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BLACKROCK MUNIYIELD INSURED FUND, INC
Form N-CSR
October 08, 2008

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: Donald C. Burke, Chief Executive Officer,
BlackRock MuniYield Insured Fund, Inc., 800 Scudders Mill Road,
Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ
08543-9011

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

Date of fiscal year end: 07/31/2008

Date of reporting period: 11/01/2007 - 07/31/2008

Item 1 - Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE
LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

BLACKROCK

JULY 31, 2008

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)
BlackRock MuniYield Insured Fund, Inc. (MYI)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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ANNUAL REPORT

JULY 31, 2008

A Letter to Shareholders

Dear Shareholder

For more than a year, investors have been besieged by a weak housing market, the bursting of the credit bubble that has troubled the financial sector, and surging food and oil prices, which have stoked inflation concerns. Healthy nonfinancial corporate profits and robust exporting activity remained among the few bright spots, helping the economy to grow at a modest, but still positive, pace.

The Federal Reserve Board (the "Fed") has been aggressive in its attempts to stimulate economic growth and stabilize financial markets. In addition to slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008, the central bank introduced the new Term Securities Lending Facility, granted broker-dealers access to the discount window and used its own balance sheet to help negotiate the sale of Bear Stearns. However, the end of the period saw a pause in Fed action; the central bank held the target rate steady at 2.0% as it attempted to balance weak growth and inflationary pressures.

The Fed's bold response to the financial crisis helped mitigate credit stress and investor anxiety, albeit temporarily. U.S. equity markets sank sharply over the reporting period, notwithstanding a brief rally in the spring and another in mid-summer, and international markets followed suit.

Treasury securities also traded in a volatile fashion, but generally rallied (yields fell as prices correspondingly rose), as the broader flight-to-quality theme persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily shifted out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then reversed course and declined to 3.99% by period-end when credit fears re-emerged. Meanwhile, tax-exempt issues underperformed their taxable counterparts, as problems among municipal bond insurers and the failure in the market for auction rate securities continued to pressure the group.

Overall, the major benchmark indexes generated results that reflected heightened risk aversion:

Total Returns as of July 31, 2008

6-month

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U.S. equities (S&P 500 Index)	(7.08)%
Small cap U.S. equities (Russell 2000 Index)	0.86
International equities (MSCI Europe, Australasia, Far East Index)	(5.04)
Fixed income (Lehman Brothers U.S. Aggregate Index)	(0.63)
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	(0.85)
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	(0.80)

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only.

You cannot invest directly in an index.

Shortly before this shareholder report mailing, the investment landscape was dramatically altered as the ongoing credit crisis intensified, resulting in a widespread breakdown in the financial services sector and unprecedented government intervention. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

/s/ Rob Kapito

Rob Kapito
President, BlackRock Advisors, LLC

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THIS PAGE NOT PART OF YOUR FUND REPORT

Fund Summary as of July 31, 2008 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.

Performance

For the 12 months ended July 31, 2008, the Fund returned (4.13)% based on market price and (1.77)% 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 (2.65)% on a NAV basis. All returns reflect reinvestment of dividends. Several key factors influenced performance during the year. A positive contributor to performance was the Fund's significant overweight in pre-refunded bonds in the one- to five-year maturity range, as the yield curve steepened and these issues outperformed. Conversely, problems within the monoline insurance industry had a negative impact on the entire insured

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municipal market, hampering the performance of the Fund and its peers.

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	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of July 31, 2008 (\$11.30) 1	5.31%
Tax Equivalent Yield 2	8.17%
Current Monthly Distribution per share of Common Stock 3 ...	\$0.05
Current Annualized Distribution per share of Common Stock 3	\$0.60
Leverage as of July 31, 2008 4	44%

-
- 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 As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Stock ("Preferred Stock") and tender option bond trusts ("TOBs")) minus the sum of accrued liabilities.

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

	7/31/08	9/30/07	Change	High	Low
Market Price	\$11.30	\$12.39	(8.80)%	\$12.64	\$11.17
Net Asset Value	\$12.84	\$13.72	(6.41)%	\$13.97	\$12.44

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

Portfolio Composition

Sector	7/31/08	9/30/07
Transportation	23%	13%
City, County & State	15	22
Hospital	12	10
Lease Revenue	10	7
Tax Revenue	10	12
Power	9	8
Water & Sewer	6	3
Housing	6	9
Education	5	9
Industrial & Pollution Control	4	7

Credit Quality Allocations 5

Credit Rating	7/31/08	9/30/07
AAA/Aaa	48%	92%
AA/Aa	45	2

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A/A	6	3
BBB/Baa	1	3

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

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Fund Summary as of July 31, 2008 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.

