | 2,832,395 |
| Banning Unified School District, California, GO, 2006 Election, Series B (AGC), 5.25%, 8/01/33 | 4,300 | 4,303,053 |
| Bay Area Government Association, RB, Tax Allocation, California Redevelopment Agency Pool, Series A (FSA), 6.00%, 12/15/24 | 255 | 257,838 |
| Brentwood Infrastructure Financing Authority, California, Special Assessment, Refunding, Series A (FSA), 5.20%, 9/02/29 | 3,980 | 3,984,298 |
| Central Unified School District, GO, Election of 2008, Series A (AGC), 5.50%, 8/01/29 | 2,000 | 2,055,760 |
| Chabot-Las Positas Community College District, California, GO, CAB, Election of 2004, Series B (AMBAC), 5.17%, 8/01/26 (a) | 6,705 | 2,261,664 |
| Chino Valley Unified School District COP, GO, Election of 2002, Series C (MBIA), 5.25%, 8/01/30 | 3,000 | 3,007,650 |
| Chula Vista Elementary School District, California, COP (MBIA), 5.00%, 9/01/29 | 3,910 | 3,515,872 |
| City of Alameda California, GO (MBIA), 5.00%, 8/01/33 | 2,350 | 2,337,004 |
| City of Corona California, COP, Clearwater Cogeneration Project (MBIA), 5.00%, 9/01/28 | 6,000 | 5,267,580 |
| City of Riverside California, COP (AMBAC), 5.00%, 9/01/28 | 3,000 | 2,896,110 |
| City of San Jose California, GO, Libraries, Parks, Public Safety Project (MBIA), 5.00%, 9/01/27 | 7,910 | 7,999,858 |
| City of Vista California, COP, Community Projects (MBIA), 5.00%, 5/01/37 | 6,750 | 5,867,032 |
| Coachella Valley Unified School District, California, GO, Election, Series A (MBIA), 5.00%, 8/01/25 | 3,275 | 3,285,087 |
| County of Kern California, COP, Capital Improvement Projects, Series A (AGC), 6.00%, 8/01/35 | 2,000 | 2,077,720 |
| Fremont Unified School District, Alameda County California, GO, Series A (MBIA), 5.50%, 8/01/26 | 10,755 | 11,030,543 |
| Fresno Joint Powers Financing Authority, California, RB, Series A (FSA), 5.75%, 6/01/26 | 3,295 | 3,369,401 |
| Glendora Unified School District, California, GO, 2005 Election, Series A (MBIA): | | |
| 5.00%, 8/01/27 | 1,350 | 1,348,407 |
| 5.25%, 8/01/30 | 2,700 | 2,742,633 |
| Hemet Unified School District, California, GO, 2006 Election, Series B (AGC), 5.13%, 8/01/37 | 4,500 | 4,372,965 |
| Imperial Community College District, California, GO, Election of 2004 (MBIA), 5.00%, 8/01/29 | 3,090 | 2,983,920 |
| Lodi Unified School District, California, GO, Election of 2002 (FSA), 5.00%, 8/01/29 | 10,260 | 9,932,398 |
| Los Angeles Community College District, California, GO, Election of 2001, Series A (MBIA), 5.00%, 8/01/27 | 2,475 | 2,460,472 |
| Los Angeles Community Redevelopment Agency, California, RB, Bunker Hill Project, Series A (FSA), 5.00%, 12/01/27 | 10,000 | 9,593,600 |

| Municipal Bonds | Par (000) | Value |
|---|--------------|-------|
| California (continued) | | |
| County/City/Special District/School District (continued) | | |
| Los Angeles County Metropolitan Transportation Authority, RB, Property A First Tier Senior, Series A (AMBAC): | | |

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| | | | | |
|---|----|--------|----|------------|
| 5.00%, 7/01/27 | \$ | 5,240 | \$ | 5,306,653 |
| 5.00%, 7/01/35 | | 6,500 | | 6,388,460 |
| Los Angeles County Public Works Financing Authority, Refunding RB, Master Refunding Project, Series A (MBIA), 5.00%, 12/01/28 | | 6,000 | | 5,375,280 |
| Los Angeles Unified School District, California, GO: | | | | |
| Election of 2002, Series C (FSA), 5.00%, 7/01/32 | | 10,000 | | 9,720,500 |
| Election of 2004, Series C (FGIC), 5.00%, 7/01/27 | | 2,880 | | 2,836,339 |
| Election of 2004, Series F (FGIC), 5.00%, 7/01/30 | | 5,000 | | 4,904,400 |
| Los Rios Community College District, California, GO, Election of 2002, Series B (MBIA), 5.00%, 8/01/27 | | 3,000 | | 3,070,530 |
| Merced Community College District, California, GO, School Facilities Improvement District No. 1 (MBIA), 5.00%, 8/01/31 | | 6,865 | | 6,607,974 |
| Murrieta Valley Unified School District Public Financing Authority, Special Tax, Series A (AGC), 5.13%, 9/01/26 | | 8,000 | | 7,986,080 |
| Natomas Unified School District, California, GO, Election of 2006 (MBIA), 5.00%, 8/01/28 | | 6,015 | | 5,870,881 |
| Oxnard Union High School District, California, GO, Refunding, Series A (MBIA), 6.20%, 8/01/30 | | 9,645 | | 9,869,921 |
| Peralta Community College District, California, GO, Peralta Community College (FSA), 5.00%, 8/01/37 | | 6,695 | | 6,394,261 |
| Redlands Unified School District, California, GO, Election of 2008 (FSA), 5.25%, 7/01/33 | | 5,000 | | 5,003,300 |
| Riverside Unified School District, California, GO: | | | | |
| Election, Series A (MBIA), 5.25%, 2/01/23 | | 6,000 | | 6,138,360 |
| Series C (AGC), 5.00%, 8/01/32 | | 5,010 | | 4,869,920 |
| Sacramento City Financing Authority, California, RB, Capital Improvement, Community Rein Capital Program, Series A (AMBAC), 5.00%, 12/01/36 | | 3,000 | | 2,891,580 |
| Sacramento City Financing Authority, California, TAN, CAB, Tax Allocation, Series A (MBIA), 5.04%, 12/01/32 (a) | | 6,590 | | 1,136,841 |
| Saddleback Valley Unified School District, California, GO (FSA), 5.00%, 8/01/29 | | 2,565 | | 2,529,270 |
| San Bernardino City Unified School District, California, GO, Series A (FSA), 5.00%, 8/01/28 | | 5,000 | | 5,002,200 |
| San Diego Redevelopment Agency, California, TAN, Centre City Redevelopment, Sub-Series A (AMBAC): | | | | |
| 5.25%, 9/01/24 | | 2,720 | | 2,499,000 |
| 5.25%, 9/01/25 | | 2,860 | | 2,607,462 |
| San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (MBIA), 5.00%, 7/01/34 | | 10,500 | | 10,236,660 |
| San Jose Financing Authority, RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32 | | 11,400 | | 11,216,232 |
| San Jose Redevelopment Agency, California, TAN, Housing Set, Aside, Merged Area, Series E (MBIA), AMT, 5.85%, 8/01/27 | | 7,300 | | 6,949,308 |
| San Juan Unified School District, California, GO, Election of 2002 (MBIA), 5.00%, 8/01/28 | | 4,250 | | 4,208,860 |
| San Mateo County Transportation District, California, Refunding RB, Series A (MBIA), 5.00%, 6/01/29 | | 4,350 | | 4,435,651 |
| Santa Rosa High School District, California, GO, Election of 2002 (MBIA), 5.00%, 8/01/28 | | 2,500 | | 2,475,800 |

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) | | |
| County/City/Special District/School District (concluded) | | |
| South Tahoe Joint Powers Financing Authority, Refunding RB, South Tahoe Redevelopment Project Area 1, Series A (FSA), 5.00%, 10/01/29 | \$ 1,645 | \$ 1,524,619 |
| Ventura County Community College District, GO, Series A (MBIA), 5.00%, 8/01/27 | 3,395 | 3,441,613 |
| Vista Unified School District, California, GO, Series B (MBIA), 5.00%, 8/01/28 | 2,550 | 2,488,902 |
| West Contra Costa Unified School District, California, GO, Series B: Election of 2002 (FSA), 5.00%, 8/01/32 | 6,690 | 6,502,948 |
| Election of 2005 (BHAC), 5.63%, 8/01/35 | 3,750 | 3,954,337 |
| Westminster Redevelopment Agency, California, TAN, Sub, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 4,300 | 4,465,980 |
| | | 268,693,382 |
| Education 6.3% | | |
| California Educational Facilities Authority, RB: Student Loan, Caledge Loan Program (AMBAC), AMT, 5.55%, 4/01/28 | 6,870 | 6,614,505 |
| University of San Diego, Series A, 5.50%, 10/01/32 | 5,000 | 4,922,400 |
| County of San Diego California, COP (MBIA), 5.75%, 7/01/31 | 5,200 | 5,226,000 |
| Pittsburg Unified School District, GO, Election of 2006, Series B (FSA): 5.50%, 8/01/34 | 2,000 | 2,039,820 |
| 5.63, 8/01/39 | 4,500 | 4,619,790 |
| Snowline Joint Unified School District, COP, Refinancing Program (AGC), 5.75%, 9/01/38 | 5,600 | 5,693,968 |
| | | 29,116,483 |
| Health 5.1% | | |
| California Health Facilities Financing Authority, California, RB, Catholic Healthcare West, Series A: 6.00%, 7/01/34 | 2,130 | 2,070,892 |
| 6.00%, 7/01/39 | 5,500 | 5,321,745 |
| California Statewide Communities Development Authority, RB: Adventist, Series B, Remarketed (AGC), 5.00%, 3/01/37 | 5,850 | 5,367,200 |
| Health Facilities, Memorial Health Services, Series A, 6.00%, 10/01/23 | 3,685 | 3,763,491 |
| Kaiser Permanente, Series A, 5.00%, 4/01/31 | 900 | 813,816 |
| Sutter Health, Series D, Remarketed (FSA), 5.05%, 8/15/38 | 6,625 | 6,277,519 |
| | | 23,614,663 |
| Housing 2.5% | | |
| California Rural Home Mortgage Finance Authority, California, RB, Mortgage Backed Securities Program: Series A, AMT, 6.35%, 12/01/29 | 200 | 203,732 |
| Series B, AMT, 6.25%, 12/01/31 | 90 | 89,851 |
| California State Department of Veterans Affairs, California, RB, Series A (AMBAC), 5.35%, 12/01/27 | 10,755 | 10,865,346 |

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| | | |
|--|-----|------------|
| San Bernardino County Housing Authority, California, RB, Home Mortgage, Mortgage Backed Securities, Series A-1, AMT, 6.25%, 12/01/31 | 155 | 159,081 |
| | | 11,318,010 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

California (continued)

State 4.1%

| | | |
|---|----------|--------------|
| California State Public Works Board, RB, Department Education, Riverside Campus Project, Series B, 6.50%, 4/01/34 | \$ 3,500 | \$ 3,697,575 |
| California State Public Works Board, RB, Various University Projects, Series D (MBIA), 5.00%, 5/01/26 | 4,000 | 3,829,000 |
| State of California, GO: (MBIA), 6.25%, 10/01/19 | 860 | 862,657 |
| Various Purpose, 6.50%, 4/01/33 | 9,875 | 10,676,060 |
| | | 19,065,292 |

Transportation 12.3%

| | | |
|---|--------|------------|
| City of San Jose California, RB, Series D (MBIA), 5.00%, 3/01/28 | 4,135 | 3,877,762 |
| County of Orange California, RB, Series B, 5.75%, 7/01/34 | 5,000 | 5,081,350 |
| Port of Oakland, RB (MBIA), AMT: Series K, 5.88%, 11/01/10 (b) | 20 | 20,704 |
| Series K, 5.88%, 11/01/17 | 2,725 | 2,740,614 |
| Series K, 5.75%, 11/01/29 | 7,445 | 6,955,119 |
| Series L, 5.38%, 11/01/27 | 19,040 | 17,335,920 |
| San Diego Port District, RB, Series A (MBIA), AMT, 5.25%, 9/01/19 | 5,400 | 5,311,440 |
| San Francisco City & County Airports Commission, RB, Special Facilities Lease, SFO Fuel, Series A (FSA), AMT: 6.10%, 1/01/20 | 1,000 | 1,003,340 |
| 6.13%, 1/01/27 | 985 | 987,108 |
| San Francisco City & County Airports Commission, Refunding RB, AMT: Second Series A-3, 6.75%, 5/01/19 | 4,420 | 4,632,602 |
| Second Series 34E (FSA), 5.75%, 5/01/24 | 5,000 | 5,088,900 |
| Second Series 34E (FSA), 5.75%, 5/01/25 | 3,500 | 3,559,780 |
| | | 56,594,639 |

Utilities 21.2%

| | | |
|---|--------|------------|
| City of Glendale California, RB (MBIA), 5.00%, 2/01/32 | 4,390 | 4,251,715 |
| City of Napa California, RB (AMBAC), 5.00%, 5/01/35 | 9,070 | 8,813,410 |
| City of Oakland California, RB, Series A (FSA), 5.00%, 6/15/29 | 4,270 | 4,201,082 |
| City of Santa Clara California, RB, Sub-Series A (MBIA), 5.00%, 7/01/28 | 5,500 | 5,310,525 |
| Contra Costa Water District, RB, Series L (FSA), 5.00%, 10/01/32 | 4,135 | 4,137,109 |
| Contra Costa Water District, Refunding RB, Series O (AMBAC), 5.00%, 10/01/24 | 1,735 | 1,795,430 |
| East Bay Municipal Utility District, RB, Sub-Series A (MBIA), 5.00%, 6/01/35 | 15,000 | 14,955,750 |
| East Bay Municipal Utility District, Refunding RB: Series A (MBIA), 5.00%, 6/01/37 | 6,500 | 6,432,075 |
| Sub-Series A (AMBAC), 5.00%, 6/01/33 | 4,000 | 3,999,720 |
| Sub-Series A (AMBAC), 5.00%, 6/01/37 | 7,985 | 7,901,557 |
| El Centro Financing Authority, California, RB, Series A (FSA), 5.25%, 10/01/35 | 1,100 | 1,062,006 |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1 (AMBAC), 5.00%, 7/01/37 | 5,000 | 4,860,500 |
| Madera Public Financing Authority, California, RB (MBIA), 5.00%, 3/01/36 | 2,010 | 1,833,823 |

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| | | |
|--|-------|-----------|
| Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/33 | 7,175 | 7,212,023 |
|--|-------|-----------|

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 | Par (000) | Value |
|--|--------------|--------------|
| California (concluded) | | |
| Utilities (concluded) | | |
| Oxnard Financing Authority, RB, Redwood Trunk Sewer & Headworks, Series A (MBIA), 5.25%, 6/01/34 | \$ 10,000 | \$ 9,546,900 |
| Sacramento Municipal Utility District, RB, Cosumnes Project (MBIA), 5.00%, 7/01/21 | 4,500 | 4,140,360 |
| Stockton Public Financing Authority, California, RB, Water System Capital Improvement Projects, Series A (MBIA), 5.00%, 10/01/31 | 2,600 | 2,360,202 |
| Turlock Public Financing Authority, California, RB, Series A (MBIA), 5.00%, 9/15/33 | 3,000 | 2,893,920 |
| Vallecitos Water District, California, COP, Series A, Remarketed (FSA), 5.00%, 7/01/27 | 2,000 | 1,992,880 |
| | | 97,700,987 |
| Total Municipal Bonds in California | | 508,571,816 |
| Puerto Rico 1.1% | | |
| County/City/Special District/School District 1.1% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.50%, 8/01/44 | 5,000 | 5,235,750 |
| Total Municipal Bonds in Puerto Rico | | 5,235,750 |
| Total Municipal Bonds 111.3% | | 513,807,566 |

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

| | | |
|--|--------|------------|
| California 39.5% | | |
| County/City/Special District/School District 7.6% | | |
| Fremont Unified School District, Alameda County, California, GO, 2002 Election, Series B (FSA), 5.00%, 8/01/30 | 5,997 | 5,905,020 |
| Los Angeles Community College District, California, GO: 2001 Election, Series A (FSA), 5.00%, 8/01/32 | 12,000 | 11,478,600 |
| 2003 Election, Series E (FSA), 5.00%, 8/01/31 | 7,497 | 7,216,588 |
| 2008 Election, Series A, 6.00%, 8/01/33 | 9,596 | 10,325,918 |
| | | 34,926,126 |

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| Education 8.3% | | |
|--|--------|------------|
| California State University, RB, Systemwide, Series A (FSA), 5.00%, 11/01/39 | 4,860 | 4,655,151 |
| Los Angeles Unified School District, California, GO, Series I, 5.00%, 1/01/34 | 5,000 | 4,815,550 |
| Poway Unified School District, GO, Election 2002, Improvement District No. 02, Series 1B (FSA), 5.00%, 8/01/30 | 10,000 | 9,846,700 |
| University of California, RB: | | |
| Series L, 5.00%, 5/15/40 | 7,398 | 7,149,410 |
| Series O, 5.75%, 5/15/34 | 11,190 | 12,020,746 |
| | | 38,487,557 |

| Municipal Bonds Transferred to Tender Option Bond Trusts (c) | Par (000) | Value |
|---|--------------|---------------|
| California (concluded) | | |
| Transportation 7.5% | | |
| City of Long Beach, California, RB, Series A, AMT, 5.38%, 5/15/24 | \$ 15,150 | \$ 15,070,765 |
| San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (MBIA), 5.00%, 7/01/30 | 19,630 | 19,553,443 |
| | | 34,624,208 |

| | | |
|--|--------|------------|
| Utilities 16.1% | | |
| Anaheim Public Financing Authority, California, RB, Electric System Distribution Facilities, Series A (FSA), 5.00%, 10/01/31 | 3,568 | 3,525,476 |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A1 (FSA), 5.00%, 7/01/31 | 5,007 | 4,974,279 |
| Los Angeles Department of Water & Power, Refunding RB, Power System, Series A, Sub-Series A2 (MBIA), 5.00%, 7/01/27 | 16,000 | 16,123,680 |
| Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37 | 15,000 | 15,028,500 |
| Rancho Water District Financing Authority, California, Refunding RB, Series A (FSA), 5.00%, 8/01/34 | 9,277 | 9,044,102 |
| San Diego County Water Authority, COP, Series A (FSA): | | |
| 5.00%, 5/01/30 | 7,350 | 7,321,262 |
| 5.00%, 5/01/31 | 10,000 | 9,894,600 |
| 5.00%, 5/01/33 | 8,510 | 8,335,545 |
| | | 74,247,444 |

| | | |
|---|--------------|-------------|
| Total Municipal Bonds Transferred to Tender Option Bond Trusts | 39.5% | 182,285,335 |
|---|--------------|-------------|

| | |
|---|-------------|
| Total Long-Term Investments (Cost \$718,590,346) 150.8% | 696,092,901 |
|---|-------------|

| Short-Term Securities | Shares | |
|--|------------|------------|
| CMA California Municipal Money Fund, 0.04% (d)(e) | 21,941,944 | 21,941,944 |
| Total Short-Term Securities (Cost \$21,941,944) 4.8% | | 21,941,944 |

| | | |
|--|----------------|-----------------------|
| Total Investments (Cost \$740,532,290*) | 155.6% | 718,034,845 |
| Other Assets Less Liabilities | 1.9% | 8,553,467 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable | (21.4)% | (98,530,205) |
| Preferred Shares, at Redemption Value | (36.1)% | (166,553,183) |
| Net Assets Applicable to Common Shares | 100.0% | <u>\$ 461,504,924</u> |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|------------------------|
| Aggregate cost | \$ 642,062,967 |
| Gross unrealized appreciation | \$ 5,504,203 |
| Gross unrealized depreciation | (27,807,794) |
| Net unrealized depreciation | <u>\$ (22,303,591)</u> |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) 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.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

- (c) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired the 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.
- (d) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|-----------------|------------|
| CMA California Municipal Money Fund | \$ 21,735,691 | \$ 140,972 |

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|-------------------------------|------------------------------|
| | Assets |
| Level 1 Short-Term Securities | \$ 21,941,944 |
| Level 2 Long-Term Investments | 696,092,901 |
| Level 3 | |

Total

\$ 718,034,845

¹ See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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Schedule of Investments July 31, 2009

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

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Alaska 0.9% | | |
| Alaska Energy Authority, Refunding RB, Bradley Lake, Fourth Series (FSA), 6.00%, 7/01/18 | \$ 3,495 | \$ 3,898,148 |
| Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28 | 3,150 | 3,457,125 |
| | | 7,355,273 |
| Arizona 2.4% | | |
| Downtown Phoenix Hotel Corp., RB, Senior, Series A (FGIC), 5.00%, 7/01/36 | 21,355 | 15,140,909 |
| Maricopa County & Phoenix Industrial Development Authorities, RB, S/F, Series A-2 (GNMA), AMT, 5.80%, 7/01/40 | 4,415 | 4,533,675 |
| | | 19,674,584 |
| California 15.2% | | |
| Alameda Corridor Transportation Authority, CAB, Refunding RB, Subordinate Lien, Series A (AMBAC), 5.47%, 10/01/24 (a) | 10,000 | 7,634,500 |
| Antioch Public Financing Authority, California, RB, Municipal Facilities Project, Series A (MBIA), 5.50%, 1/01/32 | 5,000 | 5,013,900 |
| California HFA, RB, Home Mortgage, Series K, AMT, 5.50%, 2/01/42 | 7,220 | 7,087,585 |
| California State Public Works Board, RB, Department Corrections, Series C, 5.25%, 6/01/28 | 5,400 | 4,997,862 |
| California Statewide Communities Development Authority, RB, Remarketed (FSA): | | |
| Saint Joseph, Series E, 5.25%, 7/01/47 | 11,800 | 11,293,662 |
| Sutter Health, Series D, 5.05%, 8/15/38 | 7,100 | 6,727,605 |
| City of Redding California, COP, Series A (FSA), 5.00%, 6/01/30 | 1,900 | 1,856,585 |
| City of San Jose California, RB, Series A (AMBAC), AMT, 5.50%, 3/01/32 | 11,965 | 10,779,508 |
| County of Sacramento California, RB, Senior, Series A (FSA), 5.00%, 7/01/41 | 18,000 | 16,601,760 |
| Fairfield-Suisun Unified School District, California, GO, Election of 2002 (MBIA), 5.50%, 8/01/28 | 5,800 | 5,934,618 |
| Los Angeles Municipal Improvement Corp., RB, Series B-1 (MBIA), 4.75%, 8/01/37 | 15,000 | 12,722,550 |
| Mendocino-Lake Community College District, GO, Election of 2006, Series A (MBIA), 5.00%, 8/01/31 | 1,485 | 1,405,404 |
| Oceanside Unified School District, California, GO, Series A (AGC), 5.25%, 8/01/33 | 2,500 | 2,501,775 |
| Port of Oakland, RB (MBIA), AMT: | | |
| Series K, 5.75%, 11/01/29 | 3,645 | 3,405,159 |
| Series L, 5.38%, 11/01/27 | 8,465 | 7,707,383 |
| Riverside County Public Financing Authority, TAN, Redevelopment Projects (Syncora), 5.00%, 10/01/35 | 10,000 | 7,802,000 |
| San Mateo Union High School District, California, COP, Convertible CAB, Phase I Projects, Series B (AMBAC), 6.42%, 12/15/43 (b) | 3,250 | 1,428,473 |
| State of California, GO, 2007-2 (MBIA), 5.50%, 4/01/30 | 10 | 10,032 |
| Stockton Public Financing Authority, California, RB, Parking & Capital Projects (MBIA), 5.25%, 9/01/34 | 8,310 | 7,014,637 |
| West Valley-Mission Community College District, GO, Election of 2004, Series A (FSA), 5.00%, 8/01/30 | 3,600 | 3,544,812 |
| | | 125,469,810 |

