BLACKROCK MUNIYIELD NEW YORK INSURED FUND, INC.
Form N-CSRS
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06500

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2010

Date of reporting period: 01/31/2010

Item 1 – Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Semi-Annual Report

JANUARY 31, 2010 | (UNAUDITED)

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

Table of Contents

Dear Shareholder

Over the past year, investors worldwide witnessed a seismic shift in market sentiment as guarded optimism replaced the fear and pessimism that had dominated since late 2007. The single most important reason for this change was the swing from a severe economic recession to an emergent global recovery.

At the start of 2009, markets were reeling from the virtually unprecedented global financial and economic meltdown. The looming threat of further collapse in global markets prompted stimulus packages and central bank interventions on an extraordinary scale. By period end, these actions had helped stabilize the financial system, and the economic contraction abated.

After reaching a trough in March 2009, stocks galloped higher as the massive, coordinated global monetary and fiscal stimulus began to re-inflate world economies. Sidelined cash poured into the markets, triggering a dramatic and steep upward rerating of stocks and other risk assets. Still, the rally has not been without interruption, as mixed economic data, global challenges regarding sovereign credit risk and proposed fees and levies on banks had begun to dampen investor conviction toward period end. The experience in international markets generally mirrored that seen in the United States; notably, emerging markets firmly reclaimed their leadership status.

The easing of investor risk aversion was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One of the major themes over the past year was the reversal of the flight-to-quality trade. High yield finished the period as the strongest-performing fixed income sector in both the taxable and tax-exempt space. Overall, the municipal market made a strong showing as technical conditions remained supportive of the asset class. The Build America Bond program was deemed a success, adding $65 billion of taxable supply to the municipal marketplace in 2009 and $4 billion so far this year. The program continues to alleviate tax-exempt supply pressure and attract the attention of a global audience. However, fundamental concerns are moving to the fore in the municipal space, and bear close watching as the year progresses. At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in money market funds declined from the peak registered in early 2009, but remain well above pre-crisis levels.

All told, the rebound in sentiment and global market conditions resulted in positive 6- and 12-month returns for nearly every major benchmark index, with the most dramatic improvement seen among risk assets.

Total Returns as of January 31, 2010	**6-month**	**12-month**
US equities (S&P 500 Index)	9.87%	33.14%
Small cap US equities (Russell 2000 Index)	8.86	37.82
International equities (MSCI Europe, Australasia, Far East Index)	6.93	39.68
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.10	0.22
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.62	(3.31)
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	3.87	8.51
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.90	9.49
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	15.90	50.80

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 continues to improve, but questions about the strength and sustainability of the recovery abound. Through periods of market uncertainty, BlackRock s full resources are dedicated to the management of our clients assets. For additional market perspective and investment insight, visit **www.blackrock.com/shareholdermagazine**, where you ll find the most recent issue of our award-winning ***Shareholder***® magazine, as well as its quarterly companion newsletter, ***Shareholder Perspectives***. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,
Rob Kapito
President, BlackRock Advisors, LLC

Fund Summary as of January 31, 2010 **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 six months ended January 31, 2010, the Fund returned 16.80% based on market price, and 10.80% 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 10.18% based on market price, and 9.18% 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 Fund held overweight positions in health and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened during the last six months. Conversely, overweights in insured Florida and California holdings with weak underlying credits detracted from performance relative to the Lipper category.

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 January 31, 2010 ($12.89)[1]	6.52%
Tax Equivalent Yield[2]	10.03%
Current Monthly Distribution per Common Share[3]	$0.07
Current Annualized Distribution per Common Share[3]	$0.84
Leverage as of January 31, 2010[4]	40%

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

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

3 The Monthly Distribution per Share, declared on March 1, 2010, was increased to $0.0735. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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:

	1/31/10	7/31/09	Change	High	Low
Market Price	$ 12.89	$ 11.40	13.07%	$ 13.24	$ 11.40
Net Asset Value	$ 13.16	$ 12.27	7.25%	$ 13.88	$ 12.26

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

Sector Allocations

	1/31/10	7/31/09
County/City/Special District/School District	29%	29%
Transportation	21	23
Utilities	20	21
State	12	10
Health	11	9
Housing	5	5
Corporate	2	2
Education		1

Credit Quality Allocations[5]

	1/31/10	7/31/09
AAA/Aaa	54%	50%
AA/Aa	20	19
A	22	27
BBB/Baa	2	2
Not Rated[6]	2	2

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 January 31, 2010 and July 31, 2009, the market value of these securities was $9,626,243, representing 2% and $10,104,059, representing 2%, respectively, of the Fund s long-term investments.

Fund Summary as of January 31, 2010 **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 six months ended January 31, 2010, the Fund returned 6.47% based on market price, and 9.10% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 8.47% based on market price, and 8.71% 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 widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund maintains a relatively generous degree of income accrual, which was a positive factor. The tightening of credit quality spreads in the uninsured basket of the Fund s holdings also aided results. A fully-invested posture and a slightly longer relative duration posture were additive, too, as rates declined in the second half of 2009. Throughout this period, the municipal market benefited from the Build America Bond Program, which effectively moved supply to the taxable market and, thus, alleviated supply pressure in the tax-exempt space. Conversely, downgrades of monoline insurers detracted from performance in all funds investing in bonds utilizing insurance wraps. This had a particularly negative impact on California credits due to the well-publicized fiscal and budgetary challenges the state is facing. In addition, secondary market demand for insured California municipals has decreased, limiting liquidity and widening spreads on insured bonds.