Performance

For the 12 months ended July 31, 2008, the Fund returned (5.32)% based on market price and (8.44)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (2.65)% on a NAV basis. All returns reflect reinvestment of dividends. A long duration posture during a period of rising municipal bond yields detracted from Fund performance over the year. Overweight positions in lower-rated bonds and issues subject to the alternative minimum tax ("AMT") also negatively affected results, as yield spreads in both sectors widened significantly. Moreover, Bond Market Association ("BMA") swaps, utilized by management to reduce Fund duration, underperformed the municipal cash market for much of the annual period, which further hampered performance.

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	MYI	
Initial Offering Date	March 27, 1992	
Yield on Closing Market Price as of July 31, 2008 (\$12.22) 1 ..	5.50%	
Tax Equivalent Yield 2	8.46%	
Current Monthly Distribution per share of Common Stock 3	\$0.056	
Current Annualized Distribution per share of Common Stock 3 ...	\$0.672	
Leverage as of July 31, 2008 4	43%	

- 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 As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Stock and TOBs) minus the sum of accrued liabilities.

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

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	7/31/08	10/31/07	Change	High	Low
Market Price	\$12.22	\$13.04	(6.29)%	\$13.77	\$11.87
Net Asset Value	\$12.86	\$14.57	(11.74)%	\$14.69	\$12.47

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

Portfolio Composition

Sector	7/31/08	10/31/07
Transportation	30%	30%
City, County & State	15	16
Hospital	12	9
Power	11	14
Education	7	5
Housing	6	7
Sales Tax	6	7
Lease Revenue	5	4
Water & Sewer	4	4
Industrial & Pollution Control	3	3
Resource Recovery	1	1

Credit Quality Allocations 5

Credit Rating	7/31/08	10/31/07
AAA/Aaa	50%	83%
AA/Aa	37	7
A/A	9	6
BBB/Baa	4	2
Not Rated	--	2

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

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JULY 31, 2008

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The Benefits and Risks of Leveraging

BlackRock MuniHoldings Insured Fund II, Inc. and BlackRock MuniYield Insured Fund, Inc. (each a "Fund" and, collectively, the "Funds") utilize leverage to seek to enhance the yield and NAV of their Common Stock. However, these objectives cannot be achieved in all interest rate environments.

To leverage, each Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of each Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

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To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns income based on long-term interest rates.

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

In addition, the Funds may from time to time leverage their assets through the use of tender option bond ("TOB") programs. In a typical TOB program, the Fund transfers one or more municipal bonds to a TOB trust, which issues short-term variable rate securities to third-party investors and a residual interest to the Fund. The cash received by the TOB trust from the issuance of the short-term securities (less transaction expenses) is paid to the Fund, which invests the cash in additional portfolio securities. The distribution rate on the short-term securities is reset periodically (typically every seven days) through a remarketing of the short-term securities. Any income earned on the bonds in the TOB trust, net of expenses incurred by the TOB trust, that is not paid to the holders of the short-term securities is paid to the Fund. In connection with managing the Funds' assets, the Funds' investment advisor may at any time retrieve the bonds out of the TOB trust typically within seven days. 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 Stock issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal securities deposited into the TOB trust may adversely affect the Funds' NAVs per share. (See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOB trusts.)

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Stock in an amount of up to 50% of their total managed assets at the time of issuance. Each Fund also anticipates that its total economic leverage from Preferred Stock and TOBs will not exceed 50% of its total managed assets. As of July 31, 2008, BlackRock MuniHoldings Insured Fund II, Inc. and BlackRock MuniYield Insured Fund, Inc. had leverage from Preferred Stock and TOBs of 44% and 43% of their total managed assets, respectively.

Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom each Fund has entered into a swap will default on its obligation to pay the Fund and

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the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

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JULY 31, 2008

Schedule of Investments July 31, 2008

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

Municipal Bonds	Par (000)	Value
=====		
Alabama -- 1.2%		
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50%, 1/01/22	\$ 3,580	\$ 3,392,766
=====		
Alaska -- 1.4%		
Anchorage, Alaska, Water Revenue Refunding Bonds (a):		
6%, 9/01/09 (b)	370	390,502
6%, 9/01/24	1,630	1,691,598
Matanuska-Susitna Boro, Alaska, GO, Series A, 6%, 3/01/10 (b) (c)	1,700	1,800,708

		3,882,808
=====		
Arkansas -- 4.3%		
Arkansas State Development Finance Authority, M/F Mortgage Revenue Refunding Bonds, Series C, 5.35%, 12/01/35 (c) (d)	12,215	12,242,117
=====		
California -- 14.3%		
California State, Various Purpose, GO, 5.25%, 12/01/22 (e)	2,935	3,057,331
California State, Veterans, GO, Refunding, AMT, Series BZ, 5.35%, 12/01/21 (c)	9,350	9,350,000
Dixon, California, Unified School District, GO (Election of 2002), 5.20%, 8/01/44 (e)	2,405	2,422,148
Modesto, California, Schools Infrastructure Financing Agency, Special Tax Bonds, 5.50%, 9/01/36 (a)	4,240	4,246,275
Port of Oakland, California, Revenue Bonds, AMT, Series K, 5.75%, 11/01/21 (f)	3,000	3,001,410
Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375%, 11/01/27 (c) (f)	5,000	4,791,350
Rancho Cucamonga, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Rancho Redevelopment Project), Series A, 5%, 9/01/34 (c)	1,500	1,444,920
Roseville, California, Joint Union High School District, GO (Election of 2004), Series A, 5%, 8/01/29 (f)	2,985	2,988,075
Sacramento, California, City Financing Authority, Capital Improvement Revenue Bonds, 5%, 12/01/27 (a)	150	150,966
San Francisco, California, City and County Airport Commission, International Airport, Special Facilities Lease Revenue Bonds (SFO Fuel Company LLC), AMT, Series A, 6.10%, 1/01/20 (e)	1,250	1,260,862
Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A (g):		

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5.25%, 9/01/31	495	454,687
5.25%, 9/01/34	2,930	2,641,952
Vista, California, COP (Community Projects), 5%, 5/01/37 (c)	5,400	5,231,520

		41,041,496
=====		
Colorado -- 3.9%		
Aurora, Colorado, COP, 5.75%, 12/01/10 (a) (b)	6,285	6,767,625
Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Senior Series A-2, 7.50%, 4/01/31	200	208,324
Colorado Health Facilities Authority, Hospital Revenue Refunding Bonds (Poudre Valley Health Care), Series A, 5.75%, 12/01/09 (b) (e)	4,000	4,240,640

		11,216,589
=====		
Connecticut -- 0.5%		
Connecticut State, GO, Refunding, Series D, 5%, 12/01/24 (c)	1,520	1,568,154
=====		
District of Columbia -- 0.9%		
District of Columbia, Deed Tax Revenue Bonds (Housing Production Trust Fund -- New Communities Project), Series A, 5%, 6/01/32 (c)	2,500	2,452,050
=====		
Florida -- 27.0%		
Brevard County, Florida, Health Facilities Authority, Healthcare Facilities Revenue Bonds (Health First Inc. Project), 5%, 4/01/34	2,600	2,352,714
Broward County, Florida, HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series E, 5.90%, 10/01/39 (h) (i)	2,310	2,310,116
Broward County, Florida, School Board, COP, Series A, 5.25%, 7/01/33 (e)	5,600	5,561,248
Hillsborough County, Florida, HFA, S/F Mortgage Revenue Bonds, AMT, Series 1, 5.375%, 10/01/49 (h) (i)	3,385	3,215,818
Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25%, 7/01/37	4,700	4,376,640
Hillsborough County, Florida, IDA, PCR, Refunding (Tampa Electric Company Project), Series B, 5.15%, 9/01/25	1,200	1,217,076
Lee Memorial Health System, Florida, Hospital Revenue Bonds, Series A, 5%, 4/01/32 (a)	5,000	4,824,800
Miami, Florida, Special Obligation Revenue Bonds (Street and Sidewalk Improvement Program), 5%, 1/01/37 (c)	3,500	3,317,055
Miami-Dade County, Florida, Aviation Revenue Bonds, DRIVERS, AMT, Series A, 7.182%, 10/01/11 (e) (j)	34	27,646
Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A (e): 5.25%, 10/01/41	13,800	13,134,288
5.50%, 10/01/41	6,700	6,628,846

Portfolio Abbreviations

To simplify the listings of portfolio holdings in each Fund's Schedule of

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Investments, the names of many of the securities have been abbreviated according to the list on the right.