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| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| Colorado 0.5% | | |
| Colorado Health Facilities Authority, RB, Series C (FSA), 5.25%, 3/01/40 | \$ 3,850 | \$ 3,759,872 |
| District of Columbia 1.1% | | |
| Metropolitan Washington Airports Authority, RB, Series B (AMBAC), AMT, 5.00%, 10/01/32 | 10,000 | 9,189,400 |
| Florida 14.5% | | |
| Broward County School Board, Florida, COP, Series A (FSA), 5.25%, 7/01/33 | 15,000 | 15,009,900 |
| City of Orlando Florida, RB, Senior, 6th Cent Contract Payments, Series A (AGC), 5.25%, 11/01/38 | 15,000 | 14,712,900 |
| Collier County School Board, COP (FSA), 5.00%, 2/15/23 | 5,000 | 5,054,050 |
| County of Broward Florida, RB, Series A, 5.25%, 10/01/34 | 2,250 | 2,271,848 |
| County of Miami-Dade Florida, GO, Building Better Community Program: Series B, 6.38%, 7/01/28 | 6,000 | 6,603,240 |
| Series B-1, 5.75%, 7/01/33 | 3,700 | 3,816,920 |
| County of Miami-Dade Florida, RB, Miami International Airport, AMT: (MBIA), 5.38%, 10/01/25 | 10,650 | 10,254,033 |
| (MBIA), 5.38%, 10/01/27 | 1,000 | 940,810 |
| Series A, 5.50%, 10/01/41 (FSA) | 14,900 | 13,378,263 |
| Series A (Syncora), 5.00%, 10/01/35 | 9,600 | 8,136,768 |
| (Syncora), 5.00%, 10/01/40 | 15,000 | 12,467,700 |
| County of Miami-Dade Florida, Refunding RB, Series C, 6.00%, 10/01/23 | 20,095 | 22,822,293 |
| Miami-Dade County School Board, Florida, COP, Series B (AGC), 5.25%, 5/01/31 | 4,125 | 4,127,516 |
| | | 119,596,241 |
| Georgia 1.5% | | |
| City of Atlanta Georgia, RB, General, Series B (FSA), 5.25%, 1/01/33 | 12,500 | 12,585,500 |
| Hawaii 0.3% | | |
| State of Hawaii, GO, Series CX (FSA), 5.50%, 2/01/21 | 2,000 | 2,131,060 |
| Illinois 15.7% | | |
| Chicago Board of Education, Illinois, GO, Capital Appreciation, School Reform, Series A (MBIA), 5.38%, 12/01/22 (b) | 10,515 | 5,182,107 |
| City of Chicago Illinois, GO, Refunding, Project, Series B (FSA), 5.00%, 1/01/24 | 12,950 | 13,323,219 |
| City of Chicago Illinois, GO, Series A (AGC), 5.25%, 1/01/24 | 11,000 | 11,643,390 |
| City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2 (MBIA), AMT: 5.25%, 1/01/27 | 16,685 | 15,496,527 |
| 6.00%, 1/01/27 | 26,230 | 26,318,920 |
| City of Chicago Illinois, Refunding RB, General, Airport, 3rd Lien, Series C-2 (FSA), AMT, 5.25%, 1/01/30 | 16,400 | 15,180,168 |
| Illinois Health Facilities Authority, RB, Delnor Hospital, Series D, Remarketed (FSA), 5.25%, 5/15/32 | 2,500 | 2,480,100 |
| Illinois Municipal Electric Agency, RB, Series A (MBIA): 5.00%, 2/01/35 | 25,000 | 23,756,750 |
| 5.25%, 2/01/35 | 15,000 | 14,772,000 |
| Regional Transportation Authority, RB, Series C (MBIA), 7.75%, 6/01/20 | 1,000 | 1,288,290 |
| | | 129,441,471 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| Indiana 1.8% | | |
| City of Indianapolis Indiana, RB, 2nd Lien, Series B (AGC), 5.25%, 8/15/27 | \$ 5,000 | \$ 5,148,550 |
| Indiana Health Facility Financing Authority, Indiana, RB, Deaconess Hospital Obligated, Series A (AMBAC), 5.38%, 3/01/34 | 2,150 | 1,864,416 |
| Indiana Municipal Power Agency, Indiana, RB, Indiana Muni Power Agency Series B, 5.75%, 1/01/34 | 1,050 | 1,062,369 |
| Indiana Municipal Power Agency, Indiana, RB, Series A (MBIA), 5.00%, 1/01/37 | 7,500 | 7,165,875 |
| | | 15,241,210 |
| Iowa 1.5% | | |
| Iowa Finance Authority, RB, Series A, Remarketed (AGC), 5.63%, 8/15/37 | 12,650 | 12,587,762 |
| Kentucky 1.7% | | |
| Kentucky State Property & Buildings Commission, Kentucky, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/28 | 4,000 | 4,201,440 |
| Louisville & Jefferson County Metropolitan Sewer District, Kentucky, RB, Series A (MBIA), 5.25%, 5/15/37 | 10,000 | 10,004,800 |
| | | 14,206,240 |
| Louisiana 2.1% | | |
| Louisiana Local Government Environmental Facilities & Community Development Auth, RB, Capital Projects & Equipment Acquisition, Series A (AMBAC), 6.30%, 7/01/30 | 1,050 | 1,014,699 |
| Louisiana Public Facilities Authority, RB, Baton Rouge Gen (MBIA), 5.25%, 7/01/33 | 4,370 | 4,276,613 |
| New Orleans Aviation Board, Louisiana, RB, New Orleans Aviation, Series A (FSA), AMT, 5.25%, 1/01/32 | 13,335 | 11,884,685 |
| | | 17,175,997 |
| Massachusetts 5.6% | | |
| Boston Housing Authority, Massachusetts, RB (FSA), 5.00%, 4/01/23 | 1,570 | 1,666,571 |
| Massachusetts HFA, Massachusetts, RB: | | |
| Housing Development, Series B (MBIA), 5.40%, 12/01/28 | 1,835 | 1,686,255 |
| Rental Housing, Series A (FSA), AMT, 5.15%, 7/01/26 | 11,435 | 11,742,258 |
| Series B, 7.00%, 12/01/38 | 3,440 | 3,733,948 |
| S/F Housing, Series 128 (FSA), AMT, 4.88%, 12/01/38 | 12,745 | 11,302,011 |
| Massachusetts Port Authority, RB, Bosfuel Project (MBIA), AMT, 5.00%, 7/01/38 | 19,555 | 15,772,476 |
| | | 45,903,519 |
| Michigan 7.3% | | |
| City of Detroit Michigan, Refunding, RB: | | |
| Senior Lien, Series D (FSA), 5.00%, 7/01/23 | 9,085 | 9,116,252 |
| Series C (MBIA), 5.00%, 7/01/22 | 5,540 | 5,315,685 |

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| | | |
|---|-------|-----------|
| City of Detroit Michigan, RB, Series B, Remarketed (FSA): | | |
| Second Lien, 6.25%, 7/01/36 | 1,075 | 1,130,061 |
| Second Lien, 7.00%, 7/01/36 | 500 | 555,900 |
| Senior Lien, 7.50%, 7/01/33 | 1,800 | 2,084,184 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Michigan (concluded)

| | | |
|---|----------|--------------|
| Michigan Higher Education Student Loan Authority, Michigan, RB, Student Loan, Series XVII, Q (AMBAC), AMT, 5.00%, 3/01/31 | \$ 4,325 | \$ 3,595,113 |
| Michigan State Building Authority, Refunding, RB, Facilities Program, Series I, 6.25%, 10/15/38 | 3,125 | 3,343,469 |
| Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project (Syncora) AMT: | | |
| Series A, 5.50%, 6/01/30 | 8,000 | 6,961,680 |
| Series C, 5.65%, 9/01/29 | 5,000 | 4,460,050 |
| State of Michigan, RB, GAN (FSA): | | |
| 5.25%, 9/15/21 | 2,485 | 2,591,780 |
| 5.25%, 9/15/22 | 10,000 | 10,343,400 |
| 5.25%, 9/15/26 | 6,650 | 6,741,770 |
| Wayne County Airport Authority, Refunding RB, (AGC), AMT, 5.38%, 12/01/32 | 5,000 | 4,238,750 |
| | | 60,478,094 |

Minnesota 0.7%

| | | |
|--|-------|-----------|
| City of Minneapolis Minnesota, RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | 5,500 | 5,991,315 |
|--|-------|-----------|

Missouri 0.0%

| | | |
|--|----|--------|
| Missouri Housing Development Commission, RB, S/F, Homeownership Loan, C-1 (GNMA) AMT, 7.15%, 3/01/32 | 85 | 91,036 |
|--|----|--------|

Nevada 5.6%

| | | |
|---|--------|------------|
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34 | 2,250 | 2,372,805 |
| County of Clark Nevada, RB: | | |
| Southwest Gas Corp. Project, Series A (AMBAC), AMT, 5.25%, 7/01/34 | 12,675 | 10,164,209 |
| Subordinate Lien, Series A2 (MBIA) 5.00%, 7/01/30 | 23,500 | 22,734,620 |
| Las Vegas New Convention & Visitors Authority, Nevada, RB (AMBAC), 5.00%, 7/01/37 | 11,950 | 10,772,088 |
| | | 46,043,722 |

New Jersey 3.3%

| | | |
|---|--------|------------|
| New Jersey EDA, RB, Cigarette Tax: | | |
| 5.75%, 6/15/29 | 3,060 | 2,545,614 |
| 5.75%, 6/15/34 | 13,960 | 11,249,666 |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1: | | |
| (AMBAC), 5.50%, 9/01/24 | 10,000 | 10,778,300 |
| (MBIA), 5.50%, 9/01/28 | 2,165 | 2,277,883 |
| | | 26,851,463 |

New Mexico 0.2%

| | | |
|--|-------|-----------|
| New Mexico Educational Assistance Foundation, RB, Student Loan Program, 1st Sub-Series A-2, AMT, 6.65%, 11/01/25 | 1,605 | 1,605,770 |
| New Mexico Mortgage Finance Authority, RB, S/F Mortgage, C-2 (GNMA), AMT, 6.95%, 9/01/31 | 285 | 301,199 |
| | | 1,906,969 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| New York 5.0% | | |
| City of New York New York, GO: | | |
| Series A-1, 5.25%, 8/15/24 | \$ 5,000 | \$ 5,272,100 |
| Series J, 5.25%, 5/15/24 | 10,000 | 10,314,800 |
| Series M (AGC), 5.00%, 4/01/30 | 5,000 | 5,079,750 |
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34 | 7,250 | 7,426,972 |
| New York State Dormitory Authority, RB, State University Educational Facilities, 3rd Generation, Series A (MBIA), 5.50%, 5/15/24 | 7,790 | 8,430,961 |
| Triborough Bridge & Tunnel Authority, New York, RB, Series A-2, 5.25%, 11/15/34 | 4,500 | 4,632,975 |
| | | 41,157,558 |
| Pennsylvania 3.3% | | |
| Pennsylvania Housing Finance Agency, RB, S/F Mortgage Revenue, Series 70A, AMT, 5.80%, 4/01/27 | | |
| | 4,740 | 4,667,573 |
| Pennsylvania Turnpike Commission, RB: | | |
| Series A (AMBAC), 5.50%, 12/01/31 | 15,600 | 15,894,216 |
| Sub-Series C (AGC), 6.25%, 6/01/38 | 5,695 | 6,292,690 |
| | | 26,854,479 |
| Rhode Island 0.3% | | |
| Rhode Island EDC, RB, Series A (AGC), AMT, 5.25%, 7/01/38 | 2,900 | 2,521,057 |
| South Carolina 1.4% | | |
| Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC): | | |
| 5.25%, 12/01/28 | 3,895 | 3,966,084 |
| 5.25%, 12/01/29 | 3,215 | 3,257,952 |
| 5.25%, 12/01/30 | 1,160 | 1,171,101 |
| County of Kershaw South Carolina, RB, Kershaw County School District Project (CIFG), 5.00%, 12/01/30 | 2,775 | 2,717,780 |
| South Carolina State Housing Finance & Development Authority, South Carolina, RB, Series A-2 (FSA), AMT, 6.35%, 7/01/19 | 585 | 593,155 |
| | | 11,706,072 |
| Tennessee 0.2% | | |
| Tennessee Housing Development Agency, Tennessee, RB, Homeownership Program, Series A (FSA), AMT, 5.35%, 1/01/26 | 1,845 | 1,842,306 |
| Texas 18.0% | | |
| City of Houston Texas, Refunding RB, First Lien, Series A: | | |
| (AGC), 6.00%, 11/15/35 | 5,700 | 6,261,963 |
| (AGC), 5.38%, 11/15/38 | 3,650 | 3,715,043 |
| (FSA), 5.00%, 11/15/36 | 10,695 | 10,522,062 |
| Dallas ISD, GO, School Building, 6.38%, 2/15/34 | 10,000 | 11,313,200 |

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| | | |
|--|--------|------------|
| Dallas-Fort Worth International Airport Facilities Improvement Corp., RB, Joint, Series A (FSA), AMT, 5.00%, 11/01/35 | 1,000 | 846,460 |
| Dallas-Fort Worth International Airport Facilities Improvement Corp., Refunding RB, & Improvement, Series A (MBIA), AMT, 5.63%, 11/01/26 | 15,000 | 15,040,950 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Texas (concluded)

| | | |
|--|-----------|--------------|
| Grand Prairie ISD, Texas, GO, CAB, Refunding, 6.57%, 8/15/28 (b) | \$ 10,000 | \$ 2,940,700 |
| Harris County Hospital District, Refunding RB, Senior Lien, Series A (MBIA), 5.25%, 2/15/37 | 9,750 | 9,054,533 |
| Harris County-Houston Sports Authority, RB, Senior Lien, Series G (MBIA): | | |
| 5.75%, 11/15/19 | 1,665 | 1,666,099 |
| 5.75%, 11/15/20 | 3,500 | 3,470,460 |
| 5.25%, 11/15/30 | 10,000 | 8,477,000 |
| Judson ISD, Texas, GO, School Building (AGC), 5.00%, 2/01/37 | 10,000 | 9,896,800 |
| Matagorda County Navigation District No. 1, Texas, Refunding RB, Central Power & Light (MBIA), AMT, 5.20%, 5/01/30 | 6,250 | 5,413,875 |
| North Texas Tollway Authority, Refunding RB, System, First Tier: | | |
| Series A, 6.00%, 1/01/25 | 6,250 | 6,578,313 |
| Series A (MBIA), 5.13%, 1/01/28 | 21,750 | 21,531,848 |
| Series B (MBIA), 5.75%, 1/01/40 | 10,000 | 9,956,700 |
| Texas Department of Housing & Community Affairs, RB, Mortgage, Series A (MBIA), AMT, 5.45%, 9/01/23 | 4,625 | 4,659,040 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC): | | |
| 5.50%, 8/15/39 | 10,000 | 9,077,400 |
| 5.00%, 8/15/42 | 10,000 | 8,318,100 |
| | | 148,740,546 |

Utah 1.1%

| | | |
|---|--------|-----------|
| Utah Transit Authority, Utah, Refunding RB, CAB, Sub-Series A (AGC), 5.35%, 6/15/20 (b) | 15,930 | 9,237,011 |
|---|--------|-----------|

Vermont 0.4%

| | | |
|---|-------|-----------|
| Vermont HFA, Vermont, RB (FSA), AMT: | | |
| Housing, Series 12B, 6.30%, 11/01/19 | 375 | 382,129 |
| Multiple Purpose, Series C, 5.50%, 11/01/38 | 2,965 | 2,884,886 |
| | | 3,267,015 |

Washington 5.9%

| | | |
|--|--------|------------|
| Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series A (AMBAC), AMT, 5.45%, 7/01/37 | 3,030 | 2,671,793 |
| Chelan County Public Utility District No. 1, Refunding RB, Chelan Hydro, Series C (MBIA), AMT, 5.65%, 7/01/32 | 6,000 | 5,647,560 |
| King County Public Hospital District No. 1, Washington, GO, Series A (AGC), 5.00%, 12/01/37 | 2,500 | 2,466,250 |
| Radford Court Properties, Washington, RB (MBIA), 5.75%, 6/01/32 | 10,000 | 10,007,700 |
| Seattle Housing Authority, Washington, RB, Capital Fund Program, High Rise Rehabilitation, III (FSA), AMT, 5.15%, 11/01/27 | 6,255 | 6,081,486 |
| Skagit County Public Hospital District No. 1, Washington, GO, Series A (MBIA): | | |
| 5.25%, 12/01/25 | 4,945 | 4,958,302 |
| 5.25%, 12/01/26 | 5,450 | 5,425,039 |
| Washington Health Care Facilities Authority, Washington, RB: | | |
| Catholic Health Initiatives, D, 6.38%, 10/01/36 | 5,400 | 5,700,294 |
| Providence Health System, Series A (MBIA), 5.25%, 10/01/21 | 5,750 | 5,813,078 |
| | | 48,771,502 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Wisconsin 0.4% | | |
| Wisconsin Health & Educational Facilities Authority, RB, SynergyHealth Inc, 6.00%, 11/15/32 | \$ 3,395 | \$ 3,440,629 |
| Puerto Rico 2.7% | | |
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, M-3 (MBIA): | | |
| 6.00%, 7/01/26 | 5,040 | 5,039,698 |
| 6.00%, 7/01/27 | 4,235 | 4,188,966 |
| 6.00%, 7/01/28 | 2,750 | 2,719,200 |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 10,195 | 10,572,521 |
| | | 22,520,385 |
| Total Municipal Bonds 120.6% | | 995,739,098 |

Municipal Bonds Transferred to
Tender Option Bond Trusts (c)

| | | |
|---|--------|------------|
| California 11.1% | | |
| Alameda County Joint Powers Authority, RB, Lease Revenue (FSA), 5.00%, 12/01/34 | 6,990 | 6,688,661 |
| California State University, Refunding RB, Systemwide, Series A (FSA), 5.00%, 11/01/37 | 18,440 | 17,763,436 |
| City of Riverside, California, RB, Issue D (FSA), 5.00%, 10/01/38 | 20,000 | 19,314,200 |
| Las Virgenes Unified School District, California, GO, Series A (FSA), 5.00%, 8/1/31 | 10,000 | 9,778,087 |
| Los Angeles Community College District, California, GO, 2008 Election, Series A, 6.00%, 8/01/33 | 5,248 | 5,646,987 |
| Orange County Sanitation District, COP, Series B (FSA), 5.00%, 2/01/37 | 10,780 | 10,299,535 |
| San Diego Community College District, California, GO, Election of 2002, 5.25%, 8/01/33 | 1,047 | 1,064,071 |
| San Diego County Water Authority, COP, Series 2008 A, COP (FSA), 5.00%, 5/01/33 | 9,370 | 9,177,915 |
| San Francisco Bay Area Transit Financing Authority, RB (FSA), 5.00%, 7/01/36 | 10,000 | 9,926,361 |
| University of California, RB, Series O, 5.75%, 5/15/34 | 2,205 | 2,368,699 |
| | | 92,027,952 |
| Connecticut 0.6% | | |
| Connecticut State Health & Educational Facility Authority, RB, Yale University, Series T1, 4.70%, 7/01/29 | 5,010 | 5,160,050 |
| District of Columbia 0.9% | | |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 | 2,595 | 2,789,625 |
| District of Columbia Water & Sewer Authority, Refunding RB, Series A, 6.00%, 10/01/35 | 4,281 | 4,631,275 |
| | | 7,420,900 |
| Florida 0.4% | | |

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| | | |
|--|------------------|---------------|
| Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 | 3,299 | 3,288,467 |
| Georgia 1.2% | | |
| Metropolitan Atlanta Rapid Transit Authority, Refunding RB, Third Indenture, Series B (FSA), 5.00%, 7/01/37 | 10,000 | 10,012,504 |
| Municipal Bonds Transferred to Tender Option Bond Trusts (c) | | |
| | Par (000) | Value |
| Illinois 2.0% | | |
| Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38 | \$ 10,000 | \$ 11,026,100 |
| Metropolitan Pier & Exposition Authority, Illinois, Refunding RB, McCormick Place Expansion, Series B (MBIA), 5.75%, 6/15/23 | 4,798 | 5,059,504 |
| | | 16,085,604 |
| Kentucky 0.8% | | |
| Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | 5,985 | 6,344,076 |
| Louisiana 1.2% | | |
| State of Louisiana, RB, Series A (FSA), 5.00%, 5/01/36 | 10,000 | 10,061,800 |
| Nevada 0.7% | | |
| Clark County Water Reclamation District, GO, Series B: 5.50%, 7/01/29 | 510 | 538,547 |
| 5.75%, 7/01/34 | 4,813 | 5,081,167 |
| | | 5,619,714 |
| New Jersey 1.4% | | |
| Garden State Preservation Trust, RB, 2005 Series A (FSA), 5.75%, 11/01/28 | 10,000 | 11,841,000 |
| New York 4.4% | | |
| New York City Municipal Water Finance Authority, Refunding RB, Series DD, 5.00%, 6/15/37 | 17,567 | 17,513,872 |
| Port Authority of New York & New Jersey, RB, Thirty Seventh Series (FSA), AMT, 5.13%, 7/15/30 | 19,500 | 19,165,185 |
| | | 36,679,057 |
| Ohio 0.6% | | |
| County of Montgomery, Ohio, RB, Catholic Health, Series C1 (FSA), 5.00%, 10/01/41 | 4,990 | 4,643,544 |
| Texas 4.1% | | |
| Friendswood ISD, Texas, GO, Schoolhouse, 5.00%, 2/15/37 | 12,955 | 13,026,277 |
| Houston ISD, GO, Schoolhouse, 5.00%, 2/15/33 | 10,000 | 10,150,300 |
| Texas State University Systems, Refunding RB, 5.25%, 3/15/26 | 10,000 | 10,618,700 |
| | | 33,795,277 |
| Virginia 0.5% | | |
| University of Virginia, Refunding RB, 5.00%, 6/01/40 | 3,950 | 4,028,882 |
| Washington 6.3% | | |
| Central Puget Sound Regional Transportation Authority, Washington, RB, Series A (FSA), 5.00%, 11/01/34 | 17,000 | 17,021,382 |

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| | | |
|---|--------|---------------|
| County of King, Washington, RB (FSA), 5.00%, 1/01/37 | 15,785 | 15,737,625 |
| Port of Seattle, Washington, Refunding RB, Series B (MBIA), AMT, 5.20%, 7/01/29 | 20,570 | 19,003,111 |
| | | 51,762,118 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 36.2% | | 298,770,945 |
| Total Long-Term Investments | | |
| (Cost \$1,340,107,613) 156.8% | | 1,294,510,043 |

See Notes to Financial Statements.