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Fund Information

Symbol on NYSE	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of January 31, 2010 ($12.50)[1]	5.86%
Tax Equivalent Yield[2]	9.02%
Current Monthly Distribution per Common Share[3]	$0.061
Current Annualized Distribution per Common Share[3]	$0.732
Leverage as of January 31, 2010[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.

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

3 The Monthly Distribution per Share, declared on March 1, 2010, was increased to $0.066. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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

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

	1/31/10	7/31/09	Change	High	Low
Market Price	$ 12.50	$ 12.08	3.48%	$ 13.54	$ 12.03
Net Asset Value	$ 14.24	$ 13.43	6.03%	$ 14.92	$ 13.42

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

Sector Allocations

	1/31/10	7/31/09
County/City/Special District/School District	54%	44%
Utilities	24	25
Transportation	9	13
Education	6	10
Corporate	3	
Health	2	3
State	2	3
Housing		2

Credit Quality Allocations[5]

	1/31/10	7/31/09
AAA/Aaa	51%	44%
AA/Aa	27	28
A	21	27
BBB/Baa	1	1

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

Fund Summary as of January 31, 2010 **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 six months ended January 31, 2010, the Fund returned 6.94% based on market price, and 10.92% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 10.18% based on market price, and 9.18% on a NAV basis. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The primary contributors to relative performance were the Fund s positive positioning with respect to the market during a period in which yields generally declined, and its exposure to the long end of the yield curve, which outperformed as the yield curve flattened. Exposure to insured bonds with lower-rated underlying credits also aided results as yield spreads generally tightened during the period. Conversely, the Fund s small exposure to the well-performing education sector detracted from performance. Exposure to zero-coupon bonds which generally under-performed as spreads in this sector widened also hindered returns.

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Fund Information

Symbol on NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of January 31, 2010 ($12.59)[1]	5.81%
Tax Equivalent Yield[2]	8.94%
Current Monthly Distribution per Common Share[3]	$0.061
Current Annualized Distribution per Common Share[3]	$0.732
Leverage as of January 31, 2010[4]	37%

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

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

3

The Monthly Distribution per Share, declared on March 1, 2010, was increased to $0.066. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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

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

	1/31/10	7/31/09	Change	High	Low
Market Price	$ 12.59	$ 12.12	3.88%	$ 13.11	$ 11.46
Net Asset Value	$ 13.22	$ 12.27	7.74%	$ 13.88	$ 12.25

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

Sector Allocations

	1/31/10	7/31/09
Transportation	29%	31%
County/City/Special District/School District	24	24
Utilities	16	17
State	9	8
Health	7	6
Housing	5	5
Corporate	5	2
Education	5	7

Credit Quality Allocations[5]

	1/31/10	7/31/09
AAA/Aaa	46%	47%
AA/Aa	26	23
A	22	25
BBB/Baa	5	5
Not Rated	1	

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

Fund Summary as of January 31, 2010 **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 six months ended January 31, 2010, the Fund returned 6.11% based on market price, and 8.64% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 8.47% based on market price, and 8.71% 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 widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund s allocations to the industrial development revenue/pollution control revenue and health sectors aided performance, as these represented two of the best-performing sectors for the six months. In contrast, pre-refunded and escrowed issues lagged. The Fund s overweight in this sector, coupled with a shorter duration, restricted upward price movement in a declining rate environment. Additionally, a large block of bonds was called, increasing the cash position while reinvestment was completed.

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Fund Information

Symbol on NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2010 ($11.89)[1]	6.71%
Tax Equivalent Yield[2]	10.32%
Current Monthly Distribution per Common Share[3]	$0.0665
Current Annualized Distribution per Common Share[3]	$0.7980
Leverage as of January 31, 2010[4]	37%

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

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

3

The Monthly Distribution per Share, declared on March 1, 2010, was increased to $0.069. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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

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

	1/31/10	7/31/09	Change	High	Low
Market Price	$ 11.89	$ 11.58	2.68%	$ 12.72	$ 11.45
Net Asset Value	$ 13.53	$ 12.87	5.13%	$ 14.11	$ 12.85

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

Sector Allocations

	1/31/10	7/31/09
County/City/Special District/School District	32%	23%
Health	15	16
Corporate	12	15
State	12	11
Utilities	11	12
Transportation	11	11
Education	5	10
Housing	2	2

Credit Quality Allocations[5]

	1/31/10	7/31/09
AAA/Aaa	36%	28%
AA/Aa	26	27
A	33	40
BBB/Baa	2	2
Not Rated	3[6]	3

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

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2010, the market value of these securities was $4,388,080, representing 2% of the Fund s long-term investments.