AMT	Alternative Minimum Tax (subject to)
CABS	Capital Appreciation Bonds
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family
SIFMA	Securities Industry and Financial Markets Association
VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

	Par (000)	Value
<hr/>		
Municipal Bonds		
<hr/>		
Florida (concluded)		
Miami-Dade County, Florida, School Board, COP, Refunding, Series B (k):		
5.25%, 5/01/28	\$ 5,000	\$ 5,018,500
5.25%, 5/01/31	3,600	3,621,528
Miami-Dade County, Florida, School Board, COP, Series A, 5%, 5/01/21 (e) (f)	5,000	5,108,750
Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (c) (1)	3,670	652,159
Okaloosa County, Florida, Water and Sewer Revenue Refunding Bonds, 5%, 7/01/36 (e)	2,100	2,096,766
Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, 5.125%, 12/01/28 (a)	6,300	6,324,318
Saint Johns County, Florida, Water and Sewer Revenue Bonds, CABS, 5.352%, 6/01/31 (a) (1)	5,065	1,336,755
Seminole County, Florida, Water and Sewer Revenue Bonds, 5%, 10/01/31	6,250	6,291,250
		<hr/>
		77,416,273
<hr/>		
Idaho -- 0.1%		
Idaho Housing and Finance Association, S/F Mortgage Revenue Bonds, AMT, Series E, 6%, 1/01/32	360	369,763
<hr/>		
Illinois -- 3.7%		
Chicago, Illinois, GO (Neighborhoods Alive 21 Program), Series A, 6%, 7/01/10 (b) (f)	2,185	2,356,173

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Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.75%, 1/01/19 (c)	3,125	3,138,250
Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, Series A, 5%, 1/01/31 (c)	1,430	1,350,764
Illinois State Finance Authority, Revenue Refunding Bonds (Central DuPage Health System), VRDN, Series B, 2.20%, 11/01/38 (j)	3,500	3,500,000
Lake, Cook, Kane and McHenry Counties, Illinois, Community Unit School District Number 220, GO, 6%, 12/01/20 (f)	125	132,455

		10,477,642
=====		
Indiana -- 5.3%		
Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series A (c):		
5%, 1/01/37	8,000	7,637,920
5%, 1/01/42	8,000	7,583,760

		15,221,680
=====		
Kansas -- 2.2%		
Kansas State Development Finance Authority, Health Facilities Revenue Bonds (Sisters of Charity Leavenworth), Series J, 6.125%, 12/01/20	3,510	3,672,373
Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Bonds, AMT, Series A-2, 6.20%, 12/01/33 (i)	2,615	2,648,420

		6,320,793
=====		
Louisiana -- 0.5%		
Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 5%, 5/01/41 (f)	1,600	1,554,688
=====		
Michigan -- 3.7%		
Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Mercy-Mount Clemens), Series A, 6%, 5/15/09 (b) (c)	1,000	1,039,990
Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (m):		
Series A, 5.50%, 6/01/30	2,000	1,824,640
Series C, 5.65%, 9/01/29	5,000	4,558,250
Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Detroit Edison Co. Project), Series AA, 6.40%, 8/01/24 (a)	3,000	3,067,230

		10,490,110
=====		
Minnesota -- 4.7%		
Prior Lake, Minnesota, Independent School District Number 719, GO (e):		
5.50%, 2/01/16	2,555	2,671,252
5.50%, 2/01/17	1,830	1,913,265
5.50%, 2/01/18	3,570	3,732,435
5.50%, 2/01/19	2,840	2,969,220
Sauk Rapids, Minnesota, Independent School District Number 47, GO, Series A, 5.625%, 2/01/18 (c)	2,185	2,330,630

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	-----	13,616,802
=====		
Nevada -- 0.0%		
Nevada Housing Division, S/F Mortgage Revenue		
Bonds, AMT, Series A-2, 6.30%, 4/01/22 (c)	95	96,243
=====		
New Jersey -- 6.1%		
New Jersey EDA, Cigarette Tax Revenue Bonds,		
5.75%, 6/15/34 (k)	6,200	6,354,504
New Jersey EDA, Motor Vehicle Surcharge Revenue		
Bonds, Series A, 5.25%, 7/01/33 (c)	11,000	11,150,150