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Schedule of Investments (concluded)

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

| Short-Term Securities | Par (000) | Value |
|---|--------------|-----------------------|
| Pennsylvania 1.2% | | |
| City of Philadelphia Pennsylvania, GO, Multi-Mode, Refunding, VRDN, Series B (FSA), 2.50%, 8/07/09 (d) | \$ 10,000 | \$ 10,000,000 |
| Shares | | |
| Money Market Fund 4.1% | | |
| FII Institutional Tax-Exempt Fund, 0.42% (e)(f) | 33,611,786 | 33,611,786 |
| Total Short-Term Securities | | 43,611,786 |
| (Cost \$43,611,786) 5.3% | | |
| Total Investments (Cost \$1,383,719,399*) 162.1% | | 1,338,121,829 |
| Other Assets Less Liabilities 1.1% | | 9,039,450 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (19.7)% | | (162,852,649) |
| Preferred Shares, at Redemption Value (43.5)% | | (358,686,791) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 825,621,839 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|------------------|
| Aggregate cost | \$ 1,227,935,803 |
| Gross unrealized appreciation | \$ 27,540,618 |
| Gross unrealized depreciation | (79,777,138) |
| Net unrealized depreciation | \$ (52,236,520) |

(a) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

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- (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 bonds transferred to tender option bond trusts.
- (d) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The 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, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-----------------------------------|-----------------|------------|
| FFI Institutional Tax-Exempt Fund | \$ 7,457,380 | \$ 482,420 |

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|------------------------------------|------------------------------|
| | Assets |
| Level 1 Short-Term Securities | \$ 33,611,786 |
| Level 2 | |
| Long-Term Investments ¹ | 1,294,510,043 |
| Short-Term Securities | 10,000,000 |
| Total Level 2 | 1,304,510,043 |
| Level 3 | |
| Total | \$ 1,338,121,829 |

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

See Notes to Financial Statements.

| | | |
|----|---------------|---------------|
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|----|---------------|---------------|

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Schedule of Investments July 31, 2009

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Michigan 139.6% | | |
| Corporate 23.3% | | |
| Delta County EDC, Refunding RB, MeadWestvaco Escanaba, Series A, 6.25%, 4/15/12 (a) | \$ 2,420 | \$ 2,745,708 |
| Dickinson County EDC, Michigan, Refunding RB, International Paper Co. Project, Series A, 5.75%, 6/01/16 | 2,500 | 2,441,925 |
| Michigan Strategic Fund, Refunding RB (MBIA): | | |
| Detroit, Fund, Pollution, AA, 6.95%, 5/01/11 | 2,000 | 2,126,280 |
| Detroit Edison Co., Series A, AMT, 5.55%, 9/01/29 | 9,500 | 8,369,500 |
| Monroe County EDC, Michigan, Refunding RB, Detroit Edison Co., Series AA (MBIA), 6.95%, 9/01/22 | 6,500 | 7,312,240 |
| Saint Clair County EDC, Michigan, Refunding RB, Detroit Edison, Series AA (AMBAC), 6.40%, 8/01/24 | 13,000 | 13,159,250 |
| | | 36,154,903 |
| County/City/Special District/School District 32.6% | | |
| Adrian City School District, Michigan, GO (FSA), 5.00%, 5/01/14 (a) | 2,400 | 2,759,520 |
| Anchor Bay School District, Michigan, GO, School Building & Site, Series II (FGIC), 5.75%, 5/01/10 (a) | 3,165 | 3,291,758 |
| Bullock Creek School District, Michigan, GO (MBIA), 5.50%, 5/01/10 (a) | 2,150 | 2,232,582 |
| City of Oak Park Michigan, GO, Street Improvement (MBIA), 5.00%, 5/01/30 | 600 | 588,558 |
| Detroit City School District, Michigan, GO: | | |
| School Building & Site Improvement (FGIC), Series A, 5.00%, 5/01/13 (a) | 2,000 | 2,264,460 |
| School Building & Site Improvement (FGIC), Series A, 5.38%, 5/01/13 (a) | 1,480 | 1,695,917 |
| School Building & Site Improvement (FGIC), Series B, 5.00%, 5/01/28 | 1,900 | 1,662,481 |
| Series A (FSA), 5.50%, 5/01/12 (a) | 1,700 | 1,904,017 |
| Eaton Rapids Public Schools, Michigan, GO, School Building & Site (FSA), 5.25%, 5/01/23 | 2,000 | 2,087,620 |
| Gibraltar School District, Michigan, GO, School Building & Site: | | |
| (FGIC), 5.00%, 5/01/14 (a) | 3,065 | 3,524,137 |
| (MBIA), 5.00%, 5/01/28 | 585 | 591,856 |
| Grand Blanc Community Schools, Michigan, GO (MBIA): | | |
| 5.63%, 5/01/17 | 1,000 | 1,088,270 |
| 5.63%, 5/01/18 | 1,000 | 1,057,990 |
| 5.63%, 5/01/19 | 1,100 | 1,163,789 |
| Grand Rapids Building Authority, Michigan, RB, Series A (AMBAC) (a): | | |
| 5.50%, 10/01/18 | 535 | 610,028 |
| 5.50%, 10/01/19 | 130 | 148,231 |
| Harper Woods School District, Michigan, GO, School Building & Site: | | |
| (FGIC), 5.00%, 5/01/14 (a) | 215 | 247,207 |
| (MBIA), 5.00%, 5/01/34 | 10 | 9,846 |
| Hartland Consolidated School District, Michigan, GO (FGIC), 6.00%, 5/01/10 (a) | 4,500 | 4,689,675 |
| Haslett Public School District, Michigan, GO, Building & Site (MBIA), 5.63%, 11/01/11 (a) | 1,275 | 1,410,558 |
| | | |
| Municipal Bonds | Par (000) | Value |

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

| | | | | |
|--|----|-------|----|------------|
| Jackson Public Schools, Michigan, GO (FGIC), 5.38%, 5/01/10 (a) | \$ | 3,975 | \$ | 4,123,983 |
| Ludington Area School District, Michigan, GO (MBIA), 5.25%, 5/01/23 | | 1,440 | | 1,519,430 |
| New Lothrop Area Public Schools, Michigan, GO, School Building & Site (FSA), 5.00%, 5/01/35 | | 1,200 | | 1,179,432 |
| Pontiac Tax Increment Finance Authority, Michigan, TAN, Tax Increment Development (ACA), 5.38%, 6/01/12 (a) | | 640 | | 719,430 |
| Reed City Public Schools, Michigan, GO, School Building & Site (FSA), 5.00%, 5/01/14 (a) | | 1,000 | | 1,149,800 |
| South Lyon Community Schools, Michigan, GO, Series A (MBIA), 5.75%, 5/01/10 (a) | | 2,650 | | 2,756,742 |
| Southfield Public Schools, Michigan, GO, School Building & Site, Series B (FSA), 5.00%, 5/01/14 (a) | | 1,000 | | 1,144,390 |
| Sparta Area Schools, Michigan, GO, School Building & Site (FGIC), 5.00%, 5/01/14 (a) | | 1,000 | | 1,149,800 |
| Thornapple Kellogg School District, Michigan, GO, Refunding, School Building & Site (MBIA), 5.00%, 5/01/32 | | 1,500 | | 1,495,845 |
| Wayne Charter County Michigan, GO, Airport Hotel, Detroit Metropolitan Airport, Series A (MBIA), 5.00%, 12/01/30 | | 1,180 | | 1,104,940 |
| Zeeland Public Schools, Michigan, GO, School Building & Site (MBIA), 5.00%, 5/01/29 | | 1,230 | | 1,241,808 |
| | | | | 50,614,100 |

Education 6.3%

| | | | | |
|---|--|-------|--|-----------|
| Harper Creek Community School District, Michigan, GO, Refunding (FSA), 5.00%, 5/01/22 | | 1,000 | | 1,035,260 |
| Michigan Higher Education Facilities Authority, Michigan, RB, Limited Obligation, Hillsdale College Project, 5.00%, 3/01/35 | | 1,125 | | 993,454 |
| Michigan Higher Education Facilities Authority, Michigan, Refunding RB, Limited Obligation, Creative Studies (a): | | | | |
| 5.85%, 6/01/12 | | 550 | | 620,202 |
| 5.90%, 6/01/12 | | 1,000 | | 1,129,030 |
| Michigan Higher Education Student Loan Authority, Michigan, RB, Student Loan, Series XVII-B (AMBAC), AMT: | | | | |
| 5.40%, 6/01/18 | | 3,000 | | 2,937,960 |
| 5.00%, 3/01/31 | | 500 | | 415,620 |
| Michigan State Building Authority, RB, Facilities Program, Series II (AMBAC), 4.66%, 10/15/09 (b)(c) | | 1,185 | | 1,183,187 |
| Saginaw Valley State University, Michigan, Refunding RB (MBIA), 5.00%, 7/01/24 | | 1,450 | | 1,472,026 |
| | | | | 9,786,739 |

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Michigan (continued) | | |
| Health 25.2% | | |
| County of Dickinson Michigan, Refunding RB (ACA), 5.80%, 11/01/24 | \$ 2,170 | \$ 1,948,617 |
| Flint Hospital Building Authority, Michigan, Refunding RB, Hurley Medical Center (ACA): 6.00%, 7/01/20 | 755 | 628,500 |
| Series A, 5.38%, 7/01/20 | 385 | 302,117 |
| Kent Hospital Finance Authority, Michigan, RB, Spectrum Health, Series A (MBIA), 5.50%, 7/15/11 (a) | 3,000 | 3,297,480 |
| Michigan State Hospital Finance Authority, Michigan, RB: Ascension Health Credit, Series A (MBIA), 6.25%, 11/15/09 (a) | 3,760 | 3,860,618 |
| Hospital, MidMichigan Obligation Group, Series A (AMBAC), 5.50%, 4/15/18 | 1,000 | 1,015,200 |
| McLaren Health Care, 5.75%, 5/15/38 | 1,500 | 1,409,745 |
| McLaren Health Care, Series C, 5.00%, 8/01/35 | 1,585 | 1,346,347 |
| Mercy Health Services, Series R (AMBAC), 5.38%, 8/15/26 (c) | 2,000 | 2,006,320 |
| Series A, Trinity Health, 6.13%, 12/01/23 | 940 | 1,015,115 |
| Series A, Trinity Health, 6.25%, 12/01/28 | 570 | 609,849 |
| Series A, Trinity Health, 6.50%, 12/01/33 | 1,400 | 1,502,060 |
| Michigan State Hospital Finance Authority, Michigan, Refunding RB, Hospital: Crittenton, Series A, 5.63%, 3/01/27 | 1,300 | 1,208,740 |
| Oakwood Obligation Group, Series A, 5.00%, 7/15/25 | 3,110 | 2,575,204 |
| Oakwood Obligation Group, Series A, 5.00%, 7/15/37 | 3,340 | 2,413,952 |
| Sparrow Obligated, 5.00%, 11/15/31 | 1,595 | 1,356,771 |
| Trinity Health Credit, C, 5.38%, 12/01/23 | 1,000 | 1,005,820 |
| Trinity Health Credit, C, 5.38%, 12/01/30 | 1,950 | 1,907,470 |
| Trinity Health Credit, D, 5.00%, 8/15/34 | 1,650 | 1,559,927 |
| Trinity Health, Series A, 6.00%, 12/01/20 | 1,400 | 1,436,862 |
| Trinity Health, Series A (AMBAC), 6.00%, 12/01/27 | 5,500 | 5,610,770 |
| Royal Oak Hospital Finance Authority, Michigan, RB, William Beaumont Hospital, 8.25%, 9/01/39 | 1,000 | 1,128,070 |
| | | 39,145,554 |
| Housing 3.4% | | |
| Michigan State HDA, RB, College Program, Deaconess Tower (GNMA), AMT, 5.25%, 2/20/48 | 1,000 | 933,440 |
| Michigan State HDA, RB, Non Ace, Series A, 6.00%, 10/01/45 | 4,280 | 4,291,556 |
| Michigan State HDA, RB, Series A (MBIA), AMT, 5.30%, 10/01/37 | 25 | 23,738 |
| | | 5,248,734 |

| Municipal Bonds | Par (000) | Value |
|-----------------------------|--------------|-------|
| Michigan (concluded) | | |

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State 14.4%

| | | | |
|---|----|-------|--------------|
| Michigan Municipal Bond Authority, Michigan, RB, Local Government, Charter County | | | |
| Wayne, Series B (AGC): | | | |
| 5.00%, 11/01/14 | \$ | 1,500 | \$ 1,637,790 |
| 5.00%, 11/01/15 | | 1,000 | 1,088,770 |
| 5.00%, 11/01/16 | | 500 | 541,305 |
| 5.38%, 11/01/24 | | 125 | 129,730 |
| Michigan State Building Authority, RB, Facilities Program, Series II (AMBAC), 4.86%, 10/15/10 (b)(c) | | | |
| | | 1,675 | 1,652,455 |
| Michigan State Building Authority, Refunding RB, Facilities Program: | | | |
| Series I, 6.25%, 10/15/38 | | | |
| | | 2,350 | 2,514,288 |
| Series I (FSA), 5.50%, 10/15/10 | | | |
| | | 7,000 | 7,350,560 |
| Series II (MBIA), 5.00%, 10/15/29 | | | |
| | | 2,000 | 1,925,980 |
| State of Michigan, COP, New Center Development Inc. (MBIA), 5.75%, 9/01/11 (c) | | | |
| | | 5,045 | 5,559,439 |
| | | | 22,400,317 |

Transportation 15.4%

| | | | |
|--|--|-------|------------|
| Wayne Charter County Michigan, RB, Detroit Metropolitan Wayne County, Series A (MBIA), AMT, 5.38%, 12/01/15 | | | |
| | | 6,500 | 6,497,790 |
| Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport (MBIA), AMT: | | | |
| 5.25%, 12/01/25 | | 4,475 | 3,904,482 |
| 5.25%, 12/01/26 | | 3,700 | 3,191,842 |
| 5.00%, 12/01/34 | | 5,200 | 3,885,024 |
| Wayne County Airport Authority, Refunding RB (AGC), AMT: | | | |
| 5.75%, 12/01/26 | | 3,060 | 2,880,653 |
| 5.38%, 12/01/32 | | 4,300 | 3,645,325 |
| | | | 24,005,116 |

Utilities 19.0%

| | | | |
|--|--|-------|------------|
| City of Detroit Michigan, RB, Second Lien, Series B: | | | |
| (MBIA), 5.00%, 7/01/13 (a) | | | |
| | | 1,780 | 2,010,296 |
| (MBIA), 5.00%, 7/01/34 | | | |
| | | 2,620 | 2,250,135 |
| Remarketed (FSA), 7.00%, 7/01/36 | | | |
| | | 2,000 | 2,223,600 |
| City of Detroit Michigan, RB, Senior Lien, Series A: | | | |
| (FGIC), 5.75%, 7/01/11 (a) | | | |
| | | 1,000 | 1,092,910 |
| (FSA), 5.00%, 7/01/25 | | | |
| | | 3,460 | 3,392,876 |
| (MBIA), 5.00%, 7/01/13 (a) | | | |
| | | 1,250 | 1,411,725 |
| (MBIA), 5.00%, 7/01/34 | | | |
| | | 4,600 | 3,950,618 |
| City of Detroit Michigan, Refunding RB, Second Lien, Series C (FSA), 5.00%, 7/01/29 | | | |
| | | 6,475 | 6,299,592 |
| City of Grand Rapids Michigan, RB, Refunding & Improvement, Series A (MBIA), 5.50%, 1/01/22 | | | |
| | | 1,500 | 1,645,935 |
| City of Wyoming Michigan, RB (MBIA), 5.00%, 6/01/30 | | | |
| | | 5,300 | 5,198,770 |
| | | | 29,476,457 |

Total Municipal Bonds in Michigan

216,831,920

Puerto Rico 7.3%

State 5.3%

| | | | |
|--|--|-------|-----------|
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, M-3 (MBIA), 6.00%, 7/01/27 | | | |
| | | 4,200 | 4,154,346 |

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| | | |
|--|--------|-----------|
| Puerto Rico Sales Tax Financing Corp., RB, CAB, Series A (MBIA) (b): | | |
| 5.19%, 8/01/43 | 12,500 | 1,385,250 |
| 4.99%, 8/01/46 | 30,000 | 2,716,500 |
| | | <hr/> |
| | | 8,256,096 |

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Puerto Rico (concluded) | | |
| Transportation 2.0% | | |
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGC), 5.50%, 7/01/31 | \$ 3,000 | \$ 3,136,830 |
| Total Municipal Bonds in Puerto Rico | | 11,392,926 |
| Total Municipal Bonds 146.9% | | 228,224,846 |
| Municipal Bonds Transferred to Tender Option Bond Trusts (d) | | |
| Michigan 11.0% | | |
| County/City/Special District/School District 4.5% | | |
| Lakewood Public Schools, Michigan, GO, School Building (FSA), 5.00%, 5/01/37 | 4,150 | 4,141,722 |
| Portage Public Schools, Michigan, GO, School Building (FSA), 5.00%, 5/01/31 | 2,850 | 2,869,864 |
| | | 7,011,586 |
| Education 6.5% | | |
| Saginaw Valley State University, Michigan, Refunding RB (FSA), 5.00%, 7/01/31 | 2,500 | 2,505,250 |
| Wayne State University, Refunding RB (FSA), 5.00%, 11/15/35 | 7,790 | 7,545,784 |
| | | 10,051,034 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 11.0% | | 17,062,620 |
| Total Long-Term Investments (Cost \$251,099,782) 157.9% | | 245,287,466 |

Short-Term Securities

Shares

| | | |
|---|-----------|-----------|
| CMA Michigan Municipal Money Fund, 0.04% (e)(f) | 4,115,561 | 4,115,561 |
| | | 4,115,561 |

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Total Short-Term Securities

(Cost \$4,115,561) 2.6%

| | | |
|--|----------------|----------------|
| Total Investments (Cost \$255,215,343*) | 160.5% | 249,403,027 |
| Other Assets Less Liabilities | 1.5% | 2,374,317 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable | (5.8)% | (9,058,772) |
| Preferred Shares, at Redemption Value | (56.2)% | (87,358,084) |
| Net Assets Applicable to Common Shares | 100.0% | \$ 155,360,488 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 246,122,551 |
| Gross unrealized appreciation | \$ 8,411,688 |
| Gross unrealized depreciation | (14,161,212) |
| Net unrealized depreciation | \$ (5,749,524) |

- (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) Security is collateralized by Municipal or US Treasury Obligations.
- (d) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired the 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.
- (e) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-----------------------------------|--------------|-----------|
| CMA Michigan Municipal Money Fund | \$ 134,284 | \$ 35,364 |

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

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Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|-------------------------------|---------------------------|
| | Assets |
| Level 1 Short-Term Securities | \$ 4,115,561 |
| Level 2 Long-Term Investments | 245,287,466 |
| Level 3 | |
| Total | \$ 249,403,027 |

¹ See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

Schedule of Investments July 31, 2009

BlackRock MuniYield New York Insured Fund, Inc. (MYN)
 (Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| New York 118.5% | | |
| Corporate 10.0% | | |
| New York City Industrial Development Agency, RB: | | |
| Terminal One Group Association Project, AMT, 5.50%, 1/01/24 | \$ 1,500 | \$ 1,419,915 |
| Japan Airlines Co., Remarketed (FSA), AMT, 6.00%, 11/01/15 | 5,900 | 5,909,086 |
| New York State Energy Research & Development Authority, RB: | | |
| Brooklyn Union Gas, Keyspan, Series A (FGIC), AMT, 4.70%, 2/01/24 | 10,750 | 9,841,948 |
| Lilco Project, Series A (MBIA), 5.15%, 3/01/16 | 3,000 | 3,008,760 |
| Suffolk County Industrial Development Agency, New York, RB, AMT: | | |
| Keyspan, Port Jefferson, 5.25%, 6/01/27 | 4,625 | 4,159,078 |
| Ogden Martin System Huntington (AMBAC), 6.00%, 10/01/10 | 8,530 | 8,821,044 |
| Ogden Martin System Huntington (AMBAC), 6.15%, 10/01/11 | 9,170 | 9,648,949 |
| Ogden Martin System Huntington (AMBAC), 6.25%, 10/01/12 | 6,470 | 6,931,764 |
| | | 49,740,544 |
| County/City/Special District/School District 36.4% | | |
| City of Buffalo, New York, GO: | | |
| School, Series D (MBIA), 5.50%, 12/15/14 | 1,250 | 1,332,112 |
| School, Series D (MBIA), 5.50%, 12/15/16 | 1,500 | 1,574,505 |
| City of New York, New York, GO: | | |
| Series B (MBIA), 5.75%, 8/01/13 | 1,280 | 1,348,032 |
| Series B (AMBAC), 7.00%, 2/01/18 | 70 | 70,297 |
| Sub-Series J-1, 4.50%, 5/15/30 | 2,750 | 2,613,572 |
| City of Niagara Falls, New York, GO, Water Treatment Plant (MBIA), AMT, 7.25%, 11/01/10 | 1,000 | 1,080,910 |
| Dutchess County Resource Recovery Agency, New York, RB, Solid Waste System, Series A (MBIA), 5.40%, 1/01/13 | | |
| | 1,700 | 1,760,248 |
| Erie County Industrial Development Agency, RB, City of Buffalo Project (FSA), 5.75%, 5/01/20 | | |
| | 1,900 | 1,992,359 |
| Hudson Yards Infrastructure Corp., RB, Series A: (FGIC), 5.00%, 2/15/47 | | |
| | 12,150 | 10,378,165 |
| (MBIA), 4.50%, 2/15/47 | 16,275 | 12,911,120 |
| Ilion Central School District, New York, GO, Series B (FGIC), 5.50%, 6/15/10 | 1,675 | 1,765,902 |
| New York City Industrial Development Agency, RB, PILOT: | | |
| Queens Baseball Stadium (AGC), 6.38%, 1/01/39 | 1,000 | 1,086,560 |
| Queens Baseball Stadium (AMBAC), 5.00%, 1/01/36 | 11,800 | 10,024,690 |
| Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39 | 5,250 | 4,408,373 |
| Queens Baseball Stadium (AMBAC), 5.00%, 1/01/46 | 9,900 | 8,105,922 |
| Yankee Stadium (FGIC), 5.00%, 3/01/46 | 12,750 | 10,435,110 |
| Yankee Stadium (MBIA), 5.00%, 3/01/36 | 4,650 | 3,948,641 |
| New York City Transit Authority, Metropolitan Transportation Authority, Triborough Bridge & Tunnel, COP, Series A (AMBAC), 5.63%, 1/01/12 | | |
| | 1,020 | 1,045,837 |

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| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| New York (continued) | | |
| County/City/Special District/School District (concluded) | | |
| New York City Transitional Finance Authority, RB: | | |
| Fiscal 2008, Series S-1, 4.50%, 1/15/38 | \$ 2,000 | \$ 1,790,480 |
| Fiscal 2009, Series S-1 (AGC), 5.50%, 7/15/38 | 6,000 | 6,105,900 |
| Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/39 | 1,500 | 1,542,255 |
| Series A (FGIC), 5.00%, 11/15/26 | 1,000 | 1,016,590 |
| Series S-2 (FSA), 5.00%, 1/15/37 | 5,000 | 4,847,450 |
| Series S-2 (MBIA), 4.25%, 1/15/34 | 5,980 | 5,076,841 |
| Future Tax Secured, Series C (FGIC), 5.00%, 2/01/33 | 12,395 | 12,454,496 |
| Future Tax Secured, Series D (MBIA), 5.25%, 2/01/21 | 3,000 | 3,155,760 |
| Future Tax Secured, Series E (MBIA), 5.25%, 2/01/22 | 2,500 | 2,640,425 |
| New York Convention Center Operating Corp., RB, Hotel Unit Fee Secured (AMBAC): | | |
| 5.00%, 11/15/30 | 1,500 | 1,415,445 |
| 5.00%, 11/15/35 | 33,750 | 30,421,237 |
| 5.00%, 11/15/44 | 13,470 | 11,593,225 |
| North Country Development Authority, Refunding RB (FSA), 6.00%, 5/15/15 | 1,115 | 1,233,591 |
| Sales Tax Asset Receivable Corp., RB, Series A (AMBAC), 5.00%, 10/15/32 | 11,200 | 11,388,944 |
| Syracuse Industrial Development Agency, New York, RB, Carousel Center Project, Series A (Syncora), AMT, 5.00%, 1/01/36 | 11,500 | 7,365,405 |
| Town of Huntington New York, GO, Refunding (AMBAC): | | |
| 5.50%, 4/15/12 | 460 | 515,559 |
| 5.50%, 4/15/13 | 455 | 520,634 |
| Town of North Hempstead New York, GO, Refunding, Series B (MBIA): | | |
| 6.40%, 4/01/13 | 1,745 | 2,035,979 |
| 6.40%, 4/01/17 | 555 | 676,978 |
| | | 181,679,549 |
| Education 6.1% | | |
| Madison County Industrial Development Agency, New York, RB, Colgate University Project, Series A (AMBAC): | | |
| 5.00%, 7/01/30 | 5,410 | 5,470,484 |
| 5.00%, 7/01/35 | 2,675 | 2,655,660 |
| New York City Industrial Development Agency, RB, Polytechnic University Project (ACA), 5.25%, 11/01/37 | 2,480 | 1,951,016 |
| New York City Industrial Development Agency, Refunding RB, Nightingale, Bamford School (AMBAC), 5.25%, 1/15/18 | 1,275 | 1,344,462 |
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/33 | 5,500 | 5,501,430 |
| New York City Trust for Cultural Resources, Refunding RB, Series American Museum Natural History, Series A (MBIA), 5.00%, 7/01/36 | 4,250 | 4,270,018 |
| New York State Dormitory Authority, RB: | | |
| City University System, Series C (MBIA), 7.50%, 7/01/10 | 815 | 851,219 |
| Mt Sinai School Medical New York University (MBIA), 5.00%, 7/01/35 | 2,100 | 2,003,148 |
| NY University, Insured, Series 1 (AMBAC), 5.50%, 7/01/40 | 4,580 | 5,042,076 |
| Rensselaer County Industrial Development Agency, New York, RB, Polytechnic Institute, Series B (AMBAC), 5.50%, 8/01/22 | 1,255 | 1,267,035 |
| | | 30,356,548 |