Fund Summary as of January 31, 2010 **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 six months ended January 31, 2010, the Fund returned 9.02% based on market price, and 9.76% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 8.47% based on market price, and 8.71% 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 widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund s holdings of longer-dated and discount-coupon bonds aided relative performance; these issues outperformed as the market recovered and credit spreads tightened during the six months. Additionally, we participated in the new-issue market when supply was plentiful and underwriters were more willing to structure bonds in accordance with orders. This allowed us to improve the Fund s diversification, while also increasing its exposure to lower-coupon bonds. On the other hand, the Fund s zero-coupon and shorter-dated bond holdings detracted from performance, as these issues underperformed the market. We were also unable to purchase enough longer-dated, new-issue insured bonds to swap out of the Fund s older and lower-book-yield bonds. As a result, the Fund maintains a below-average accrual rate, which had a negative impact on total return.

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Fund Information

Symbol on NYSE	MYN
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of January 31, 2010 ($12.06)[1]	5.47%
Tax Equivalent Yield[2]	8.42%
Current Monthly Distribution per Common Share[3]	$0.055
Current Annualized Distribution per Common Share[3]	$0.660
Leverage as of January 31, 2010[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%.

3 The Monthly Distribution per Share, declared on March 1, 2010, was increased to $0.0625. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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

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

	1/31/10	7/31/09	Change	High	Low
Market Price	$ 12.06	$ 11.36	6.16%	$ 12.64	$ 11.32
Net Asset Value	$ 13.52	$ 12.65	6.88%	$ 13.98	$ 12.64

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

Sector Allocations

	1/31/10	7/31/09
County/City/Special District/School District	30%	31%
Transportation	30	29
State	10	11
Utilities	10	10
Corporate	6	6
Education	6	5
Health	4	4
Housing	3	3
Tobacco	1	1

Credit Quality Allocations[5]

	1/31/10	7/31/09
AAA/Aaa	44%	45%
AA/Aa	17	16
A	33	32
BBB/Baa	6	7

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

The Benefits and Risks of Leveraging

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

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

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

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

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

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

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of 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 January 31, 2010, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage

MUE	40%
MCA	36%
MYI	37%
MYM	37%
MYN	38%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. Each Fund s ability to successfully use a derivative instrument depends on the investment advisor s ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment 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 January 31, 2010 (Unaudited)

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

Municipal Bonds		**Par (000)**		**Value**
Alabama 2.9%				
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	$	5,225	$	5,541,008
County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22		3,580		3,043,573
				8,584,581
Arizona 0.5%				
State of Arizona, COP, Department of Administration, Series A (AGM):				
5.25%, 10/01/28		1,175		1,214,527
5.00%, 10/01/29		305		308,010
				1,522,537
Arkansas 4.2%				
Arkansas Development Finance Authority, Refunding RB, FHA Insured Mortgage Loan, Series C (NPFGC), 5.35%, 12/01/35		12,165		12,259,522
California 16.5%				
City of Vista California, COP, Refunding, Community Projects (NPFGC), 5.00%, 5/01/37		5,400		4,928,310
County of Sacramento California, RB, Senior Series A (AGC), 5.50%, 7/01/41		3,500		3,636,010
Dixon Unified School District California, GO, Election 2002 (AGM), 5.20%, 8/01/44		2,405		2,385,928
Modesto Schools Infrastructure Financing Agency, Special Tax Bonds (AMBAC), 5.50%, 9/01/36		4,240		3,789,797
Oceanside Unified School District California, GO, Series A (AGC), 5.25%, 8/01/33		3,175		3,240,468
Port of Oakland, RB, Series K, AMT (NPFGC):				
5.75%, 11/01/21		2,975		2,977,915
5.75%, 11/01/21 (a)		25		25,304
Port of Oakland, Refunding RB, Series L, AMT (NPFGC), 5.38%, 11/01/27		5,000		4,723,550
Roseville Joint Union High School District California, GO, Election 2004, Series A (NPFGC), 5.00%, 8/01/29		2,985		3,030,670
Sacramento City Financing Authority California, RB, Capital Improvement (AMBAC), 5.00%, 12/01/27		150		150,458

Municipal Bonds		Par (000)		Value
California (concluded)				
San Francisco City & County Airports Commission, RB, Special Facility Lease, SFO Fuel, Series A, AMT (AGM), 6.10%, 1/01/20	$	1,250	$	1,251,288
Los Angeles Community College District California, GO, Election 2001, Series A (NPFGC), 5.00%, 8/01/32		5,000		5,046,700
State of California, GO, Refunding, Veterans, Series BZ, AMT (NPFGC), 5.35%, 12/01/21		9,350		9,346,073
Stockton Public Financing Authority California, RB, Redevelopment Projects, Series A (Radian), 5.25%, 9/01/34		2,930		2,492,756
Tustin Unified School District California, Special Tax Bonds, Senior Lien, Community Facilities District 97-1, Series A (AGM), 5.00%, 9/01/38		1,620		1,548,785
				48,574,012
Colorado 1.3%				
Colorado Health Facilities Authority, RB, Hospital, NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26		3,300		3,640,692
Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT, 7.50%, 4/01/31		175		187,285
				3,827,977