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield New York Insured Fund, Inc. (MYN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| New York (continued) | | |
| Health 6.9% | | |
| New York City Industrial Development Agency, RB, Royal Charter, NY Presbyterian (FSA), 5.75%, 12/15/29 | \$ 7,970 | \$ 8,211,730 |
| New York State Dormitory Authority, RB: | | |
| Eger Health Care & Rehabilitation Center, FHA, 6.10%, 8/01/37 | 2,760 | 2,814,979 |
| Hudson Valley Hospital (FSA), 5.00%, 8/15/36 | 6,000 | 6,043,320 |
| Montefiore Hospital (MBIA), 5.00%, 8/01/33 | 1,500 | 1,489,845 |
| NY & Presbyterian Hospital (FSA), 5.25%, 2/15/31 | 3,000 | 3,043,650 |
| NY & Presbyterian Hospital (FSA), 5.00%, 8/15/36 | 5,000 | 4,948,700 |
| NY State Rehabilitation Association, Series A (CIFG), 5.25%, 7/01/19 | 1,180 | 1,168,719 |
| NY State Rehabilitation Association, Series A (CIFG), 5.13%, 7/01/23 | 1,000 | 927,520 |
| Saint Lukes Roosevelt Hospital (FHA), 4.90%, 8/15/31 | 3,250 | 3,086,135 |
| Series B (MBIA), 6.50%, 2/15/11 (a) | 1,000 | 1,090,000 |
| Oneida County Industrial Development Agency, New York, RB, Civic Facilities, Mohawk Valley, Series A (FSA), 5.20%, 2/01/13 | 1,365 | 1,379,687 |
| | | 34,204,285 |
| Housing 3.0% | | |
| Monroe County Industrial Development Agency, RB, Industrial Development, Southview Towers Project, AMT: | | |
| 6.13%, 2/01/20 | 1,240 | 1,259,406 |
| 6.25%, 2/01/31 | 1,125 | 1,137,409 |
| New York City Housing Development Corp., RB: | | |
| Series C, 5.00%, 11/01/26 | 1,500 | 1,434,210 |
| Series C, 5.05%, 11/01/36 | 2,000 | 1,746,380 |
| Series H-1, 4.70%, 11/01/40 | 1,340 | 1,127,985 |
| New York Mortgage Agency, New York, RB, AMT: | | |
| Series 133, 4.95%, 10/01/21 | 1,540 | 1,535,719 |
| Series 143, 4.90%, 10/01/37 | 1,000 | 884,950 |
| Series 143 (MBIA), 4.85%, 10/01/27 | 2,485 | 2,330,607 |
| New York State HFA, RB, Saint Philips Housing, Series A (FNMA), AMT, 4.65%, 11/15/38 | 1,500 | 1,326,090 |
| Yonkers Industrial Development Agency, New York, RB, Monastery Manor Association LP Project, AMT, 5.25%, 4/01/37 | 2,445 | 2,220,084 |
| | | 15,002,840 |
| State 11.0% | | |
| New York State Dormitory Authority, RB: | | |
| Education, Series A, 5.00%, 3/15/28 | 1,500 | 1,554,420 |
| Education, Series B, 5.75%, 3/15/36 | 7,850 | 8,437,651 |
| Master Boces Program Lease (AGC), 5.00%, 8/15/28 | 1,750 | 1,749,965 |
| Mental Health Services Facilities, Series C (FSA), AMT, 5.40%, 2/15/33 | 6,460 | 5,853,858 |
| Mental Health Facilities, Series B, 5.25%, 2/15/14 (b) | 1,570 | 1,779,234 |

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| | | |
|---|-------|-----------|
| School District Financing Program, Series A (FSA), 5.00%, 10/01/35 | 550 | 542,064 |
| School District Financing Program, Series B (FSA), 5.00%, 4/01/36 | 5,000 | 4,927,200 |
| School District Financing Program, Series C (FSA), 5.00%, 10/01/37 | 4,050 | 3,983,580 |
| School District Financing Program, Series E (MBIA), 5.75%, 10/01/30 | 6,900 | 7,122,318 |
| Upstate Community Colleges, Series A (FSA), 6.00%, 7/01/10 (b) | 1,070 | 1,135,227 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

New York (continued)

State (concluded)

| | | |
|--|----------|--------------|
| New York State Thruway Authority, RB: | | |
| Second General, Series B, 5.00%, 4/01/27 | \$ 1,500 | \$ 1,533,195 |
| Series A (AMBAC), 5.00%, 4/01/26 | 4,380 | 4,484,375 |
| New York State Urban Development Corp., RB, Personal Income Tax: | | |
| C-1 (MBIA), 5.00%, 3/15/13 (b) | 3,000 | 3,402,750 |
| State Facilities, Series A-1 (MBIA), 5.00%, 3/15/29 | 5,000 | 5,073,850 |
| New York State Urban Development Corp., Refunding RB, Correctional Capital Facilities, Series A (FSA), 6.50%, 1/01/11 | 3,190 | 3,436,140 |
| | | 55,015,827 |

Tobacco 1.8%

| | | |
|---|-------|-----------|
| Tobacco Settlement Financing Corp., New York, RB: | | |
| Asset Backed, Series A-2 (AMBAC), 5.25%, 6/01/20 | 5,000 | 5,168,950 |
| Asset Backed, Series A-4 (AMBAC), 5.25%, 6/01/22 | 2,000 | 2,049,240 |
| Series B-1C, 5.50%, 6/01/22 | 1,900 | 1,962,643 |
| | | 9,180,833 |

Transportation 32.3%

| | | |
|--|--------|------------|
| Metropolitan Transportation Authority, RB: | | |
| Series 2008C, 6.50%, 11/15/28 | 3,200 | 3,545,376 |
| Series A (FSA), 5.00%, 11/15/32 | 1,015 | 1,005,276 |
| Series A (MBIA), 5.00%, 11/15/30 | 6,600 | 6,439,026 |
| Series C (FSA), 5.13%, 7/01/12 (b) | 1,640 | 1,837,997 |
| Metropolitan Transportation Authority, Refunding RB: | | |
| Series A (FSA), 5.75%, 11/15/32 | 29,300 | 30,660,985 |
| Series A (MBIA), 5.13%, 11/15/22 | 1,390 | 1,407,111 |
| Series A (MBIA), 5.25%, 11/15/31 | 2,500 | 2,503,525 |
| Transportation, Series F (MBIA) 5.25%, 11/15/12 (b) | 6,235 | 7,105,344 |
| Transportation, Series F (MBIA) 5.00%, 11/15/31 | 5,000 | 4,868,550 |
| New York State Thruway Authority, RB: | | |
| Series F (AMBAC), 5.00%, 1/01/30 | 6,000 | 6,008,220 |
| Series G (FSA), 4.75%, 1/01/29 | 7,250 | 7,114,498 |
| Series G (FSA), 4.75%, 1/01/30 | 9,000 | 8,713,800 |
| Series G (FSA), 5.00%, 1/01/32 | 9,000 | 8,951,580 |
| Series H (FSA), 5.00%, 1/01/37 | 10,000 | 9,838,300 |
| Niagara Frontier Transportation Authority, New York, RB, Buffalo Niagara International Airport, Series B (MBIA), 5.50%, 4/01/19 | 2,705 | 2,733,240 |
| Port Authority of New York & New Jersey, RB, Consolidated, One Hundred Forty First (CIFG), AMT, 4.50%, 9/01/35 | 1,000 | 872,290 |
| Port Authority of New York & New Jersey, RB, Special Project, JFK International Air Terminal, 6 (MBIA), AMT: 5.75%, 12/01/22 | 10,160 | 9,299,854 |
| 5.75%, 12/01/25 | 3,500 | 3,105,795 |
| 6.25%, 12/01/10 | 14,750 | 15,284,835 |
| 6.25%, 12/01/11 | 7,175 | 7,382,860 |

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| | | |
|--|-------|-------------|
| 6.25%, 12/01/13 | 4,425 | 4,581,999 |
| 6.25%, 12/01/14 | 7,380 | 7,546,714 |
| Triborough Bridge & Tunnel Authority, New York, RB: | | |
| General Purpose, Series Y (MBIA), 6.00%, 1/01/12 (a) | 1,790 | 1,908,212 |
| Sub-Series A (MBIA), 5.25%, 11/15/30 | 6,000 | 6,105,420 |
| Subordinate Bonds (AMBAC), 5.00%, 11/15/28 | 2,465 | 2,503,774 |
| | | <hr/> |
| | | 161,324,581 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield New York Insured Fund, Inc. (MYN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------------|
| New York (concluded) | | |
| Utilities 11.0% | | |
| Buffalo Sewer Authority, New York, RB, Series F (MBIA), 6.00%, 7/01/13 | \$ 4,300 | \$ 4,587,326 |
| Long Island Power Authority, RB: | | |
| General, Series A (AGC), 6.00%, 5/01/33 | 1,500 | 1,624,140 |
| General, Series B (FSA), 5.00%, 12/01/35 | 4,000 | 3,993,920 |
| Series A (AGC), 5.75%, 4/01/39 | 1,015 | 1,077,514 |
| Series A (AMBAC), 5.00%, 9/01/29 | 7,000 | 6,938,400 |
| New York City Municipal Water Finance Authority, Refunding RB, Crossover, Series F (FSA), 5.00%, 6/15/29 | 500 | 503,610 |
| New York City Municipal Water Finance Authority, RB: | | |
| Fiscal 2004, Series C (MBIA), 5.00%, 6/15/35 | 975 | 973,537 |
| Series A (AMBAC), 5.00%, 6/15/35 | 3,500 | 3,494,750 |
| Series A (FSA), 4.25%, 6/15/39 | 500 | 431,180 |
| Series A (MBIA), 5.75%, 6/15/11 (b) | 24,650 | 27,020,344 |
| Series A (MBIA), 5.13%, 6/15/34 | 1,250 | 1,258,712 |
| New York State Environmental Facilities Corp., New York, Refunding RB, Riverbank State Park (AMBAC), 6.25%, 4/01/12 | 2,700 | 2,832,894 |
| | | <u>54,736,327</u> |
| Total Municipal Bonds in New York | | 591,241,334 |
| Guam 0.8% | | |
| Transportation 0.8% | | |
| Guam International Airport Authority, RB, General, Series C (MBIA), AMT: | | |
| 5.25%, 10/01/21 | 2,240 | 2,155,082 |
| 5.25%, 10/01/22 | 2,050 | 1,960,640 |
| Total Municipal Bonds in Guam | | 4,115,722 |
| Puerto Rico 13.6% | | |
| Housing 0.8% | | |
| Puerto Rico HFA, RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27 | 4,000 | 4,004,400 |
| State 6.3% | | |
| Commonwealth of Puerto Rico, GO, Refunding (MBIA): | | |
| Public Improvement, Series A, 5.50%, 7/01/20 | 2,000 | 1,983,720 |

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| | | |
|---|--------|-----------|
| Sub-Series C-7, 6.00%, 7/01/27 | 2,000 | 1,978,260 |
| Sub-Series C-7, 6.00%, 7/01/28 | 4,775 | 4,721,520 |
| Puerto Rico Convention Center Authority, RB, Series A (AMBAC), 5.00%, 7/01/31 | 4,000 | 3,307,960 |
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (FSA): | | |
| 5.50%, 7/01/31 | 5,000 | 5,228,050 |
| 5.25%, 7/01/32 | 1,000 | 1,003,940 |
| Puerto Rico Infrastructure Financing Authority, RB, CAB, Series A (c): | | |
| (AMBAC), 4.67%, 7/01/35 | 3,900 | 513,006 |
| (AMBAC), 5.03%, 7/01/43 | 8,000 | 577,520 |
| (FGIC), 4.42%, 7/01/31 | 22,030 | 3,946,454 |
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, M-3 (MBIA), 6.00%, 7/01/28 | 2,850 | 2,818,080 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Puerto Rico (concluded)

State (concluded)

| | | |
|---|--------|------------|
| Puerto Rico Public Finance Corp., Refunding RB, Balance, Commonwealth, Series E, 5.50%, 2/01/12 (b) | \$ 700 | \$ 770,812 |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37 | 4,500 | 4,450,590 |
| | | 31,299,912 |

Transportation 3.8%

| | | |
|--|-------|------------|
| Puerto Rico Highway & Transportation Authority, RB: | | |
| Series D, 5.75%, 7/01/12 (b) | 3,000 | 3,360,660 |
| Series G (FGIC), 5.25%, 7/01/13 (b) | 655 | 755,379 |
| Series G (FGIC), 5.25%, 7/01/19 | 2,265 | 2,165,363 |
| Series G (FGIC), 5.25%, 7/01/21 | 345 | 322,340 |
| Series Y (FSA), 6.25%, 7/01/21 | 6,275 | 6,815,466 |
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (FSA): | | |
| 5.25%, 7/01/33 | 1,000 | 1,004,020 |
| 5.25%, 7/01/36 | 4,750 | 4,763,395 |
| | | 19,186,623 |

Utilities 2.7%

| | | |
|---|--------|------------|
| Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A (AGC), 5.13%, 7/01/47 | 10,980 | 10,535,420 |
| Puerto Rico Electric Power Authority, Refunding RB, Series VV (MBIA), 5.25%, 7/01/30 | 3,000 | 2,878,530 |
| | | 13,413,950 |

| | | |
|---|--|------------|
| Total Municipal Bonds in Puerto Rico | | 67,904,885 |
|---|--|------------|

| | | |
|-------------------------------------|--|-------------|
| Total Municipal Bonds 132.9% | | 663,261,941 |
|-------------------------------------|--|-------------|

Municipal Bonds Transferred to Tender Option Bond Trusts (d)

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New York 22.6%

County/City/Special District/School District 11.5%

| | | |
|---|--------|------------|
| City of New York, New York, GO: | | |
| Series J, 5.00%, 5/15/23 | 6,750 | 6,902,280 |
| Sub-Series C3 (AGC), 5.75%, 8/15/28 | 14,400 | 15,771,600 |
| Erie County Industrial Development Agency, RB, City Of Buffalo Project (FSA), 5.75%, 5/01/24 | 4,252 | 4,295,171 |
| Sales Tax Asset Receivable Corp., RB, Series A (AMBAC): | | |
| 5.25%, 10/15/27 | 13,000 | 13,644,004 |
| 5.00%, 10/15/32 | 16,000 | 16,811,361 |
| | | 57,424,416 |

Education 1.3%

| | | |
|---|-------|-----------|
| New York State Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38 | 6,498 | 6,468,313 |
|---|-------|-----------|

Transportation 8.4%

| | | |
|---|--------|------------|
| Metropolitan Transportation Authority, New York, RB, Series A (MBIA), 5.00%, 11/15/31 | 3,901 | 3,905,534 |
| Metropolitan Transportation Authority, New York, Refunding RB, Series A (FSA), 5.00%, 11/15/30 | 8,460 | 8,484,788 |
| Port Authority of New York & New Jersey, RB, Thirty Seventh Series (FSA), AMT, 5.13%, 7/15/30 | 2,500 | 2,457,075 |
| Triborough Bridge & Tunnel Authority, New York, Refunding RB (MBIA): | | |
| 5.25%, 11/15/23 | 7,000 | 7,228,340 |
| 5.00%, 11/15/32 | 19,678 | 19,735,025 |
| | | 41,810,762 |

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield New York Insured Fund, Inc. (MYN)
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender Option Bond Trusts (d) | Par (000) | Value |
|--|---------------|----------------|
| New York (concluded) | | |
| Utilities 1.4% | | |
| New York City Municipal Water Finance Authority, RB: | | |
| Fiscal 2009, Series A, 5.75%, 6/15/40 | \$ 4,094 | \$ 4,385,863 |
| Series FF-2, 5.50%, 6/15/40 | 2,759 | 2,899,581 |
| | | 7,285,444 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 22.6% | | 112,988,935 |
| Total Long-Term Investments (Cost \$801,773,335) 155.5% | | 776,250,876 |
| Short-Term Securities | | |
| | Shares | |
| CMA New York Municipal Money Fund, 0.04% (e)(f) | 12,807,239 | 12,807,239 |
| Total Short-Term Securities (Cost \$12,807,239) 2.6% | | 12,807,239 |
| Total Investments (Cost \$814,580,574*) 158.1% | | 789,058,115 |
| Other Assets Less Liabilities 3.8% | | 18,777,849 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (12.2)% | | (61,010,488) |
| Preferred Shares, at Redemption Value (49.7)% | | (247,732,422) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 499,093,054 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 754,461,685 |
| Gross unrealized appreciation | \$ 16,203,769 |

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| | |
|-------------------------------|-----------------|
| Gross unrealized depreciation | (42,424,220) |
| Net unrealized depreciation | \$ (26,220,451) |

- (a) Security is collateralized by Municipal or US Treasury Obligations.
- (b) 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.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired the 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.
- (e) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-----------------------------------|----------------|------------|
| CMA New York Municipal Money Fund | \$ (1,163,928) | \$ 140,044 |

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|-------------------------------|---------------------------|
| | Assets |
| Level 1 Short-Term Securities | \$ 12,807,239 |

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| | | |
|--------------|-----------------------|-----------------------|
| Level 2 | Long-Term Investments | 776,250,876 |
| Level 3 | | |
| Total | | \$ 789,058,115 |

¹ See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

Statements of Assets and Liabilities

| July 31, 2009 | 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) |
|---|--|--|--|---|--|
| Assets | | | | | |
| Investments at value unaffiliated | \$ 453,465,586 | \$ 696,092,901 | \$ 1,304,510,043 | \$ 245,287,466 | \$ 776,250,876 |
| Investments at value affiliated | 17,593,090 | 21,941,944 | 33,611,786 | 4,115,561 | 12,807,239 |
| Cash | 76,466 | 48,722 | 2,156,905 | 32,971 | 61,211 |
| Interest receivable | 5,342,252 | 10,954,051 | 16,441,561 | 3,258,938 | 9,984,149 |
| Investments sold receivable | 281,159 | | 10,503,209 | | 11,838,992 |
| Income receivable affiliated | | 617 | 375 | | 150 |
| Prepaid expenses | 34,949 | 58,086 | 95,689 | 42,488 | 60,389 |
| Other assets | | 47,517 | 85,345 | | 51,265 |
| Total assets | 476,793,502 | 729,143,838 | 1,367,404,913 | 252,737,424 | 811,054,271 |
| Liabilities | | | | | |
| Investments purchased payable | 6,196,988 | | 15,290,704 | | 583,319 |
| Income dividends payable Common Shares | 1,508,789 | 2,096,033 | 4,105,491 | 802,636 | 2,070,913 |
| Investment advisory fees payable | 191,152 | 316,699 | 598,683 | 111,828 | 358,505 |
| Interest expense and fees payable | 190,284 | 254,736 | 430,103 | 28,772 | 193,607 |
| Officers and Directors fees payable | 611 | 48,779 | 87,172 | 346 | 53,172 |
| Other affiliates payable | 2,823 | 4,379 | 8,019 | 1,700 | 5,461 |
| Other accrued expenses payable | 64,903 | 89,636 | 153,565 | 43,570 | 146,937 |
| Total accrued liabilities | 8,155,550 | 2,810,262 | 20,673,737 | 988,852 | 3,411,914 |
| Other Liabilities | | | | | |
| Trust certificates ³ | 63,286,828 | 98,275,469 | 162,422,546 | 9,030,000 | 60,816,881 |
| Total Liabilities | 71,442,378 | 101,086,196 | 183,096,283 | 10,018,852 | 64,228,795 |
| Preferred Shares at Redemption Value | | | | | |
| \$25,000 per share liquidation preference, plus unpaid dividends ^{4,5} | 131,008,795 | 166,553,183 | 358,686,791 | 87,358,084 | 247,732,422 |
| Net Assets Applicable to Common Shareholders | \$ 274,342,329 | \$ 461,504,924 | \$ 825,621,839 | \$ 155,360,488 | \$ 499,093,054 |

Net Assets Applicable to Common Shareholders Consist of

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Paid-in capital ⁶ | \$ 298,178,261 | \$ 497,660,786 | \$ 949,651,998 | \$ 163,853,685 | \$ 553,621,921 |
| Undistributed net investment income | 4,985,202 | 4,323,219 | 9,882,417 | 2,181,937 | 3,184,321 |
| Accumulated net realized loss | (16,442,714) | (17,981,636) | (88,315,006) | (4,862,818) | (32,190,729) |
| Net unrealized appreciation/depreciation | (12,378,420) | (22,497,445) | (45,597,570) | (5,812,316) | (25,522,459) |

Net Assets Applicable to Common Shareholders

| | | | | |
|----------------|----------------|----------------|----------------|----------------|
| \$ 274,342,329 | \$ 461,504,924 | \$ 825,621,839 | \$ 155,360,488 | \$ 499,093,054 |
|----------------|----------------|----------------|----------------|----------------|

| | | | | | |
|----------------------------------|----------|----------|----------|----------|----------|
| Net asset value per Common Share | \$ 12.27 | \$ 13.43 | \$ 12.27 | \$ 12.87 | \$ 12.65 |
|----------------------------------|----------|----------|----------|----------|----------|

| | | | | | |
|---|----------------|----------------|------------------|----------------|----------------|
| ¹ Investments at cost unaffiliated | \$ 465,844,006 | \$ 718,590,346 | \$ 1,350,107,613 | \$ 251,099,782 | \$ 801,773,335 |
|---|----------------|----------------|------------------|----------------|----------------|

| | | | | | |
|---|---------------|---------------|---------------|--------------|---------------|
| ² Investments at cost affiliated | \$ 17,593,090 | \$ 21,941,944 | \$ 33,611,786 | \$ 4,115,561 | \$ 12,807,239 |
|---|---------------|---------------|---------------|--------------|---------------|

³ Represents short-term floating rate certificates issued by tender option bond trusts.

| | | | | | |
|--|--|--|--|-------|-------|
| ⁴ Preferred Shares outstanding: Par value \$0.05 per share | | | | 1,941 | 9,908 |
|--|--|--|--|-------|-------|

| | | | | | |
|----------------------------|-------|-------|--------|-------|--|
| Par value \$0.10 per share | 5,240 | 6,661 | 14,345 | 1,553 | |
|----------------------------|-------|-------|--------|-------|--|

| | | | | | |
|--|-------|--------|--------|-------|--------|
| ⁵ Preferred Shares authorized | 8,180 | 11,000 | 22,800 | 3,960 | 12,160 |
|--|-------|--------|--------|-------|--------|

| | | | | | |
|---|------------|------------|------------|------------|------------|
| ⁶ Common Shares outstanding, 200 million shares authorized, \$0.10 par value | 22,352,426 | 34,361,200 | 67,303,125 | 12,069,721 | 39,445,962 |
|---|------------|------------|------------|------------|------------|

See Notes to Financial Statements.

Statements of Operations

| Year Ended July 31, 2009 | 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) |
|--|--|--|--|---|--|
| Investment Income | | | | | |
| Interest | \$ 23,868,910 | \$ 35,411,784 | \$ 69,571,779 | \$ 13,117,103 | \$ 40,338,013 |
| Income affiliated | 140,389 | 144,470 | 488,783 | 35,364 | 143,828 |
| Total income | 24,009,299 | 35,556,254 | 70,060,562 | 13,152,467 | 40,481,841 |
| Expenses | | | | | |
| Investment advisory | 2,572,971 | 3,667,728 | 6,678,186 | 1,257,642 | 4,019,047 |
| Commissions for Preferred Shares | 277,914 | 367,942 | 720,668 | 166,912 | 497,005 |
| Accounting services | 116,754 | 190,631 | 318,998 | 64,629 | 208,483 |
| Professional | 100,770 | 95,198 | 161,563 | 72,115 | 132,975 |
| Transfer agent | 51,026 | 72,210 | 137,879 | 41,181 | 75,522 |
| Officer and Directors | 35,565 | 63,742 | 110,775 | 20,262 | 69,070 |
| Printing | 25,081 | 39,212 | 67,944 | 14,746 | 45,657 |
| Custodian | 24,205 | 30,821 | 52,989 | 14,285 | 35,757 |
| Registration | 9,166 | 11,717 | 22,950 | 9,166 | 13,451 |
| Miscellaneous | 80,059 | 100,518 | 118,734 | 53,066 | 97,774 |
| Total expenses excluding interest expense and fees | 3,293,511 | 4,639,719 | 8,390,686 | 1,714,004 | 5,194,741 |
| Interest expense and fees ¹ | 1,103,579 | 1,586,358 | 3,003,309 | 223,522 | 1,223,227 |
| Total expenses | 4,397,090 | 6,226,077 | 11,393,995 | 1,937,526 | 6,417,968 |
| Less fees waived by advisor | (548,195) | (93,793) | (88,042) | (23,654) | (92,584) |
| Less fees paid indirectly | (8) | (2) | (339) | | |
| Total expenses after fees waived and paid indirectly | 3,848,887 | 6,132,282 | 11,305,614 | 1,913,872 | 6,325,384 |
| Net investment income | 20,160,412 | 29,423,972 | 58,754,948 | 11,238,595 | 34,156,457 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from: | | | | | |
| Investments | (11,811,410) | (7,354,130) | (41,741,504) | 129,790 | (4,197,735) |
| | | | (3,603,000) | | 77,657 |

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Financial futures contracts and forward interest
rate swaps

| | | | | | |
|--|--------------|--------------|--------------|-------------|--------------|
| | (11,811,410) | (7,354,130) | (45,344,504) | 129,790 | (4,120,078) |
| Net change in unrealized appreciation/depreciation on: | | | | | |
| Investments | (4,009,106) | (10,184,886) | (1,157,258) | (5,910,336) | (19,596,751) |
| Financial futures contracts and forward interest rate swaps | | | 1,951,000 | | |
| | (4,009,106) | (10,184,886) | 793,742 | (5,910,336) | (19,596,751) |
| Total realized and unrealized loss | (15,820,516) | (17,539,016) | (44,550,762) | (5,780,546) | (23,716,829) |

Dividends to Preferred Shareholders From

| | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net investment income | (2,736,892) | (4,039,487) | (8,128,538) | (1,734,047) | (5,209,900) |
| Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations | \$ 1,603,004 | \$ 7,845,469 | \$ 6,075,648 | \$ 3,724,002 | \$ 5,229,728 |

¹ Related to tender option bond trusts.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

| Increase (Decrease) in Net Assets: | Year Ended July 31, 2009 | Period October 1, 2007 to July 31, 2008 | Year Ended September 30, 2007 |
|---|--------------------------------|---|-------------------------------------|
| Operations | | | |
| Net investment income | \$ 20,160,412 | \$ 17,333,246 | \$ 21,591,345 |
| Net realized gain (loss) | (11,811,410) | (975,689) | 1,453,420 |
| Net change in unrealized appreciation/depreciation | (4,009,106) | (19,379,156) | (11,297,856) |
| Dividends to Preferred Shareholders from net investment income | (2,736,892) | (5,637,611) | (7,380,240) |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 1,603,004 | (8,659,210) | 4,366,669 |
| Dividends to Common Shareholders From | | | |
| Net investment income | (14,193,791) | (11,176,213) | (13,813,799) |
| Net Assets Applicable to Common Shareholders | | | |
| Total decrease in net assets applicable to Common Shareholders | (12,590,787) | (19,835,423) | (9,447,130) |
| Beginning of period | 286,933,116 | 306,768,539 | 316,215,669 |
| End of period | \$ 274,342,329 | \$ 286,933,116 | \$ 306,768,539 |
| Undistributed net investment income | \$ 4,985,202 | \$ 1,930,588 | \$ 1,649,057 |

BlackRock MuniYield California Insured Fund, Inc. (MCA)

| Increase (Decrease) in Net Assets: | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, 2007 |
|--|--------------------------------|--|-----------------------------------|
| Operations | | | |
| Net investment income | \$ 29,423,972 | \$ 23,394,239 | \$ 31,671,735 |
| Net realized gain (loss) | (7,354,130) | 4,506,638 | (691,224) |
| Net change in unrealized appreciation/depreciation | (10,184,886) | (30,619,927) | (14,047,467) |
| Dividends to Preferred Shareholders from net investment income | (4,039,487) | (6,754,719) | (9,517,264) |

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| | | | |
|---|-----------|-------------|-----------|
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 7,845,469 | (9,473,769) | 7,415,780 |
|---|-----------|-------------|-----------|

Dividends to Common Shareholders From

| | | | |
|-----------------------|--------------|--------------|--------------|
| Net investment income | (22,575,308) | (17,146,239) | (23,228,171) |
|-----------------------|--------------|--------------|--------------|

Net Assets Applicable to Common Shareholders

| | | | |
|--|----------------|----------------|----------------|
| Total decrease in net assets applicable to Common Shareholders | (14,729,839) | (26,620,008) | (15,812,391) |
| Beginning of period | 476,234,763 | 502,854,771 | 518,667,162 |
| End of period | \$ 461,504,924 | \$ 476,234,763 | \$ 502,854,771 |
| Undistributed net investment income | \$ 4,323,219 | \$ 1,044,757 | \$ 1,243,580 |

See Notes to Financial Statements.

Statements of Changes in Net Assets

BlackRock MuniYield Insured Fund, Inc. (MYI)

| Increase (Decrease) in Net Assets: | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, 2007 |
|---|--------------------------------|--|-----------------------------------|
| Operations | | | |
| Net investment income | \$ 58,754,948 | \$ 46,868,985 | \$ 69,741,370 |
| Net realized loss | (45,344,504) | (25,129,148) | (3,882,395) |
| Net change in unrealized appreciation/depreciation | 793,742 | (88,495,600) | (48,971,838) |
| Dividends to Preferred Shareholders from net investment income | (8,128,538) | (14,617,148) | (20,832,026) |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 6,075,648 | (81,372,911) | (3,944,889) |
| Dividends to Common Shareholders From | | | |
| Net investment income | (45,900,731) | (33,920,775) | (45,362,306) |
| Net Assets Applicable to Common Shareholders | | | |
| Total decrease in net assets applicable to Common Shareholders | (39,825,083) | (115,293,686) | (49,307,195) |
| Beginning of period | 865,446,922 | 980,740,608 | 1,030,047,803 |
| End of period | \$ 825,621,839 | \$ 865,446,922 | \$ 980,740,608 |
| Undistributed net investment income | \$ 9,882,417 | \$ 5,152,178 | \$ 9,065,982 |

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

| Increase (Decrease) in Net Assets: | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, 2007 |
|--|--------------------------------|--|-----------------------------------|
| Operations | | | |
| Net investment income | \$ 11,238,595 | \$ 8,435,072 | \$ 11,701,221 |
| Net realized gain (loss) | 129,790 | (569,851) | 1,293,712 |
| Net change in unrealized appreciation/depreciation | (5,910,336) | (10,107,046) | (6,941,533) |
| Dividends to Preferred Shareholders from net investment income | (1,734,047) | (2,523,285) | (3,550,430) |

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| | | | |
|---|-----------|-------------|-----------|
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 3,724,002 | (4,765,110) | 2,502,970 |
|---|-----------|-------------|-----------|

Dividends to Common Shareholders From

| | | | |
|-----------------------|-------------|-------------|-------------|
| Net investment income | (8,122,923) | (6,034,861) | (8,159,131) |
|-----------------------|-------------|-------------|-------------|

Net Assets Applicable to Common Shareholders

| | | | |
|--|----------------|----------------|----------------|
| Total decrease in net assets applicable to Common Shareholders | (4,398,921) | (10,799,971) | (5,656,161) |
| Beginning of period | 159,759,409 | 170,559,380 | 176,215,541 |
| End of period | \$ 155,360,488 | \$ 159,759,409 | \$ 170,559,380 |
| Undistributed net investment income | \$ 2,181,937 | \$ 784,853 | \$ 906,118 |

See Notes to Financial Statements.

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Statements of Changes in Net Assets

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

| Increase (Decrease) in Net Assets: | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, 2007 |
|---|--------------------------------|--|-----------------------------------|
| Operations | | | |
| Net investment income | \$ 34,156,457 | \$ 26,222,090 | \$ 33,227,508 |
| Net realized gain (loss) | (4,120,078) | (2,008,655) | 1,647,832 |
| Net change in unrealized appreciation/depreciation | (19,596,751) | (28,658,722) | (16,660,442) |
| Dividends to Preferred Shareholders from net investment income | (5,209,900) | (7,500,350) | (10,460,763) |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 5,229,728 | (11,945,637) | 7,754,135 |
| Dividends to Common Shareholders From | | | |
| Net investment income | (25,048,659) | (19,052,400) | (25,797,659) |
| Net Assets Applicable to Common Shareholders | | | |
| Total decrease in net assets applicable to Common Shareholders | (19,818,931) | (30,998,037) | (18,043,524) |
| Beginning of period | 518,911,985 | 549,910,022 | 567,953,546 |
| End of period | \$ 499,093,054 | \$ 518,911,985 | \$ 549,910,022 |
| Undistributed (distributions in excess of) net investment income | \$ 3,184,321 | \$ (347,635) | \$ (51,182) |

See Notes to Financial Statements.

Statements of Cash Flows

| Year Ended July 31, 2009 | BlackRock MuniHoldings Insured Fund II, Inc. (MUE) | BlackRock MuniYield California Insured Fund, Inc. (MCA) | BlackRock MuniYield Insured Fund, Inc. (MYI) |
|---|--|--|--|
| Cash Provided by Operating Activities | | | |
| Net increase in net assets resulting from operations, excluding dividends to Preferred Shareholders | \$ 4,339,896 | \$ 11,884,956 | \$ 14,204,186 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: | | | |
| Increase in income receivable affiliated | | (960) | (93) |
| (Increase) decrease in interest receivable | 338,640 | 841,802 | (237,177) |
| Increase in prepaid expenses | (17,178) | (30,425) | (41,382) |
| Increase in other assets | | (29,213) | (50,927) |
| Decrease in investment advisory fees payable | (8,257) | (24,814) | (58,365) |
| Decrease in other affiliates payable | (1,839) | (2,715) | (5,710) |
| Decrease in other accrued expenses payable | (64,031) | (81,437) | (164,140) |
| Increase (decrease) in Officers and Directors fees payable | (166) | 28,878 | 49,893 |
| Decrease in interest expense and fees payable | (89,674) | (148,515) | (487,341) |
| Net realized and unrealized loss | 15,820,516 | 17,539,016 | 40,947,762 |
| Amortization of premium and discount on investments | 1,010,558 | 1,868,589 | 555,370 |
| Proceeds from sales of long-term investments | 174,810,017 | 221,527,825 | 537,447,835 |
| Purchases of long-term investments | (158,802,263) | (170,180,079) | (404,519,461) |
| Net proceeds from sales of short-term securities | 7,425,374 | 264,309 | 6,917,620 |
| Cash provided by operating activities | 44,761,593 | 83,457,217 | 194,558,070 |
| Cash Used for Financing Activities | | | |
| Payments on redemption of Preferred Shares | (14,300,000) | (25,775,000) | (18,550,000) |
| Cash receipts from trust certificates | 20,123,586 | 33,330,646 | 50,919,231 |
| Cash payments for trust certificates | (34,021,017) | (64,585,541) | (176,127,793) |
| Cash dividends paid to Common Shareholders | (13,802,623) | (22,317,599) | (45,564,215) |
| Cash dividends paid to Preferred Shareholders | (2,770,766) | (4,164,919) | (8,331,631) |
| Cash used for financing activities | (44,770,820) | (83,512,413) | (197,654,408) |
| Cash | | | |
| Net decrease in cash | (9,227) | (55,196) | (3,096,338) |
| Cash at beginning of year | 85,693 | 103,918 | 5,253,243 |
| Cash at end of year | \$ 76,466 | \$ 48,722 | \$ 2,156,905 |

Cash Flow Information

| | | | |
|--|--------------|--------------|--------------|
| Cash paid during the year for interest | \$ 1,193,253 | \$ 1,734,873 | \$ 3,490,650 |
|--|--------------|--------------|--------------|

A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

| | Year Ended July 31, 2009 | Period October 1, 2007 to July 31, 2008 | Year Ended September 30, | | | |
|---|--------------------------------|---|--------------------------|----------|----------|---------------------|
| | | | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 12.84 | \$ 13.72 | \$ 14.15 | \$ 14.23 | \$ 14.41 | \$ 14.37 |
| Net investment income ¹ | 0.90 | 0.78 | 0.97 | 0.93 | 0.97 | 1.00 |
| Net realized and unrealized gain (loss) | (0.71) | (0.91) | (0.45) | 0.03 | (0.09) | (0.00) ² |
| Dividends to Preferred Shareholders from net investment income | (0.12) | (0.25) | (0.33) | (0.29) | (0.18) | (0.09) |
| Net increase (decrease) from investment operations | 0.07 | (0.38) | 0.19 | 0.67 | 0.70 | 0.91 |
| Dividends to Common Shareholders from net investment income | (0.64) | (0.50) | (0.62) | (0.75) | (0.88) | (0.87) |
| Net asset value, end of period | \$ 12.27 | \$ 12.84 | \$ 13.72 | \$ 14.15 | \$ 14.23 | \$ 14.41 |
| Market price, end of period | \$ 11.40 | \$ 11.30 | \$ 12.39 | \$ 12.96 | \$ 13.90 | \$ 13.25 |
| Total Investment Return³ | | | | | | |
| Based on net asset value | 1.58% | (2.41)% ⁴ | 1.73% | 5.19% | 5.35% | 7.12% |
| Based on market price | 7.24% | (4.89)% ⁴ | 0.31% | (1.37)% | 11.92% | 7.80% |
| Ratios to Average Net Assets Applicable to Common Shares | | | | | | |
| Total expenses ⁵ | 1.66% | 1.55% ⁶ | 1.61% | 1.64% | 1.38% | 1.27% |
| Total expenses after fees waived and paid indirectly ⁵ | 1.45% | 1.45% ⁶ | 1.54% | 1.57% | 1.32% | 1.17% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees ^{5,7} | 1.04% | 1.15% ⁶ | 1.17% | 1.16% | 1.15% | 1.12% |
| Net investment income ⁵ | 7.61% | 6.74% ⁶ | 6.94% | 6.70% | 6.72% | 6.93% |

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| | | | | | | |
|--|-------|--------------------|-------|-------|-------|-------|
| Dividends to Preferred Shareholders | 1.03% | 2.19% ⁶ | 2.37% | 2.10% | 1.27% | 0.63% |
| Net investment income to Common Shareholders | 6.58% | 4.55% ⁶ | 4.57% | 4.60% | 5.45% | 6.30% |

Supplemental Data

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 274,342 | \$ 286,933 | \$ 306,769 | \$ 316,216 | \$ 318,044 | \$ 322,072 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 131,000 | \$ 145,300 | \$ 204,500 | \$ 204,500 | \$ 204,500 | \$ 204,500 |
| Portfolio turnover | 37% | 43% | 43% | 35% | 46% | 45% |
| Asset coverage, end of period per \$1,000 | \$ 3,094 ⁸ | \$ 2,975 ⁸ | \$ 2,500 ⁸ | \$ 2,546 ⁸ | \$ 2,555 | \$ 2,575 |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ 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.

⁴ Aggregate total investment return.

⁵ Do not reflect the effect of dividends to Preferred Shareholders.

⁶ Annualized.

⁷ Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

⁸ Asset coverage per Preferred Share at \$25,000 liquidation preference for the periods ended 2009, 2008, 2007 and 2006 were \$77,357, \$74,376, \$62,514 and \$63,667, respectively.

See Notes to Financial Statements.

Financial Highlights

BlackRock MuniYield California Insured Fund, Inc. (MCA)

| | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, | | | |
|---|--------------------------------|--|------------------------|---------------------|----------|----------|
| | | | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 13.86 | \$ 14.63 | \$ 15.09 | \$ 14.82 | \$ 15.23 | \$ 15.10 |
| Net investment income ¹ | 0.86 | 0.68 | 0.92 | 0.96 | 0.95 | 0.94 |
| Net realized and unrealized gain (loss) | (0.51) | (0.75) | (0.42) | 0.35 | (0.33) | 0.13 |
| Dividends to Preferred Shareholders from net investment income | (0.12) | (0.20) | (0.28) | (0.24) | (0.13) | (0.06) |
| Net increase (decrease) from investment operations | 0.23 | (0.27) | 0.22 | 1.07 | 0.49 | 1.01 |
| Dividends to Common Shareholders from net investment income | (0.66) | (0.50) | (0.68) | (0.80) | (0.88) | (0.88) |
| Capital charges with respect to issuance of Preferred Shares | | | | (0.00) ² | (0.02) | |
| Net asset value, end of period | \$ 13.43 | \$ 13.86 | \$ 14.63 | \$ 15.09 | \$ 14.82 | \$ 15.23 |
| Market price, end of period | \$ 12.08 | \$ 12.33 | \$ 13.16 | \$ 14.64 | \$ 14.16 | \$ 13.73 |
| Total Investment Return³ | | | | | | |
| Based on net asset value | 3.03% | (1.54)% ⁴ | 1.76% | 7.57% | 3.55% | 7.54% |
| Based on market price | 4.17% | (2.63)% ⁴ | (5.65)% | 9.22% | 9.75% | 5.93% |
| Ratios to Average Net Assets Applicable to Common Shares | | | | | | |
| Total expenses ⁵ | 1.40% | 1.38% ⁶ | 1.53% | 1.60% | 1.27% | 1.08% |
| Total expenses after fees waived and paid indirectly ⁵ | 1.38% | 1.36% ⁶ | 1.53% | 1.59% | 1.27% | 1.08% |

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| | | | | | | |
|---|-------|--------------------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees ^{5,7} | 1.02% | 1.04% ⁶ | 1.03% | 1.03% | 0.96% | 0.95% |
| Net investment income ⁵ | 6.60% | 6.15% ⁶ | 6.22% | 6.46% | 6.29% | 6.29% |
| Dividends to Preferred Shareholders | 0.91% | 1.78% ⁶ | 1.87% | 1.62% | 0.84% | 0.43% |
| Net investment income to Common Shareholders | 5.69% | 4.37% ⁶ | 4.35% | 4.84% | 5.45% | 5.86% |

Supplemental Data

| | | | | | | |
|--|------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 461,505 | \$ 476,235 | \$ 502,855 | \$ 518,667 | \$ 509,066 | \$ 523,206 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 166,525 | \$ 192,300 | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 230,000 |
| Portfolio turnover | 25% | 25% | 25% | 27% | 39% | 63% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 94,289 | \$ 86,933 ₈ | \$ 70,733 ₈ | \$ 72,170 ₈ | \$ 71,280 ₈ | \$ 81,875 ₈ |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ 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.

⁴ Aggregate total investment return.

⁵ Do not reflect the effect of dividends to Preferred Shareholders.

⁶ Annualized.

⁷ Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

⁸ Amounts have been recalculated to conform with current year presentation.

See Notes to Financial Statements.

Financial Highlights

BlackRock MuniYield Insured Fund, Inc. (MYI)

| | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, | | | |
|--|-----------------------------------|---|------------------------|----------|---------------------|----------|
| | | | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 12.86 | \$ 14.57 | \$ 15.30 | \$ 15.27 | \$ 15.59 | \$ 15.36 |
| Net investment income ¹ | 0.87 | 0.70 | 1.04 | 0.98 | 1.04 | 1.04 |
| Net realized and unrealized gain (loss) | (0.66) | (1.69) | (0.79) | 0.46 | (0.22) | 0.25 |
| Dividends and distributions to Preferred Shareholders from: | | | | | | |
| Net investment income | (0.12) | (0.22) | (0.31) | (0.25) | (0.16) | (0.07) |
| Net realized gain | | | | (0.04) | (0.02) | |
| Net increase (decrease) from investment operations | 0.09 | (1.21) | (0.06) | 1.15 | 0.64 | 1.22 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.68) | (0.50) | (0.67) | (0.78) | (0.95) | (0.97) |
| Net realized gain | | | | (0.34) | (0.01) | |
| Total dividends and distributions to Common Shareholders | (0.68) | (0.50) | (0.67) | (1.12) | (0.96) | (0.97) |
| Capital charges with respect to issuance of Preferred Shares | | | | | (0.00) ² | (0.02) |
| Net asset value, end of period | \$ 12.27 | \$ 12.86 | \$ 14.57 | \$ 15.30 | \$ 15.27 | \$ 15.59 |
| Market price, end of period | \$ 12.12 | \$ 12.22 | \$ 13.04 | \$ 14.36 | \$ 14.70 | \$ 14.57 |
| Total Investment Return³ | | | | | | |
| Based on net asset value | 1.70% | (8.22)% ⁴ | (0.06)% | 8.09% | 4.54% | 8.52% |
| Based on market price | 5.72% | (2.55)% ⁴ | (4.70)% | 5.38% | 7.69% | 7.36% |

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Ratios to Average Net Assets of Common Shares

| | | | | | | |
|---|-------|--------------------|-------|-------|-------|-------|
| Total expenses ⁵ | 1.46% | 1.64% ⁶ | 1.71% | 1.67% | 1.60% | 1.19% |
| Total expenses after fees waived and paid indirectly ⁵ | 1.45% | 1.63% ⁶ | 1.71% | 1.67% | 1.60% | 1.19% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees ^{5,7} | 1.06% | 1.06% ⁶ | 1.03% | 1.02% | 1.01% | 0.95% |
| Net investment income ⁵ | 7.52% | 6.51% ⁶ | 6.94% | 6.52% | 6.62% | 6.77% |
| Dividends to Preferred Shareholders | 1.04% | 2.03% ⁶ | 2.06% | 1.67% | 1.05% | 0.51% |
| Net investment income to Common Shareholders | 6.48% | 4.48% ⁶ | 4.88% | 4.85% | 5.57% | 6.26% |

Supplemental Data

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|--------------|--------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 825,622 | \$ 865,447 | \$ 980,741 | \$ 1,030,048 | \$ 1,028,022 | \$ 1,049,423 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 358,625 | \$ 377,175 | \$ 570,000 | \$ 570,000 | \$ 570,000 | \$ 570,000 |
| Portfolio turnover | 30% | 70% | 117% | 95% | 105% | 122% |
| Asset coverage, end of period per \$1,000 | \$ 3,302 ₈ | \$ 3,295 ₈ | \$ 2,721 ₈ | \$ 2,807 ₈ | \$ 2,804 | \$ 2,841 |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ 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.

⁴ Aggregate total investment return.

⁵ Do not reflect the effect of dividends to Preferred Shareholders.

⁶ Annualized.

⁷ Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

⁸ Asset coverage per Preferred Share at \$25,000 liquidation preference for the periods ended 2009, 2008, 2007 and 2006 were \$82,559, \$82,381, \$68,039 and \$70,198, respectively.

See Notes to Financial Statements.

Financial Highlights

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

| | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, | | | |
|---|--------------------------------|--|------------------------|-------------------|----------|---------------------|
| | | | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 13.24 | \$ 14.13 | \$ 14.60 | \$ 14.54 | \$ 15.21 | \$ 15.21 |
| Net investment income ¹ | 0.93 | 0.70 | 0.97 | 0.97 | 0.99 | 1.00 |
| Net realized and unrealized gain (loss) | (0.49) | (0.88) | (0.47) | 0.13 | (0.58) | (0.00) ² |
| Dividends to Preferred Shareholders from net investment income | (0.14) | (0.21) | (0.29) | (0.26) | (0.15) | (0.07) |
| Net increase (decrease) from investment operations | 0.30 | (0.39) | 0.21 | 0.84 | 0.26 | 0.93 |
| Dividends to Common Shareholders from net investment income | (0.67) | (0.50) | (0.68) | (0.78) | (0.91) | (0.93) |
| Capital charges with respect to issuance of Preferred Shares | | | | 0.00 ₃ | (0.02) | |
| Net asset value, end of period | \$ 12.87 | \$ 13.24 | \$ 14.13 | \$ 14.60 | \$ 14.54 | \$ 15.21 |
| Market price, end of period | \$ 11.58 | \$ 11.63 | \$ 12.61 | \$ 13.97 | \$ 14.41 | \$ 14.54 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 3.81% | (2.48)% ⁵ | 1.78% | 6.09% | 1.73% | 6.78% |
| Based on market price | 6.34% | (4.01)% ⁵ | (5.07)% | 2.42% | 5.47% | 12.91% |
| Ratios to Average Net Assets Applicable to Common Shares | | | | | | |
| Total expenses ⁶ | 1.28% | 1.48% ⁷ | 1.69% | 1.65% | 1.47% | 1.28% |
| Total expenses after fees waived ⁶ | 1.26% | 1.45% ⁷ | 1.68% | 1.64% | 1.46% | 1.26% |
| Total expenses after fees waived and excluding interest expense and fees ^{6,8} | 1.12% | 1.14% ⁷ | 1.14% | 1.13% | 1.07% | 1.05% |
| Net investment income ⁶ | 7.43% | 6.61% ⁷ | 6.77% | 6.72% | 6.57% | 6.61% |

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| | | | | | | |
|--|-------|--------------------|-------|-------|-------|-------|
| Dividends to Preferred Shareholders | 1.15% | 1.98% ⁷ | 2.05% | 1.78% | 0.97% | 0.47% |
| Net investment income to Common Shareholders | 6.28% | 4.63% ⁷ | 4.72% | 4.94% | 5.60% | 6.14% |

Supplemental Data

| | | | | | | |
|--|------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 155,360 | \$ 159,759 | \$ 170,559 | \$ 176,216 | \$ 175,264 | \$ 183,224 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 87,350 | \$ 87,350 | \$ 99,000 | \$ 99,000 | \$ 99,000 | \$ 89,000 |
| Portfolio turnover | 9% | 20% | 10% | 14% | 19% | 35% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 69,467 | \$ 70,730 ⁹ | \$ 68,076 ⁹ | \$ 69,507 ⁹ | \$ 69,269 ⁹ | \$ 76,471 ⁹ |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ Amount is less than \$0.01 per share.

⁴ 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.

⁵ Aggregate total investment return.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

⁸ Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

⁹ Amounts have been recalculated to conform with current year presentation.

See Notes to Financial Statements.

Financial Highlights

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

| | Year Ended July 31, 2009 | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, | | | |
|---|--------------------------------|--|------------------------|---------------------|----------|----------|
| | | | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 13.16 | \$ 13.94 | \$ 14.40 | \$ 14.26 | \$ 14.81 | \$ 14.81 |
| Net investment income ¹ | 0.87 | 0.66 | 0.84 | 0.92 | 0.94 | 0.91 |
| Net realized and unrealized gain (loss) | (0.61) | (0.77) | (0.38) | 0.23 | (0.50) | (0.01) |
| Dividends to Preferred Shareholders from net investment income | (0.13) | (0.19) | (0.27) | (0.24) | (0.13) | (0.06) |
| Net increase (decrease) from investment operations | 0.13 | (0.30) | 0.19 | 0.91 | 0.31 | 0.84 |
| Dividends to Common Shareholders from net investment income | (0.64) | (0.48) | (0.65) | (0.77) | (0.84) | (0.84) |
| Capital charges with respect to issuance of Preferred Shares | | | | (0.00) ² | (0.02) | |
| Net asset value, end of period | \$ 12.65 | \$ 13.16 | \$ 13.94 | \$ 14.40 | \$ 14.26 | \$ 14.81 |
| Market price, end of period | \$ 11.36 | \$ 11.80 | \$ 12.80 | \$ 14.10 | \$ 13.17 | \$ 13.20 |
| Total Investment Return³ | | | | | | |
| Based on net asset value | 2.29% | (1.86)% ⁴ | 1.66% | 6.71% | 2.53% | 6.53% |
| Based on market price | 2.44% | (4.16)% ⁴ | (4.67)% | 13.13% | 6.24% | 6.13% |
| Ratios to Average Net Assets Applicable to Common Shares | | | | | | |
| Total expenses ⁵ | 1.34% | 1.48% ⁶ | 1.64% | 1.56% | 1.31% | 1.13% |
| Total expenses after fees waived ⁵ | 1.32% | 1.46% ⁶ | 1.63% | 1.56% | 1.31% | 1.13% |
| Total expenses after fees waived and excluding interest expense and fees ^{5,7} | 1.06% | 1.04% ⁶ | 1.04% | 1.03% | 0.96% | 0.94% |

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| | | | | | | |
|--|--------------------|--------------------|-------|-------|-------|-------|
| Net investment income ⁵ | 7.11% | 6.36% ⁶ | 5.96% | 6.50% | 6.37% | 6.23% |
| Dividends to Preferred Shareholders | 1.09% | 1.82% ⁶ | 1.88% | 1.68% | 0.87% | 0.42% |
| Net investment income to Common Shareholders | 6.02% ⁷ | 4.54% ⁶ | 4.08% | 4.82% | 5.50% | 5.81% |

Supplemental Data

| | | | | | | |
|--|------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 499,093 | \$ 518,912 | \$ 549,910 | \$ 567,954 | \$ 562,474 | \$ 584,248 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 247,700 | \$ 259,475 | \$ 304,000 | \$ 304,000 | \$ 304,000 | \$ 259,000 |
| Portfolio turnover | 22% | 17% | 25% | 43% | 35% | 18% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 75,376 | \$ 75,011 ₈ | \$ 70,242 ₈ | \$ 71,725 ₈ | \$ 71,259 ₈ | \$ 81,397 ₈ |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ 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.

⁴ Aggregate total investment return.

⁵ Do not reflect the effect of dividends to Preferred Shareholders.

⁶ Annualized.

⁷ Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

⁸ Amounts have been recalculated to conform with current year presentation.

See Notes to Financial Statements.

Notes to Financial Statements

1. Organization and Significant Accounting Policies:

BlackRock MuniHoldings Insured Fund II, Inc. (MuniHoldings Insured II), BlackRock MuniYield California Insured Fund, Inc. (MuniYield California Insured), BlackRock MuniYield Insured Fund, Inc. (MuniYield Insured), BlackRock MuniYield Michigan Insured Fund II, Inc. (MuniYield Michigan Insured II) and BlackRock MuniYield New York Insured Fund, Inc. (MuniYield New York Insured) (collectively, the Funds or individually as the Fund), are registered under the Investment Company Act of 1940, as amended (the 1940 Act), as non-diversified, closed-end management investment companies. The Funds are organized as Maryland corporations. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine, and make available for publication, the net asset values of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Funds:

Valuation of Investments: Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services selected under the supervision of each Fund's Board of Directors (the Board). In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Swap agreements are valued by utilizing quotes received daily by each Fund's pricing service or through brokers, which are derived using daily swap curves and trades of underlying securities. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with maturities less than 60 days may be valued at amortized cost, which approximates fair value. Investments in open-end investment companies are valued at net asset value each business day.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment, the investment will be valued by a method approved by each Fund's Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm's length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Forward Commitments and When-Issued Delayed Delivery Securities: The Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions only with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the purchaser is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed-delivery basis the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds maximum amount of loss is the unrealized gain of the commitment.

Municipal Bonds Transferred to Tender Option Bond Trusts: The Funds leverage their assets through the use of tender option bond trusts (TOBs). A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Fund has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates (TOB Residuals), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Fund include the right of the Fund (1) to cause the holders of a proportional share of the floating rate certificates to tender their certificates at par, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to the Fund. The TOB may also be terminated without the consent of the Fund upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to the Fund, which typically invests the cash in additional municipal bonds. Each Fund's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing, therefore the municipal bonds deposited into a TOB are presented in the Funds' Schedules of Investments and the proceeds from the issuance of the short-term floating rate certificates are shown as trust certificates in the Statements of Assets and Liabilities.

Notes to Financial Statements (continued)

Interest income from the underlying securities is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are reported as expenses of the Funds. The floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At July 31, 2009, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for trust certificates and the range of interest rates on the liability for the trust certificates were as follows:

| | Underlying Municipal Bonds Transferred to TOBs | Liability for Trust Certificates | Range of Interest Rates | |
|-------------------------------|--|--|----------------------------|-------|
| MuniHoldings Insured II | \$ 116,224,116 | \$ 63,286,828 | 0.27% | 2.32% |
| MuniYield California Insured | \$ 182,285,335 | \$ 98,275,469 | 0.22% | 1.59% |
| MuniYield Insured | \$ 298,770,945 | \$ 162,422,546 | 0.24% | 1.83% |
| MuniYield Michigan Insured II | \$ 17,062,620 | \$ 9,030,000 | 1.35% | 1.69% |
| MuniYield New York Insured | \$ 112,988,935 | \$ 60,816,881 | 0.25% | 2.29% |

For the year ended July 31, 2009, the Funds' average trust certificates outstanding and the daily weighted average interest rate were as follows:

| | Average Trust Certificates Outstanding | Daily Weighted Average Interest Rate |
|-------------------------------|---|--|
| MuniHoldings Insured II | \$ 57,408,414 | 1.91% |
| MuniYield California Insured | \$ 92,131,894 | 1.71% |
| MuniYield Insured | \$ 173,305,105 | 1.72% |
| MuniYield Michigan Insured II | \$ 12,273,233 | 1.81% |
| MuniYield New York Insured | \$ 63,194,114 | 1.93% |

Financial transactions executed through TOBs generally will underperform the market for fixed rate municipal bonds when short-term interest rates rise, but tend to outperform the market for fixed rate bonds when short-term interest rates decline or remain relatively stable. Should short-term interest rates rise, the Funds' investments in TOBs may adversely affect the Funds' investment income and distributions to shareholders. Also, fluctuations in the market value of municipal bonds deposited into the TOB may adversely affect the Funds' net asset value per share.

Zero-Coupon Bonds: Each Fund may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that each Fund either receive collateral or segregate assets in connection with certain investments (e.g., financial futures contracts and swaps) each Fund will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments (e.g., financial futures contracts and swaps). As part of these agreements, when the value of these investments achieves a previously agreed upon value (minimum transfer amount), each party may be required to deliver additional collateral.

Investment Transactions and Investment Income: For financial reporting purposes, investment 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 method. Each Fund amortizes all premiums and discounts on debt securities.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

Income Taxes: It is each 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.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statutes of limitations on the Funds' US federal tax returns remains open for the periods ended July 31, 2009 and 2008, October 31, 2007 and 2006 (September 30, 2007 and 2006 for MuniHoldings Insured II). The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Pronouncement: In June 2009, Statement of Financial Accounting Standards No. 166, Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140 (FAS 166), was issued. FAS 166 is intended to improve the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. FAS 166 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. Earlier application is prohibited. The recognition and measurement provisions of FAS 166 must be applied to transfers occurring on or after the effective date. Additionally, the disclosure provisions of FAS 166 should be applied to transfers that occurred both before and after the effective date of FAS 166. The impact of FAS 166 on the Funds' financial statement disclosures, if any, is currently being assessed.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, non-interested Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of other certain BlackRock Closed-End Funds

Notes to Financial Statements (continued)

selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors in order to match their deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

Other: Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are prorated among those funds on the basis of relative net assets or other appropriate methods. Custodian fees may be reduced by amounts calculated on uninvested cash balances, which are shown as fees paid indirectly in the Statements of Operations.

2. Derivative Financial Instruments:

The Funds may engage in various portfolio investment strategies both to increase the return of the Funds and to economically hedge, or protect, their exposure to interest rate movements and movements in the securities markets. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying security or if the counterparty does not perform under the contract. The Funds may mitigate these losses through master netting agreements included within an International Swap and Derivatives Association, Inc. (ISDA) Master Agreement between the Funds and their counterparties. The ISDA Master Agreement allows each Fund to offset with its counterparty each Fund's certain derivative financial instruments payables and/or receivables with collateral held. To the extent amounts due to the Funds from their counterparties are not fully collateralized contractually or otherwise, the Funds bear the risk of loss from counter-party non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices.

The Funds are subject to interest rate risk in the normal course of pursuing their investment objectives by investing in various derivative financial instruments, as described below.

Financial Futures Contracts: The Funds may purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Pursuant to the contract, the Funds agree 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 margin variation and are recognized by the Funds as unrealized gains or losses. When the contract is closed, the Funds record 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. The use of financial futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying assets. Financial futures transactions involve minimal counterparty risk since financial futures contracts are guaranteed against default by the exchange on which they trade. Counterparty risk is also minimized by the daily margin variation.

Swaps: The Funds may enter into swap agreements, in which a Fund and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Fund will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counter-party to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Forward interest rate swaps The Funds may enter into forward interest rate swaps to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). In a forward interest rate swap, each 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. The Funds generally intend to close each forward interest rate swap before the effective date specified in the agreement and therefore avoid entering into the interest rate swap underlying each forward

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interest rate swap. The Funds' maximum risk of loss due to counterparty default is the amount of the unrealized gain on the contract.

Derivatives Not Accounted for as Hedging Instruments under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities :

**The Effect of Derivative Instruments on the Statement of Operations
Year Ended July 31, 2009***

Net Realized Gain (Loss) From Derivatives Recognized in Income

| | MuniYield Insured | MuniYield New York Insured |
|-----------------------------|----------------------|----------------------------------|
| <hr/> | | |
| Interest rate contracts: | | |
| Financial futures contracts | | \$ 77,657 |
| Forward interest rate swaps | \$ (3,603,000) | |

Net Change in Unrealized Depreciation on Derivatives Recognized in Income

| | MuniYield Insured |
|-----------------------------|----------------------|
| <hr/> | |
| Interest rate contracts: | |
| Forward interest rate swaps | \$ 1,951,000 |

* As of July 31, 2009 there were no financial futures contracts or forward interest rate swaps outstanding. During the year ended July 31, 2009, the Funds had limited activity in these transactions.

Notes to Financial Statements (continued)

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. (PNC) and Bank of America Corporation (BAC) are the largest stockholders of BlackRock, Inc. (BlackRock). BAC became a stockholder of BlackRock following its acquisition of Merrill Lynch & Co., Inc. (Merrill Lynch) on January 1, 2009. Prior to that date, both PNC and Merrill Lynch were considered affiliates of the Funds under the 1940 Act. Subsequent to the acquisition, PNC remains an affiliate, but due to the restructuring of Merrill Lynch's ownership interest of BlackRock, BAC is not deemed to be an affiliate under the 1940 Act.

Each Fund has entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Funds' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services.

The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee at an annual rate of 0.55% for MuniHoldings Insured II, and 0.50% for MuniYield California Insured, MuniYield Insured, MuniYield Michigan Insured II, and MuniYield New York Insured, of each Fund's average daily net assets. Average daily net assets is the average daily value of each Fund's total assets minus the sum of its accrued liabilities.

The Manager has voluntarily agreed to waive its advisory fee on the proceeds of Preferred Shares and TOBs that exceeds 35% of the average daily net assets of MuniHoldings Insured II, which is included in fees waived by advisor in the Statements of Operations. For the year ended July 31, 2009, the Manager waived its fees in the amount of \$523,127.

The Manager has agreed to waive its advisory fee by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds, which are included in fees waived by advisor in the Statements of Operations. For the year ended July 31, 2009, the amounts waived were as follows:

| | Fees Waived by Manager |
|-------------------------------|---------------------------|
| MuniHoldings Insured II | \$25,068 |
| MuniYield California Insured | \$93,793 |
| MuniYield Insured | \$88,042 |
| MuniYield Michigan Insured II | \$23,654 |
| MuniYield New York Insured | \$92,584 |

The Manager has entered into a separate sub-advisory agreement with BlackRock Investment Management, LLC (BIM), an affiliate of the Manager, with respect to each Fund, under which the Manager pays BIM for services it provides, a monthly fee that is a percentage of the investment advisory fee paid by each Fund to the Manager.

For the year ended July 31, 2009, the Funds reimbursed the Manager for certain accounting services in the following amounts, which are included in accounting services in the Statements of Operations:

| | Accounting Services |
|------------------------------|------------------------|
| MuniHoldings Insured II | \$ 8,572 |
| MuniYield California Insured | \$ 13,427 |
| MuniYield Insured | \$ 24,181 |

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| | |
|-------------------------------|-----------|
| MuniYield Michigan Insured II | \$ 4,932 |
| MuniYield New York Insured | \$ 15,380 |

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation paid to the Funds Chief Compliance Officer.

4. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended July 31, 2009 were as follows:

| | Purchases | Sales |
|-------------------------------|----------------|----------------|
| MuniHoldings Insured II | \$ 164,999,251 | \$ 175,091,176 |
| MuniYield California Insured | \$ 170,180,509 | \$ 221,527,825 |
| MuniYield Insured | \$ 382,190,095 | \$ 514,313,812 |
| MuniYield Michigan Insured II | \$ 22,681,318 | \$ 41,122,665 |
| MuniYield New York Insured | \$ 166,860,247 | \$ 229,849,859 |

Notes to Financial Statements (continued)

5. Income Tax Information:

Reclassifications: Accounting principles generally accepted in the United States of America require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of July 31, 2009 attributable to amortization methods on fixed income securities, the tax classification of distributions received from a regulated investment company, the book to tax difference on the sale of residual interests in tender option bond trusts, and the expiration of capital loss carry-forwards were reclassified to the following accounts:

| | MuniHoldings Insured II | MuniYield California Insured | MuniYield Insured | MuniYield Michigan Insured II | MuniYield New York Insured |
|--|----------------------------|---------------------------------|----------------------|----------------------------------|-------------------------------|
| Paid-in capital | \$ (237,148) | | \$ (102,733) | \$ (174,667) | |
| Undistributed net investment income | \$ (175,115) | \$ 469,285 | \$ 4,560 | \$ 15,459 | \$ (365,942) |
| Accumulated net realized loss | \$ 412,263 | \$ (469,285) | \$ 98,173 | \$ 159,208 | \$ 365,942 |

The tax character of distributions paid during the fiscal years ended September 30, 2007, the fiscal years ended October 31, 2007, the fiscal period ended July 31, 2008 and the fiscal year ended July 31, 2009 were as follows:

| | MuniHoldings Insured II | MuniYield California Insured | MuniYield Insured | MuniYield Michigan Insured II | MuniYield New York Insured |
|-------------------|----------------------------|------------------------------------|----------------------|-------------------------------------|----------------------------------|
| Tax-exempt income | | | | | |
| 2009 | \$ 16,930,683 | \$ 26,614,795 | \$ 54,029,269 | \$ 9,856,970 | \$ 29,967,696 |
| 2008 | 16,813,824 | 23,900,958 | 48,537,923 | 8,558,146 | 26,552,750 |
| 2007 | 21,194,039 | 32,745,435 | 66,194,332 | 11,709,561 | 36,258,422 |
| Ordinary income | | | | | |
| 2009 | | | | | 290,863 |
| Total | | | | | |
| 2009 | \$ 16,930,683 | \$ 26,614,795 | \$ 54,029,269 | \$ 9,856,970 | \$ 30,258,559 |
| 2008 | \$ 16,813,824 | \$ 23,900,958 | \$ 48,537,923 | \$ 8,558,146 | \$ 26,552,750 |
| 2007 | \$ 21,194,039 | \$ 32,745,435 | \$ 66,194,332 | \$ 11,709,561 | \$ 36,258,422 |

As of July 31, 2009, the tax components of accumulated net losses were as follows:

| | MuniHoldings Insured II | MuniYield California Insured | MuniYield Insured | MuniYield Michigan Insured II | MuniYield New York Insured |
|--|----------------------------|------------------------------------|----------------------|-------------------------------------|-------------------------------|
| | \$ 5,189,584 | \$ 3,986,437 | \$ 8,961,413 | \$ 2,003,635 | \$ 3,410,269 |

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| | | | | | |
|-------------------------------------|------------------------|------------------------|-------------------------|-----------------------|------------------------|
| Undistributed tax-exempt income | | | | | |
| Capital loss carryforwards | (9,242,528) | (11,209,643) | (56,395,753) | (3,416,103) | (27,323,889) |
| Net unrealized losses* | (19,782,988) | (28,932,656) | (76,595,819) | (7,080,729) | (30,615,247) |
| Total accumulated net losses | \$ (23,835,932) | \$ (36,155,862) | \$ (124,030,159) | \$ (8,493,197) | \$ (54,528,867) |

* The differences between book-basis and tax-basis net unrealized losses 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 for premiums and discounts on fixed income securities, the deferral of post-October capital losses for tax purposes, the deferral of compensation to directors and the tax treatment of residual interests in tender option bond trusts.

As of July 31, 2009, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| | MuniHoldings Insured II | MuniYield California Insured | MuniYield Insured | MuniYield Michigan Insured II | MuniYield New York Insured |
|--------------|------------------------------------|---|------------------------------|--|---------------------------------------|
| 2010 | | | | \$ 1,050,253 | \$ 3,007,157 |
| 2011 | | \$ 4,417,434 | | | |
| 2012 | \$ 306,103 | 2,675,948 | | 1,288,851 | 16,583,200 |
| 2014 | | | \$ 1,489,118 | | 3,107,506 |
| 2015 | | 1,362,395 | 5,979,955 | | |
| 2016 | | | 25,066,903 | 823,067 | 2,330,288 |
| 2017 | 8,936,425 | 2,753,866 | 23,859,777 | 253,932 | 2,295,738 |
| Total | \$ 9,242,528 | \$ 11,209,643 | \$ 56,395,753 | \$ 3,416,103 | \$ 27,323,889 |

Notes to Financial Statements (continued)

6. Concentration, Market and Credit Risk:

Each Fund invests a substantial amount of its assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

Many municipalities insure repayment of their bonds, which reduces the risk of loss due to issuer default. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to credit risk, the Funds may be exposed to counterparty risk, or the risk that an entity with which the Funds have unsettled or open transactions may default. Financial assets, which potentially expose the Funds to credit and counterparty risks, consist principally of investments and cash due from counterparties. The extent of the Funds' exposure to credit and counterparty risks with respect to these financial assets is approximated by their value recorded in the Funds' Statements of Assets and Liabilities.

7. Capital Share Transactions:

Each Fund is authorized to issue 200 million shares, including Preferred Shares, par value \$0.10 per share, all of which were initially classified as Common Shares. Each Board is authorized, however, to reclassify any unissued shares of Common Shares without approval of Common Shareholders.

Common Shares

Shares issued and outstanding remained constant during the period ended July 31, 2009 and 2008 and the year ended October 31, 2007 (September 30, 2007 for MuniHoldings Insured II).

Preferred Shares

The Preferred Shares are redeemable at the option of each Fund, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated or unpaid dividends whether or not declared. The Preferred Shares are also subject to mandatory redemption at their liquidation preference plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Funds, as set forth in each Fund's Articles Supplementary ("Governing Instrument"), are not satisfied.

From time to time in the future, the Funds that have issued Preferred Shares may affect repurchases of such shares at prices below their liquidation preferences as agreed upon by the Funds and seller. The Funds also may redeem such shares from time to time as provided in the applicable Governing Instrument. The Funds intend to affect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with the holders of Common Shares (one vote per share) as a single class. However, holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

Notes to Financial Statements (continued)

The Funds had the following series of Preferred Shares outstanding, effective yields and reset frequency as of July 31, 2009:

| | Series | Preferred Shares | Effective Yield | Reset Frequency Days |
|-------------------------------|--------|--------------------|-----------------|----------------------|
| MuniHoldings Insured II | A | 1,345 ₁ | 0.58% | 7 |
| | B | 1,345 ₁ | 0.58% | 7 |
| | C | 2,550 ₁ | 0.58% | 7 |
| MuniYield California Insured | A | 1,090 ₁ | 0.43% | 28 |
| | B | 1,090 ₁ | 0.52% | 7 |
| | C | 969 ₁ | 0.58% | 7 |
| | D | 1,211 ₁ | 0.35% | 28 |
| | E | 1,211 ₁ | 0.58% | 7 |
| | F | 1,090 ₂ | 1.63% | 7 |
| MuniYield Insured | A | 1,376 ₁ | 0.53% | 28 |
| | B | 1,376 ₁ | 0.58% | 28 |
| | C | 1,376 ₁ | 0.38% | 28 |
| | D | 1,376 ₁ | 0.46% | 28 |
| | E | 2,502 ₁ | 0.58% | 7 |
| | F | 1,588 ₁ | 0.43% | 28 |
| | G | 1,501 ₁ | 0.52% | 7 |
| | H | 1,625 ₂ | 1.63% | 7 |
| | I | 1,625 ₂ | 1.57% | 7 |
| MuniYield Michigan Insured II | A | 1,941 ₁ | 0.52% | 7 |
| | B | 1,200 ₁ | 0.58% | 7 |
| | C | 353 ₂ | 1.63% | 7 |
| MuniYield New York Insured | A | 1,385 ₁ | 0.46% | 28 |
| | B | 1,385 ₁ | 0.52% | 7 |
| | C | 2,282 ₁ | 0.52% | 7 |
| | D | 1,597 ₁ | 0.58% | 7 |
| | E | 1,793 ₁ | 0.46% | 28 |
| | F | 1,466 ₂ | 1.63% | 7 |

¹ The maximum applicable rate on this series of Preferred Shares is the higher of 110% of the AA commercial paper rate or 110% of 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

² The maximum applicable rate on this series of Preferred Shares is the higher of 110% plus or times (i) the Telerate/BBA LIBOR or (ii) 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

Dividends on 7- and 28-day Preferred Shares are cumulative at a rate which is reset every 7 or 28 days, respectively, based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, the Fund is required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on the Preferred Shares is footnoted as applicable on the above chart. The low, high and average dividend rates on the Preferred Shares for each Fund for the year ended July 31, 2009 were as follows:

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| | Series | Low | High | Average |
|-------------------------------|--------|-------|--------|---------|
| MuniHoldings Insured II | A | 0.35% | 12.26% | 1.89% |
| | B | 0.38% | 12.57% | 1.88% |
| | C | 0.40% | 11.35% | 1.77% |
| MuniYield California Insured | A | 0.43% | 11.73% | 2.27% |
| | B | 0.35% | 11.73% | 1.81% |
| | C | 0.40% | 11.35% | 1.87% |
| | D | 0.35% | 8.68% | 1.92% |
| | E | 0.35% | 12.26% | 1.85% |
| | F | 1.45% | 12.52% | 2.75% |
| MuniYield Insured | A | 0.52% | 5.76% | 1.86% |
| | B | 0.43% | 12.57% | 2.27% |
| | C | 0.38% | 8.65% | 1.96% |
| | D | 0.46% | 7.49% | 2.31% |
| | E | 0.38% | 12.57% | 1.95% |
| | F | 0.43% | 10.21% | 2.11% |
| | G | 0.43% | 10.21% | 1.89% |
| | H | 1.42% | 12.25% | 2.81% |
| | I | 1.42% | 11.76% | 2.78% |
| MuniYield Michigan Insured II | A | 0.43% | 10.21% | 1.90% |
| | B | 0.40% | 11.35% | 1.89% |
| | C | 1.45% | 12.52% | 2.84% |
| MuniYield New York Insured | A | 0.46% | 7.16% | 1.66% |
| | B | 0.43% | 10.21% | 1.86% |
| | C | 0.35% | 11.73% | 1.87% |
| | D | 0.40% | 11.35% | 1.84% |
| | E | 0.46% | 7.49% | 1.73% |
| | F | 1.42% | 12.25% | 2.78% |

Since February 13, 2008, the Preferred Shares of each Fund failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.35% to 12.57% for the year ended July 31, 2009. A failed auction is not an event of default for the Funds but it has a negative impact on the liquidity of the Preferred Shares. A failed auction occurs when there are more sellers of a fund's auction rate preferred shares than buyers. It is impossible to predict how long this imbalance will last. A successful auction for each Fund's Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, Preferred Shareholders may not have the ability to sell the Preferred Shares at their liquidation preference.

The Funds may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

Notes to Financial Statements (continued)

Prior to December 22, 2008, the Funds paid commissions to certain broker-dealers at the end of each auction at an annual rate of 0.25%, calculated on the aggregated principal amount. As of December 22, 2008, commissions paid to broker-dealers on Preferred Shares that experienced a failed auction were reduced to 0.15% on the aggregate principal amount. The Funds will pay commissions of 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Merrill Lynch, Pierce, Fenner & Smith Incorporated, a wholly owned subsidiary of Merrill Lynch, earned commissions for the period August 1, 2008 through December 31, 2008 (after which time Merrill Lynch was no longer considered an affiliate) as follows:

| | Commissions |
|-------------------------------|-------------|
| MuniHoldings Insured II | \$ 68,962 |
| MuniYield California Insured | \$ 80,260 |
| MuniYield Insured | \$ 136,544 |
| MuniYield Michigan Insured II | \$ 46,041 |
| MuniYield New York Insured | \$ 147,194 |

During the year ended July 31, 2009, certain Funds announced the following redemptions of Preferred Shares at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|------------------------------|--------|-----------------|-----------------|---------------------|
| MuniHoldings Insured II | A | 7/06/09 | 147 | \$ 3,675,000 |
| | B | 7/09/09 | 147 | \$ 3,675,000 |
| | C | 7/08/09 | 278 | \$ 6,950,000 |
| MuniYield California Insured | A | 7/31/09 | 169 | \$ 4,225,000 |
| | B | 7/13/09 | 169 | \$ 4,225,000 |
| | C | 7/08/09 | 150 | \$ 3,750,000 |
| | D | 7/10/09 | 187 | \$ 4,675,000 |
| | E | 7/06/09 | 187 | \$ 4,675,000 |
| | F | 7/09/09 | 169 | \$ 4,225,000 |
| MuniYield Insured | A | 7/23/09 | 80 | \$ 2,000,000 |
| | B | 7/30/09 | 80 | \$ 2,000,000 |
| | C | 7/09/09 | 80 | \$ 2,000,000 |
| | D | 7/16/09 | 80 | \$ 2,000,000 |
| | E | 7/09/09 | 145 | \$ 3,625,000 |
| | F | 8/04/09 | 87 | \$ 2,175,000 |
| | G | 7/14/09 | 87 | \$ 2,175,000 |
| | H | 7/06/09 | 95 | \$ 2,375,000 |
| | I | 7/06/09 | 95 | \$ 2,375,000 |
| MuniYield New York Insured | A | 7/21/09 | 66 | \$ 1,650,000 |
| | B | 6/30/09 | 66 | \$ 1,650,000 |
| | C | 7/06/09 | 108 | \$ 2,700,000 |
| | D | 7/08/09 | 76 | \$ 1,900,000 |
| | E | 7/16/09 | 85 | \$ 2,125,000 |
| | F | 7/06/09 | 70 | \$ 1,750,000 |

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During the period ended July 31, 2008, the Funds announced the following redemptions of Preferred Shares at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-------------------------------|--------|-----------------|-----------------|---------------------|
| MuniHoldings Insured II | A | 6/27/08 | 608 | \$ 15,200,000 |
| | B | 6/26/08 | 608 | \$ 15,200,000 |
| | C | 6/25/08 | 1,152 | \$ 28,800,000 |
| MuniYield California Insured | A | 7/07/08 | 541 | \$ 13,525,000 |
| | B | 6/30/08 | 541 | \$ 13,525,000 |
| | C | 6/25/08 | 481 | \$ 12,025,000 |
| | D | 7/11/08 | 602 | \$ 15,050,000 |
| | E | 6/27/08 | 602 | \$ 15,050,000 |
| | F | 6/26/08 | 541 | \$ 13,525,000 |
| MuniYield Insured | A | 6/26/08 | 744 | \$ 18,600,000 |
| | B | 7/03/08 | 744 | \$ 18,600,000 |
| | C | 7/10/08 | 744 | \$ 18,600,000 |
| | D | 7/17/08 | 744 | \$ 18,600,000 |
| | E | 6/26/08 | 1,353 | \$ 33,825,000 |
| | F | 7/08/08 | 812 | \$ 20,300,000 |
| | G | 6/24/08 | 812 | \$ 20,300,000 |
| | H | 6/27/08 | 880 | \$ 22,000,000 |
| | I | 6/23/08 | 880 | \$ 22,000,000 |
| MuniYield Michigan Insured II | A | 6/17/08 | 259 | \$ 6,475,000 |
| | B | 6/25/08 | 160 | \$ 4,000,000 |
| | C | 6/26/08 | 47 | \$ 1,175,000 |
| MuniYield New York Insured | A | 6/24/08 | 249 | \$ 6,225,000 |
| | B | 6/17/08 | 249 | \$ 6,225,000 |
| | C | 6/23/08 | 410 | \$ 10,250,000 |
| | D | 6/25/08 | 287 | \$ 7,175,000 |
| | E | 7/17/08 | 322 | \$ 8,050,000 |
| | F | 6/27/08 | 264 | \$ 6,600,000 |

The Funds financed the Preferred Share redemptions with cash received from TOB transactions.

For MuniYield Michigan Insured II, shares issued and outstanding during the year ended July 31, 2009 remained constant.

Shares issued and outstanding during the year ended October 31, 2007 (September 30, 2007 for MuniHoldings Insured II) remained constant for all Funds.

Notes to Financial Statements (concluded)

8. Restatement Information:

Subsequent to the initial issuance of MuniYield Insured's October 31, 2006 financial statements and MuniHoldings Insured II's September 30, 2006 financial statements, it was determined that the criteria for sale accounting in Financial Accounting Standards No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities had not been met for certain transfers of municipal bonds and that these transfers should have been accounted for as secured borrowings rather than as sales. As a result, certain financial highlights for each of the two years in the period ended October 31, 2005 with respect to MuniYield Insured, and for each of the two years in the period ended September 30, 2005 with respect to MuniHoldings Insured II, have been restated to give effect to recording the transfers of the municipal bonds as secured borrowings, including recording interest on the bonds as interest income and interest on the secured borrowings as interest expense.

**Financial Highlights for MuniYield Insured
For the Years Ended October 31, 2005 and 2004**

| | 2005 | | 2004 | |
|--|---------------------|----------|---------------------|----------|
| | Previously Reported | Restated | Previously Reported | Restated |
| Total expenses, net of waiver ¹ | 1.01% | 1.60% | 0.95% | 1.19% |
| Total expenses ¹ | 1.01% | 1.60% | 0.95% | 1.19% |
| Portfolio turnover | 123.85% | 105% | 144.40% | 122% |

¹ Do not reflect the effect of dividends to Preferred Shareholders.

**Financial Highlights for MuniHoldings Insured II
For the Years Ended September 30, 2005 and 2004**

| | 2005 | | 2004 | |
|--|---------------------|----------|---------------------|----------|
| | Previously Reported | Restated | Previously Reported | Restated |
| Total expenses, net of waiver and reimbursement ¹ | 1.15% | 1.32% | 1.12% | 1.17% |
| Total expenses ¹ | 1.21% | 1.38% | 1.21% | 1.27% |
| Portfolio turnover | 58.19% | 46% | 45.89% | 45% |

¹ Do not reflect the effect of dividends to Preferred Shareholders.

9. Subsequent Events:

Each Fund paid a net investment income dividend on September 1, 2009 to Common Shareholders of record on August 14, 2009 as follows:

| | Distribution Per Share |
|-------------------------------|---------------------------|
| MuniHoldings Insured II | \$ 0.0675 |
| MuniYield California Insured | \$ 0.0610 |
| MuniYield Insured | \$ 0.0610 |
| MuniYield Michigan Insured II | \$ 0.0665 |
| MuniYield New York Insured | \$ 0.0525 |

The dividends declared on Preferred Shares for the period August 1, 2009 to August 31, 2009 were as follows:

| | MuniHoldings Insured II | MuniYield California Insured | MuniYield Insured | MuniYield Michigan Insured II | MuniYield New York Insured |
|----------|----------------------------|------------------------------------|----------------------|-------------------------------------|----------------------------------|
| Series A | \$ 13,653 | \$ 12,467 | \$ 14,735 | \$ 19,685 | \$ 13,576 |
| Series B | \$ 14,214 | \$ 11,266 | \$ 15,532 | \$ 12,351 | \$ 14,552 |
| Series C | \$ 27,177 | \$ 10,327 | \$ 13,407 | \$ 10,724 | \$ 23,586 |
| Series D | | \$ 10,946 | \$ 13,845 | | \$ 17,020 |
| Series E | | \$ 12,293 | \$ 26,435 | | \$ 18,041 |
| Series F | | \$ 34,286 | \$ 17,131 | | \$ 45,569 |
| Series G | | | \$ 15,771 | | |
| Series H | | | \$ 50,512 | | |
| Series I | | | \$ 50,788 | | |

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through September 28, 2009, the date the financial statements were issued.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of BlackRock MuniHoldings Insured Fund II, Inc., BlackRock MuniYield California Insured Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Michigan Insured Fund II, Inc., and BlackRock MuniYield New York Insured Fund, Inc. (collectively, the Funds):

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock MuniHoldings Insured Fund II, Inc. as of July 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended, for the period October 1, 2007 to July 31, 2008 and for the year ended September 30, 2007, and the financial highlights for the year then ended, for the period October 1, 2007 to July 31, 2008 and for each of the two years in the period ended September 30, 2007. We have also audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock MuniYield California Insured Fund, Inc. as of July 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended, for the period November 1, 2007 to July 31, 2008 and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008 and for each of the four years in the period ended October 31, 2007. We have also audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock MuniYield Insured Fund, Inc. as of July 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended, for the period November 1, 2007 to July 31, 2008, and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008 and for each of the two years in the period ended October 31, 2007. We have also audited the accompanying statements of assets and liabilities, including the schedules of investments, of BlackRock MuniYield Michigan Insured Fund II, Inc. and BlackRock MuniYield New York Insured Fund, Inc. as of July 31, 2009, and the related statements of operations for the year then ended, the statements of changes in net assets for the year then ended, for the period November 1, 2007 to July 31, 2008, and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008, and for each of the four years in the period ended October 31, 2007. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights of BlackRock Muni-Holdings Insured Fund II, Inc. for each of the two years in the period ended September 30, 2005 (before the restatement described in Note 8) were audited by other auditors whose report, dated November 9, 2005, expressed a qualified opinion on those financial highlights because of the errors described in Note 8. The financial highlights of BlackRock MuniYield Insured Fund, Inc. for each of the two years in the period ended October 31, 2005 (before the restatement described in Note 8) were audited by other auditors whose report, dated December 9, 2005, expressed a qualified opinion on those financial highlights because of the errors described in Note 8.

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. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of July 31, 2009, by correspondence with the custodians and brokers; where replies were not received from brokers, we performed other auditing procedures. 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 BlackRock MuniHoldings Insured Fund II, Inc. as of July 31, 2009, the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year then ended, for the period October 1, 2007 to July 31, 2008 and for the year ended September 30, 2007, and the financial highlights for the year then ended, for the period October 1, 2007 to July 31, 2008 and for each of the two years in the period ended September 30, 2007, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock MuniYield California Insured Fund, Inc. as of July 31, 2009, the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year then ended, for the period November 1, 2007 to July 31, 2008 and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008 and for each of the four years in the period ended October 31, 2007, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock MuniYield Insured Fund, Inc. as of July 31, 2009, the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year then ended, for the period November 1, 2007 to July 31, 2008 and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008 and for each of the two years in the period ended October 31, 2007, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock MuniYield Michigan Insured Fund II, Inc. and BlackRock MuniYield New York Insured Fund, Inc. as of July 31, 2009, the results of their

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operations for the year then ended, the changes in their net assets for the year then ended, for the period

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Report of Independent Registered Public Accounting Firm (concluded)

November 1, 2007 to July 31, 2008 and for the year ended October 31, 2007, and the financial highlights for the year then ended, for the period November 1, 2007 to July 31, 2008 and for each of the four years in the period ended October 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

We have audited the adjustments, applied by management, to restate certain BlackRock MuniHoldings Insured Fund II, Inc. (Insured Fund II) financial highlights for each of the two years in the period ended September 30, 2005 to correct the errors described in Note 8. We have also audited the adjustments, applied by management, to restate certain BlackRock MuniYield Insured Fund, Inc. (Insured Fund) financial highlights for each of the two years in the period ended October 31, 2005 to correct the errors described in Note 8. These adjustments are the responsibility of the Funds' management. The audit procedures that we performed with respect to the adjustments included such tests as we considered necessary in the circumstances and were designed to obtain reasonable assurance about whether the adjustments are appropriate and have been properly applied, in all material respects, to the restated information in Insured Fund II's financial highlights for each of the two years in the period ended September 30, 2005 and Insured Fund's financial highlights for each of the two years in the period ended October 31, 2005. We did not perform any audit procedures designed to assess whether any additional adjustments or disclosures to Insured Fund II's or Insured Fund's financial highlights for each of the two years in the period ended September 30, 2005 and October 31, 2005, respectively, might be necessary in order for such financial highlights to be presented in conformity with accounting principles generally accepted in the United States of America. In our opinion, the adjustments to the financial highlights of Insured Fund II or Insured Fund's financial highlights for each of the two years in the period ended September 30, 2005 and October 31, 2005, respectively, for the restatements described in Note 8 are appropriate and have been properly applied, in all material respects. However, we were not engaged to audit, review, or apply any procedures to the Insured Fund II's or Insured Fund's financial highlights for each of the two years in the period ended September 30, 2005 and October 31, 2005, respectively, other than with respect to the adjustments described in Note 8 and, accordingly, we do not express an opinion or any other form of assurance on the Insured Fund II's or Insured Fund's financial highlights for each of the two years in the period ended September 30, 2005 and October 31, 2005, respectively.

Deloitte & Touche LLP
Princeton, New Jersey
September 28, 2009

Important Tax Information (Unaudited)

All of the net investment income distributions paid by BlackRock Muni-Holdings Insured Fund II, Inc., BlackRock MuniYield California Insured Fund, Inc., BlackRock MuniYield Insured Fund, Inc. and BlackRock MuniYield Michigan Insured Fund II, Inc. during the taxable years ended July 31, 2009 qualify as tax-exempt interest dividends for federal income tax purposes.

The following table summarizes the taxable per share distributions paid by BlackRock MuniYield New York Insured Fund, Inc. during the taxable year ended July 31, 2009.

| | Payable Date | Ordinary Income |
|-------------------------|-----------------|--------------------|
| Common Shareholders | 12/31/08 | \$ 0.005012 |
| Preferred Shareholders: | | |
| Series A | 12/09/08 | \$ 8.37 |
| Series B | 12/09/08 | \$ 9.17 |
| Series C | 12/15/08 | \$ 9.12 |
| Series D | 12/10/08 | \$ 9.03 |
| Series E | 12/04/08 | \$ 8.20 |
| Series F | 12/19/08 | \$ 10.03 |

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All of the other net investment income distributions paid by the Fund qualify as tax-exempt interest dividends for federal income tax purposes.

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Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements

The Board of Directors (each, a Board and, collectively, the Boards, the members of which are referred to as Board Members) of each of 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) and BlackRock MuniYield New York Insured Fund, Inc. (MYN and, together with MUE, MCA, MYI and MYM, each a Fund and, collectively, the Funds) met on April 14, 2009 and May 28, 2009 to consider the approval of its respective Fund's investment advisory agreement (each, an Advisory Agreement) with BlackRock Advisors, LLC (the Manager), the Fund's investment advisor. Each Board also considered the approval of the sub-advisory agreement (each, a Sub-Advisory Agreement) between its respective Fund, the Manager and BlackRock Investment Management, LLC (the Sub-Advisor). The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the Agreements. Unless otherwise indicated, references to actions taken by the Board or the Boards shall mean each Board acting independently with respect to its respective Fund.

Activities and Composition of the Boards

Each Board consists of twelve individuals, ten of whom are not interested persons as defined in the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Board Members). The Board Members of each Fund are responsible for the oversight of the operations of such Fund and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of each Board is an Independent Board Member. Each Board has established five standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee and an Executive Committee, each of which is composed of Independent Board Members (except for the Executive Committee, which has one interested Board Member) and is chaired by an Independent Board Member. In addition, each Board has established an Ad Hoc Committee on Auction Market Preferred Shares.

The Agreements

Pursuant to the 1940 Act, each Board is required to consider the continuation of the Agreements on an annual basis. In connection with this process, each Board assessed, among other things, the nature, scope and quality of the services provided to its respective Fund by the personnel of BlackRock and its affiliates, including investment management, administrative services, shareholder services, oversight of fund accounting and custody, marketing services and assistance in meeting legal and regulatory requirements.

Throughout the year, the Boards, acting directly and through their committees, considers at each of their meetings factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-, three- and five-year periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management and portfolio managers' analysis of the reasons for any underperformance against its peers; (b) fees, including advisory and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center and fund accounting; (c) the Funds' operating expenses; (d) the resources devoted to, and compliance reports relating to, the Funds' investment objectives, policies and restrictions; (e) the Funds' compliance with their Code of Ethics and compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock's and other service providers' internal controls; (h) BlackRock's implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock's implementation of the Funds' valuation and liquidity procedures; and (k) periodic updates on BlackRock's business.

Board Considerations in Approving the Agreements

The Approval Process: Prior to the April 14, 2009 meeting, each Board requested and received materials specifically relating to the Agreements. Each Board is engaged in an ongoing process with BlackRock to continuously review the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April meeting included: (a) information independently compiled and prepared by Lipper, Inc. (Lipper) on Fund fees and expenses, and the investment performance of each Fund as compared with a peer group of funds as determined by Lipper and a customized peer group selected by BlackRock (collectively, Peers); (b) information on the profitability of the Agreements to BlackRock and a discussion of fall-out benefits to BlackRock and its affiliates and significant shareholders; (c) a general analysis provided by BlackRock concerning investment advisory fees charged to other clients, such as institutional and open-end funds, under similar investment mandates, as well as the performance of such other clients; (d) the impact of economies of scale; (e) a summary of aggregate amounts paid by each Fund to BlackRock; and (f) an internal comparison of management fees classified by Lipper, if applicable.

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At an in-person meeting held on April 14, 2009, each Board reviewed materials relating to its consideration of the Agreements. As a result of the discussions that occurred during the April 14, 2009 meeting, the Boards presented BlackRock with questions and requests for additional information and BlackRock responded to these requests with additional written information in advance of the May 28 - 29, 2009 Board meeting.

At an in-person meeting held on May 28 - 29, 2009, each Fund's Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and such Fund and the Sub-Advisory Agreement between such Fund, the Manager and the Sub-Advisor, each for a one-year term ending June 30, 2010. The Boards considered all factors they believed relevant with respect to the Funds, including, among other factors: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock portfolio management; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and certain affiliates from the relationship with the Funds; (d) economies of scale; and (e) other factors.

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

Each Board also considered other matters it deemed important to the approval process, such as services related to the valuation and pricing of its respective Fund's portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with such Fund and advice from independent legal counsel with respect to the review process and materials submitted for the Board's review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as controlling, and each Board Member may have attributed different weights to the various items considered.

A. Nature, Extent and Quality of the Services: Each Board, including its Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of its respective Fund. Throughout the year, each Board compared its respective Fund's performance to the performance of a comparable group of closed-end funds, and the performance of at least one relevant benchmark, if any. The Boards met with BlackRock's senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its respective Fund's portfolio management team discussing such Fund's performance and such Fund's investment objective, strategies and outlook.

Each Board considered, among other factors, the number, education and experience of BlackRock's investment personnel generally and its respective Fund's portfolio management team, investments by portfolio managers in the funds they manage, BlackRock's portfolio trading capabilities, BlackRock's use of technology, BlackRock's commitment to compliance and BlackRock's approach to training and retaining portfolio managers and other research, advisory and management personnel. Each Board also reviewed a general description of BlackRock's compensation structure with respect to its respective Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent.

In addition to advisory services, each Board considered the quality of the administrative and non-investment advisory services provided to its respective Fund. BlackRock and its affiliates provide the Funds with certain administrative and other services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In addition to investment advisory services, BlackRock and its affiliates provide the Funds with other services, including: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; and (viii) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements, and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, accounting, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Funds and BlackRock: Each Board, including its Independent Board Members, also reviewed and considered the performance history of its respective Fund. In preparation for the April 14, 2009 meeting, the Boards were provided with reports, independently prepared by Lipper, which included a comprehensive analysis of each Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with its review, each Board received and reviewed information regarding the investment performance of its respective Fund as compared to a representative group of similar funds as determined by Lipper and to all funds in such Fund's applicable Lipper category and customized peer group selected by BlackRock. Each Board was provided with a description of the methodology used by Lipper to select peer funds. Each Board regularly reviews the performance of its respective Fund throughout the year.

The Board of MUE noted that MUE performed below the median of its customized Lipper peer group composite in the one-, three- and five-year periods reported. The Board of MUE and BlackRock reviewed the reasons for MUE's underperformance during these periods compared with its Peers. The Board of MUE was informed that, among other things, overweight positions in the hospital and housing sectors and poor performance of some insured and AMT bonds held by MUE negatively impacted MUE's performance.

The Board of MCA noted that MCA performed below the median of its customized Lipper peer group composite in the one- and five-year periods reported and MCA performed above the median of its customized Lipper peer group composite in the three-year period reported. The Board of MCA and BlackRock reviewed the reasons for MCA's underperformance during these periods compared with its Peers. The Board of MCA was informed that, among other things, higher short-term borrowing costs resulting from frozen auction rate markets, and a high-quality (lower yielding) asset mix has reduced MCA's yield advantage and negatively impacted MCA's performance.

The Board of MYI noted that MYI performed below the median of its customized Lipper peer group composite in the one-, three- and five-year periods reported. The Board and BlackRock reviewed the reasons for MYI's underperformance during these periods compared with its Peers.

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The Board was informed that, among other things, over-exposure to the long-end of the municipal curve, an overweight on insured bonds with weaker underlying credits and the underperformance of municipal cash relative to MYI's Bond Market Association hedges all negatively impacted MYI's performance.

For MUE, MCA and MYI, the Board of each respective Fund and BlackRock discussed BlackRock's commitment to providing the resources necessary to assist the portfolio managers and to improve each such Fund's performance.

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Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

The Board of MYM noted that, in general, MYM performed better than its Peers in that MYM's performance was at or above the median of its customized Lipper peer group composite in each of the one-, three- and five-year periods reported.

The Board of MYN noted that, in general, MYN performed better than its Peers in that MYN's performance was at or above the median of its customized Lipper peer group composite in two of the one-, three- and five-year periods reported.

C. Consideration of the Advisory Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds: Each Board, including its Independent Board Members, reviewed its respective Fund's contractual advisory fee rates compared with the other funds in its respective Lipper category. Each Board also compared its respective Fund's total expenses, as well as actual management fees, to those of other comparable funds. Each Board considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including separately managed institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition and profitability with respect to the services it provided the Funds. The Boards were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock's profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2008 compared to available aggregate profitability data provided for the year ended December 31, 2007. The Boards reviewed BlackRock's profitability with respect to other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers by the Manager, the types of funds managed, expense allocations and business mix, and therefore comparability of profitability is somewhat limited.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. Nevertheless, to the extent such information is available, the Boards considered BlackRock's overall operating margin compared to the operating margin for leading investment management firms whose operations include advising closed-end funds, among other product types. The comparison indicated that operating margins for BlackRock with respect to its registered funds are consistent with margins earned by similarly situated publicly traded competitors. In addition, the Boards considered, among other things, certain third-party data comparing BlackRock's operating margin with that of other publicly-traded asset management firms, which concluded that larger asset bases do not, in themselves, translate to higher profit margins.

In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' profits relating to the management and distribution of the Funds and the other funds advised by BlackRock and its affiliates. As part of their analysis, the Boards reviewed BlackRock's methodology in allocating its costs to the management of the Funds. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high-quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards.

Each Board noted that its respective Fund paid contractual management fees, which do not take into account any expense reimbursement or fee waivers, lower than or equal to the median contractual management fees paid by such Fund's Peers.

D. Economies of Scale: Each Board, including its Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its respective Fund increase and whether there should be changes in the advisory fee rate or structure in order to enable such Fund to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the assets of such Fund. The Boards considered that the funds in the BlackRock fund complex share some common resources and, as a result, an increase in the overall size of the complex could permit each fund to incur lower expenses than it would otherwise as a stand-alone entity. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations.

The Boards noted that most closed-end fund complexes do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering and each fund is managed independently consistent with its own investment objectives. The Boards noted that only one closed-end fund in the Fund Complex has breakpoints in its fee structure. Information provided by Lipper also revealed that only one closed-end fund complex used a complex-level breakpoint structure.

E. Other Factors: The Boards also took into account other ancillary or "fallout" benefits that BlackRock or its affiliates and significant shareholders may derive from their relationship with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Funds, including for administrative and distribution services. The Boards also

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noted that BlackRock may use third-party research obtained by soft dollars generated by certain mutual fund transactions to assist itself in managing all or a number of its other client accounts.

In connection with their consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock, which included information on brokerage commissions and trade execution practices throughout the year.

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (concluded)

Conclusion

Each Board, including its Independent Board Members, unanimously approved the continuation of the Advisory Agreement between its respective Fund and the Manager for a one-year term ending June 30, 2010 and the Sub-Advisory Agreement between such Fund, the Manager and Sub-Advisor for a one-year term ending June 30, 2010. Based upon its evaluation of all these factors in their totality, each Board, including its Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of its respective Fund and its shareholders. In arriving at a decision to approve the Agreements, each Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination. The contractual fee arrangements for each Fund reflects the results of several years of review by such Fund's Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. Certain aspects of the arrangements may be the subject of more attention in some years than in others, and the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

Automatic Dividend Reinvestment Plan

How the Plan Works The Funds offer a Dividend Reinvestment Plan (The Plan) under which income and capital gains dividends paid by a Fund are automatically reinvested in additional Common Shares of the Fund. The Plan is administered on behalf of the shareholders by The BNY Mellon Share-owner Services for MuniYield Michigan Insured II and MuniYield New York Insured, and by Computershare Trust Company, N.A. for MuniHoldings Insured II, MuniYield California Insured and MuniYield Insured (individually, the Plan Agent or together, the Plan Agents). Under the Plan, whenever a Fund declares a dividend, participants in the Plan will receive the equivalent in shares of Common Shares of the Fund. The Plan Agents will acquire the shares for the participant's account either (i) through receipt of additional unissued but authorized shares of the Fund (newly issued shares) or (ii) by purchase of outstanding Common Shares on the open market on the New York Stock Exchange or elsewhere. If, on the dividend payment date, the Fund's net asset value per share is equal to or less than the market price per share plus estimated brokerage commissions (a condition often referred to as a market premium), the Plan Agents will invest the dividend amount in newly issued shares. If the Fund's net asset value per share is greater than the market price per share (a condition often referred to as a market discount), the Plan Agents will invest the dividend amount by purchasing on the open market additional shares. If the Plan Agents are unable to invest the full dividend amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agents will invest any uninvested portion in newly issued shares. The shares acquired are credited to each shareholder's account. The amount credited is determined by dividing the dollar amount of the dividend by either (i) when the shares are newly issued, the net asset value per share on the date the shares are issued or (ii) when shares are purchased in the open market, the average purchase price per share.

Participation in the Plan Participation in the Plan is automatic, that is, a shareholder is automatically enrolled in the Plan when he or she purchases Common Shares of the Funds unless the shareholder specifically elects not to participate in the Plan. Shareholders who elect not to participate will receive all dividend distributions in cash. Shareholders who do not wish to participate in the Plan must advise their Plan Agent in writing (at the address set forth below) that they elect not to participate in the Plan. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by writing to the Plan Agent.

Benefits of the Plan The Plan provides an easy, convenient way for shareholders to make additional, regular investments in the Funds. The Plan promotes a long-term strategy of investing at a lower cost. All shares acquired pursuant to the Plan receive voting rights. In addition, if the market price plus commissions of a Fund's shares is above the net asset value, participants in the Plan will receive shares of the Funds for less than they could otherwise purchase them and with a cash value greater than the value of any cash distribution they would have received. However, there may not be enough shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Funds do not redeem shares, the price on resale may be more or less than the net asset value.

Plan Fees There are no enrollment fees or brokerage fees for participating in the Plan. The Plan Agents' service fees for handling the reinvestment of distributions are paid for by the Funds. However, brokerage commissions may be incurred when the Funds purchase shares on the open market and shareholders will pay a pro rata share of any such commissions.

Tax Implications The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Therefore, income and capital gains may still be realized even though shareholders do not receive cash. If, when the Funds' shares are trading at a market premium, the Funds issue shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of the discount from the market value (which may not exceed 5% of the fair market value of the Funds' shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Contact Information All correspondence concerning the Plan, including any questions about the Plan, should be directed to the Plan Agent at the following addresses: Shareholders of MuniYield Michigan Insured II and MuniYield New York Insured should contact The BNY Mellon Shareowner Services, P.O. Box 358035, Pittsburgh, PA 15252-8035, Telephone: (866) 216-0242 and shareholders of MuniHoldings Insured II, MuniYield California Insured and MuniYield Insured should contact Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078, Telephone: (800) 699-IBFM or overnight correspondence should be directed to the Plan Agent at 250 Royall Street, Canton, MA 02021.

Officers and Directors

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Funds and Portfolios Overseen | Public Directorships |
|---|--|--|--|---|---|
| Non-Interested Directors¹ | | | | | |
| Richard E. Cavanagh 40 East 52nd Street New York, NY 10022 1946 | Chairman of the Board and Director | Since 2007 | Trustee, Aircraft Finance Trust since 1999; Director, The Guardian Life Insurance Company of America since 1998; Trustee, Educational Testing Service from 1997 to 2009 and Chairman from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer of The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 104 Funds 101 Portfolios | Arch Chemical (chemical and allied products) |
| Karen P. Robards 40 East 52nd Street New York, NY 10022 1950 | Vice Chair of the Board, Chair of the Audit Committee and Director | Since 2007 | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Enable Medical Corp. from 1996 to 2005. | 104 Funds 101 Portfolios | AtriCure, Inc. (medical devices); Care Investment Trust, Inc. (health care real estate investment trust) |
| G. Nicholas Beckwith, III 40 East 52nd Street New York, NY 10022 1945 | Director | Since 2007 | Chairman and Chief Executive Officer, Arch Street Management, LLC (Beckwith Family Foundation) and various Beckwith property companies since 2005; Chairman of the Board of Directors, University of Pittsburgh Medical Center since 2002; Board of Directors, Shady Side Hospital Foundation since 1977; Board of Directors, Beckwith Institute for Innovation In Patient Care since 1991; Member, Advisory Council on Biology and Medicine, Brown University since 2002; Trustee, Claude Worthington Benedum Foundation (charitable foundation) since 1989; Board of Trustees, Chatham University since 1981; Board of Trustees, University of Pittsburgh since 2002; Emeritus Trustee, Shady Side Academy since 1977; Chairman and Manager, Penn West Industrial Trucks LLC (sales, rental and servicing of material handling equipment) from 2005 to 2007; Chairman, President and Chief Executive Officer, Beckwith Machinery Company (sales, rental and servicing of construction and equipment) from 1985 to 2005; Board of Directors, National Retail Properties (REIT) from 2006 to 2007. | 104 Funds 101 Portfolios | None |
| Kent Dixon 40 East 52nd Street New York, NY 10022 1937 | Director and Member of the Audit Committee | Since 2007 | Consultant/Investor since 1988. | 104 Funds 101 Portfolios | None |
| | | Since 2007 | | | None |

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| | | | | | |
|---|---|------------|--|-----------------------------|---------------------------------------|
| Frank J. Fabozzi 40 East 52nd Street New York, NY 10022 1948 | Director and Member of the Audit Committee | | Consultant/Editor of The Journal of Portfolio Management since 2006; Professor in the Practice of Finance and Becton Fellow, Yale University, School of Management, since 2006; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006. | 104 Funds 101 Portfolios | |
| Kathleen F. Feldstein 40 East 52nd Street New York, NY 10022 1941 | Director | Since 2007 | President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. since 2005; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003. | 104 Funds 101 Portfolios | The McClatchy Company (publishing) |
| James T. Flynn 40 East 52nd Street New York, NY 10022 1939 | Director and Member of the Audit Committee | Since 2007 | Chief Financial Officer of JPMorgan & Co., Inc. from 1990 to 1995. | 104 Funds 101 Portfolios | None |
| Jerrold B. Harris 40 East 52nd Street New York, NY 10022 1942 | Director | Since 2007 | Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000. | 104 Funds 101 Portfolios | BlackRock Kelso Capital Corp. |

Officers and Directors (continued)

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Funds and Portfolios Overseen | Public Directorships |
|--|--|--|---|---|---|
| Non-Interested Directors¹ (concluded) | | | | | |
| R. Glenn Hubbard 40 East 52nd Street New York, NY 10022 1958 | Director | Since 2007 | Dean, Columbia Business School since 2004; Columbia faculty member since 1988; Co-Director, Columbia Business School's Entrepreneurship Program from 1997 to 2004; Visiting Professor, John F. Kennedy School of Government at Harvard University and the Harvard Business School since 1985 and at the University of Chicago since 1994; Chairman, U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003. | 104 Funds 101 Portfolios | ADP (data and information services); KKR Financial Corporation (finance); Duke Realty (real estate); Metropolitan Life Insurance Company (insurance); Information Services Group (media/technology) |
| W. Carl Kester 40 East 52nd Street New York, NY 10022 1951 | Director and Member of the Audit Committee | Since 2007 | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School; Deputy Dean for Academic Affairs, since 2006; Unit Head, Finance, Harvard Business School, from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School, from 1999 to 2005; Member of the faculty of Harvard Business School since 1981; Independent Consultant since 1978. | 104 Funds 101 Portfolios | None |

¹ Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

² Following the combination of Merrill Lynch Investment Managers, L.P. (MLIM) and BlackRock, Inc. (BlackRock) in September 2006, the various legacy MLIM and legacy BlackRock Fund boards were realigned and consolidated into three new Fund boards in 2007. As a result, although the chart shows directors as joining the Fund's board in 2007, each director first became a member of the board of directors of other legacy MLIM or legacy BlackRock Funds as follows: G. Nicholas Beckwith, III, 1999; Richard E. Cavanagh, 1994; Kent Dixon, 1988; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995 and Karen P. Robards, 1998.

Officers and Directors (continued)

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director | Principal Occupation(s) During Past Five Years | Number of BlackRock- Advised Funds and Portfolios Overseen | Public Directorships |
|--|-----------------------------------|---|---|--|----------------------|
| Interested Directors¹ | | | | | |
| Richard S. Davis 40 East 52nd Street New York, NY 10022 1945 | President | Since 2007 | Managing Director, BlackRock, Inc. since 2005; Chief Executive Officer, State Street Research & Management Company from 2000 to 2005; Chairman of the Board of Trustees, State Street Research Mutual Funds from 2000 to 2005; Chairman, SSR Realty from 2000 to 2004. | 173 Funds 283 Portfolios | None |
| Henry Gabbay 40 East 52nd Street New York, NY 10022 1947 | Director | Since 2007 | Consultant, BlackRock, Inc. from 2007 to 2008; Managing Director, BlackRock, Inc. from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007 and Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006. | 173 Funds 283 Portfolios | None |

¹ Mr. Davis is an interested person, as defined in the Investment Company Act of 1940, of the Funds based on his positions with BlackRock, Inc. and its affiliates. Mr. Gabbay is an interested person of the Funds based on his former positions with BlackRock, Inc. and its affiliates as well as his ownership of BlackRock, Inc. and PNC securities. Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

Officers and Directors (concluded)

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served | Principal Occupation(s) During Past Five Years |
|---|------------------------------------|------------------------------|--|
| Funds Officers¹ | | | |
| Donald C. Burke 40 East 52nd Street New York, NY 10022 1960 | Chief Executive Officer | Since 2007 | Managing Director of BlackRock, Inc. since 2006; Managing Director of Merrill Lynch Investment Managers, L.P. (MLIM) and Fund Asset Management, L.P. (FAM) in 2006, First Vice President thereof from 1997 to 2005, Treasurer thereof from 1999 to 2006 and Vice President thereof from 1990 to 1997. |
| Anne F. Ackerley 40 East 52nd Street New York, NY 10022 1962 | Vice President | Since 2007 | Managing Director of BlackRock, Inc. since 2000; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock's Account Management Group (AMG) since 2009; Chief Operating Officer of BlackRock's U.S. Retail Group from 2006 to 2009; Head of BlackRock's Mutual Fund Group from 2000 to 2006. |
| Neal J. Andrews 40 East 52nd Street New York, NY 10022 1966 | Chief Financial Officer | Since 2007 | Managing Director of BlackRock, Inc. since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006. |
| Jay M. Fife 40 East 52nd Street New York, NY 10022 1970 | Treasurer | Since 2007 | Managing Director of BlackRock, Inc. since 2007 and Director in 2006; Assistant Treasurer of the MLIM/FAM-advised Funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006. |
| Brian P. Kindelan 40 East 52nd Street New York, NY 10022 1959 | Chief Compliance Officer | Since 2007 | Chief Compliance Officer of the BlackRock-advised Funds since 2007; Managing Director and Senior Counsel of BlackRock, Inc. since 2005; Director and Senior Counsel of BlackRock Advisors, Inc. from 2001 to 2004. |
| Howard B. Surloff 40 East 52nd Street New York, NY 10022 1965 | Secretary | Since 2007 | Managing Director of BlackRock, Inc. and General Counsel of U.S. Funds at BlackRock, Inc. since 2006; General Counsel (U.S.) of Goldman Sachs Asset Management, L.P. from 1993 to 2006. |

¹ Officers of the Funds serve at the pleasure of the Board of Directors.

Investment Advisor

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisor

BlackRock Investment
Management, LLC
Plainsboro, NJ 08536

Legal Counsel

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Skadden, Arps, Slate,
Meagher & Flom LLP
New York, NY 10036

Custodians

State Street Bank and
Trust Company²
Boston, MA 02101

The Bank of New York Mellon³
New York, NY 10286

Transfer Agents

Common Shares

Computershare Trust Company, N.A.²
Providence, RI 02490

BNY Mellon Shareowner Services³
Jersey City, NJ 07310

Auction Agents

Preferred Shares

BNY Mellon Shareowner Services
Jersey City, NJ 07310

Independent Registered

Public Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Accounting Agent

State Street Bank and
Trust Company
Princeton, NJ 08540

Address of the Funds

100 Bellevue Parkway
Wilmington, DE 19809

Effective July 31, 2009, Donald C. Burke, Chief Executive Officer of the Funds retired. The Funds' Boards of Directors wish Mr. Burke well in his retirement.

Effective August 1, 2009, Anne F. Ackerley became Chief Executive Officer of the Funds, and Brendan Kyne became Vice President of the Funds.

² For BlackRock MuniHoldings Insured Fund II, Inc., BlackRock MuniYield California Insured Fund, Inc. and BlackRock MuniYield Insured Fund, Inc.

³ For BlackRock MuniYield Michigan Insured Fund II, Inc. and BlackRock MuniYield New York Insured Fund, Inc.

Additional Information

General Information

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

Other than the revisions discussed in the Board of Approvals on page 62, during the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charter or by-laws that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolio.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's web-site is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website into this report.

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' web-site or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

Householding

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and it is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Funds at (800) 441-7762.

Availability of Quarterly Schedule of Investments

Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (202) 551-8090. Each Fund's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free (800) 441-7762; (2) at www.blackrock.com; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at www.blackrock.com or by calling (800) 441-7762 and (2) on the SEC's website at

<http://www.sec.gov>.

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to their shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

Fund Certification

The Funds are listed for trading on the New York Stock Exchange (NYSE) and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Funds filed with the SEC the certification of their chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

Additional Information (continued)

Board Approvals

On September 12, 2008, the Board of each Fund voted unanimously to change certain investment guidelines of its respective Fund. Under normal market conditions, the Funds are required to invest at least 80% of their total assets in municipal bonds either (i) insured under an insurance policy purchased by the Funds or (ii) insured under an insurance policy obtained by the issuer of the municipal bond or any other party. Historically, the Funds have had an additional non-fundamental investment policy limiting its purchase of insured municipal bonds to those bonds insured by insurance providers with claims-paying abilities rated AAA or Aaa at the time of investment.

Following the onset of the credit and liquidity crises currently troubling the financial markets, the applicable rating agencies lowered the claims-paying ability rating of most of the municipal bond insurance providers below the highest rating category. As a result, the Manager recommended, and the Board of each Fund approved, an amended policy with respect to the purchase of insured municipal bonds that such bonds must be insured by insurance providers or other entities with claims-paying abilities rated at least investment grade. This investment grade restriction is measured at the time of investment, and the Funds will not be required to dispose of municipal bonds they hold in the event of subsequent downgrades. The approved changes do not alter the Funds' investment objectives.

The Manager and the Boards believe the amended policy will allow the Manager to better manage the Funds' portfolios in the best interest of the Funds' shareholders and to better meet the Funds' investment objectives.

Effective September 13, 2008, following approval by the Board of each Fund and the applicable rating agencies, the Board of each Fund amended the terms of its respective Fund's Articles Supplementary in order to allow the Fund to enter into TOB transactions, the proceeds of which were used to redeem a portion of the Fund's Preferred Shares. Accordingly, the definition of Inverse Floaters was amended to incorporate the Fund's permissible ratio of floating rate instruments into inverse floating rate instruments. Additionally, conforming changes and certain formula modifications concerning inverse floaters were made to the definitions of Moody's Discount Factor and S&P Discount Factor, as applicable, to integrate the Fund's investments in TOBs into applicable calculations.

Additional Information (concluded)

Section 19 Notices

These amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon each Fund's investment experience during the year and may be subject to changes based on the tax regulations. The Funds will send you a Form 1099-DIV each calendar year that will tell you how to report these distributions for federal income tax purposes.

| | Total Fiscal Year-to-Date Cumulative Distributions by Character | | | | Percentage of Fiscal Year-to-Date Cumulative Distributions by Character | | | |
|----------------------------|--|-------------------------------------|-------------------------|------------------------------|--|-------------------------------------|-------------------------|------------------------------|
| | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |
| MuniYield New York Insured | \$ 0.635012 | | | \$ 0.635012 | 100% | 0% | 0% | 100% |

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed auctions, may affect the yield to Common Shareholders. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics The registrant (or the Fund) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 Audit Committee Financial Expert The registrant's board of directors or trustees, as applicable (the board of directors) has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Kent Dixon
Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards
Robert S. Salomon, Jr. (retired effective December 31, 2008)

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an expert for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification.

Item 4 Principal Accountant Fees and Services

| Entity Name | (a) Audit Fees | | (b) Audit-Related Fees ¹ | | (c) Tax Fees ² | | (d) All Other Fees ³ | |
|--|-------------------------|--------------------------|-------------------------------------|--------------------------|---------------------------|--------------------------|---------------------------------|--------------------------|
| | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End |
| BlackRock MuniYield Insured Fund, Inc. | \$39,200 | \$38,300 | \$3,500 | \$3,500 | \$6,100 | \$6,100 | \$1,028 | \$1,049 |

1 The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

2 The nature of the services include tax compliance, tax advice and tax planning.

3 The nature of the services include a review of compliance procedures and attestation thereto.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The registrant's audit committee (the Committee) has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis (general pre-approval). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operation or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 for all of the registrants the Committee oversees. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to one or more of its members the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

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(g) Affiliates Aggregate Non-Audit Fees:

| Entity Name | Current Fiscal Year End | Previous Fiscal Year End |
|---|-------------------------------|--------------------------------|
| BlackRock MuniYield Insured Fund, Inc. | \$418,128 | \$415,649 |

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser (not including any non-affiliated sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by the registrant's investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Regulation S-X Rule 2-01(c)(7)(ii) \$407,500, 0%

Item 5 Audit Committee of Listed Registrants The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Kent Dixon
 Frank J. Fabozzi
 James T. Flynn
 W. Carl Kester
 Karen P. Robards
 Robert S. Salomon, Jr. (retired effective December 31, 2008)

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.
 (b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies The board of directors has delegated the voting of proxies for the Fund securities to the Fund's investment adviser (Investment Adviser) pursuant to the Investment Adviser's proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund's stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser's Equity Investment Policy Oversight Committee, or a sub-committee thereof (the Oversight Committee) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser's Portfolio Management Group and/or the Investment Adviser's Legal and Compliance Department and

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concluding that the vote cast is in its client's best interest notwithstanding the conflict. A copy of the Fund's Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at www.blackrock.com and (ii) on the SEC's website at <http://www.sec.gov>.

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of July 31, 2009.

(a)(1) The registrant (or Fund) is managed by a team of investment professionals comprised of Michael Kalinoski, Director at BlackRock, Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock and Walter O Connor, Managing Director at BlackRock. Each is a member of BlackRock's municipal tax-exempt management group. Each is jointly responsible for the day-to-day management of the registrant's portfolio, which includes setting the registrant's overall investment strategy, overseeing the management of the registrant and/or selection of its investments. Messrs. Kalinoski, Jaeckel and O Connor have been members of the registrant's portfolio management team since 2008, 2006 and 2006, respectively.

| Portfolio Manager | Biography |
|--------------------------|---|
| Theodore R. Jaeckel, Jr. | Managing Director at BlackRock, Inc. since 2006; Managing Director of Merrill Lynch Investment Managers, L.P. (MLIM) from 2005 to 2006; Director of MLIM from 1997 to 2005. |
| Walter O Connor | Managing Director of BlackRock, Inc. since 2006; Managing Director of MLIM from 2003 to 2006; Director of MLIM from 1998 to 2003. |
| Michael Kalinoski | Director of BlackRock, Inc. since 2006; Director at MLIM from 1999 to 2006. |

(a)(2) As of July 31, 2009:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type | | | (iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based | | |
|-------------------------------|--|----------------------------------|----------------|---|----------------------------------|----------------|
| | Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts | Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts |
| Walter O Connor | 76 \$17.08 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |
| Theodore R. Jaeckel, Jr. | 76 \$17.08 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |
| Michael Kalinoski | 6 \$2.13 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |

(iv) Potential Material Conflicts of Interest

BlackRock and its affiliates (collectively, herein BlackRock) has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted

policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, stockholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, stockholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. In this connection, it should be noted that a portfolio manager may currently manage certain accounts that are subject to performance fees. In addition, a portfolio manager may assist in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) As of July 31, 2009:

Portfolio Manager Compensation Overview

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock such as its Long-Term Retention and Incentive Plan.

Base compensation. Generally, portfolio managers receive base compensation based on their seniority and/or their position with the firm. Senior portfolio managers who perform additional management functions within the portfolio management group or within BlackRock may receive additional compensation for serving in these other capacities.

Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's seniority, role within the portfolio management team, teamwork and contribution to the overall performance of these portfolios and BlackRock. In most cases, including for the portfolio managers of the Fund, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. BlackRock's Chief Investment Officers determine the benchmarks against which the performance of funds and other accounts managed by each portfolio manager is compared and the period of time over which performance is evaluated. With respect to the portfolio managers, such benchmarks for the Fund include a combination of market-based indices (e.g. Barclays Capital Municipal Bond Index), certain customized indices and certain fund industry peer groups.

BlackRock's Chief Investment Officers make a subjective determination with respect to the portfolio managers' compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks noted above. Performance is measured on both a pre-tax and after-tax basis over various time periods including 1, 3, 5 and 10-year periods, as applicable.

Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. The BlackRock, Inc. restricted stock units, if properly vested, will be settled in BlackRock, Inc. common stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock's ability to sustain and improve its performance over future periods.

Long-Term Retention and Incentive Plan (LTIP) The LTIP is a long-term incentive plan that seeks to reward certain key employees. Beginning in 2006, awards are granted under the LTIP in the form of BlackRock, Inc. restricted stock units that, if properly vested and subject to the attainment of certain performance goals, will be settled in BlackRock, Inc. common stock. Messrs. O Connor and Jaeckel have each received awards under the LTIP.

Deferred Compensation Program A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred into an account that tracks the performance of certain of the firm's investment products. Each participant in the deferred compensation program is permitted to allocate his deferred amounts among the various investment options. Messrs. O Connor, Jaeckel and Kalinoski have each participated in the deferred compensation program.

Other compensation benefits. In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 6% of eligible pay contributed to the plan capped at \$4,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation. The RSP offers a range of investment options, including registered investment companies managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent employee investment direction, are invested into a balanced portfolio. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares or a dollar value of \$25,000. Each portfolio manager is eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* July 31, 2009.

| Portfolio Manager | Dollar Range of Equity Securities Beneficially Owned |
|--------------------------|--|
| Walter O Connor | None |
| Theodore R. Jaeckel, Jr. | None |
| Michael Kalinoski | None |

- Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable due to no such purchases during the period covered by this report.
- Item 10 Submission of Matters to a Vote of Security Holders The registrant's Nominating and Governance Committee will consider nominees to the board of directors recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations that include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.
- Item 11 Controls and Procedures
- 11(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.
- 11(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period

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covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

- Item 12 Exhibits attached hereto
 - 12(a)(1) Code of Ethics See Item 2
 - 12(a)(2) Certifications Attached hereto
 - 12(a)(3) Not Applicable
 - 12(b) Certifications Attached hereto
-

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniYield Insured Fund, Inc.

By: /s/ Anne F. Ackerley

Anne F. Ackerley
Chief Executive Officer of
BlackRock MuniYield Insured Fund, Inc.

Date: September 22, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Anne F. Ackerley

Anne F. Ackerley
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Insured Fund, Inc.

Date: September 22, 2009

By: /s/ Neal J. Andrews

Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock MuniYield Insured Fund, Inc.

Date: September 22, 2009