		17,504,654
=====		
New York -- 5.3%		
Nassau Health Care Corporation, New York, Health		
System Revenue Bonds, 5.75%, 8/01/09 (b) (e)	12,300	13,046,856
Tobacco Settlement Financing Corporation of		
New York Revenue Bonds, Series A-1, 5.25%,		
6/01/21 (a)	2,000	2,051,280

		15,098,136
=====		
North Carolina -- 0.4%		
North Carolina HFA, Home Ownership Revenue		
Bonds, AMT, Series 14-A, 5.35%, 1/01/22 (a)	1,235	1,218,673
=====		
Ohio -- 1.0%		
Aurora, Ohio, City School District, COP, 6.10%,		
12/01/09 (b) (c)	1,745	1,857,971
Kent State University, Ohio, University Revenue		
Bonds, 6%, 5/01/24 (a)	1,000	1,046,720

		2,904,691
=====		
Oklahoma -- 0.9%		
Claremore, Oklahoma, Public Works Authority, Capital		
Improvement Revenue Refunding Bonds, Series A,		
5.25%, 6/01/14 (b) (e)	2,385	2,650,212
=====		
Pennsylvania -- 0.1%		
Washington County, Pennsylvania, Capital Funding		
Authority Revenue Bonds (Capital Projects and		
Equipment Program), 6.15%, 12/01/29 (a)	305	301,047
=====		

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

	Par	Value
	(000)	
Municipal Bonds		
=====		
Rhode Island -- 3.7%		
Providence, Rhode Island, Redevelopment Agency		

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Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75%, 4/01/10 (a) (b)	\$ 5,555	\$	5,928,407
Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of Design), Series D, 5.50%, 8/15/31 (m)	4,685		4,684,859

			10,613,266
=====			
South Carolina -- 5.6%			
South Carolina Housing Finance and Development Authority, Mortgage Revenue Refunding Bonds, AMT, Series A-2, 6.35%, 7/01/19 (e)	1,335		1,372,046
South Carolina State Public Service Authority, Revenue Refunding Bonds, Series A, 5%, 1/01/42 (a)	15,000		14,665,650

			16,037,696
=====			
Tennessee -- 1.3%			
Metropolitan Government of Nashville and Davidson County, Tennessee, Health and Education Facilities Board, Revenue Refunding Bonds (Ascension Health Credit), Series A, 5.875%, 11/15/09 (a) (b)	3,500		3,707,375
=====			
Texas -- 19.9%			
Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series B, 6%, 11/01/23 (c)	1,300		1,305,122
Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 5.50%, 11/01/33 (c)	16,000		15,183,680
Dallas-Fort Worth, Texas, International Airport Revenue Refunding and Improvement Bonds, AMT, Series A (m):			
5.875%, 11/01/17	1,835		1,851,130
5.875%, 11/01/18	2,150		2,163,201
5.875%, 11/01/19	2,390		2,395,545
El Paso, Texas, Water and Sewer Revenue Refunding and Improvement Bonds, Series A (e):			
6%, 3/01/15	115		125,792
6%, 3/01/16	170		185,652
6%, 3/01/17	180		196,254
Houston, Texas, Community College System, Participation Interests, COP (Alief Center Project), 5.75%, 8/15/22 (c)	4,341		4,451,431
Midland, Texas, Certificates of Obligation, GO, 6.10%, 3/01/10 (b) (f)	1,850		1,962,461
North Texas Tollway Authority, System Revenue Refunding Bonds (c):			
First Tier, 5.75%, 1/01/40	14,750		15,060,930
First Tier, Series B, 5.75%, 1/01/40	1,000		1,021,080
Series A, 5.625%, 1/01/33	10,975		11,146,759

			57,049,037
=====			
Washington -- 4.7%			
Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45%, 7/01/37 (a)	3,840		3,638,017
Lewis County, Washington, GO, Refunding (a):			
5.75%, 12/01/09 (b)	1,805		1,895,990

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5.75%, 12/01/24	1,640	1,693,858
Seattle, Washington, Municipal Light and Power Revenue Bonds, 6%, 10/01/09 (b) (c)	2,500	2,645,100
Seattle, Washington, Water System Revenue Bonds, Series B, 6%, 7/01/09 (b) (f)	3,500	3,678,990

		13,551,955
=====		
Wisconsin -- 0.4%		
Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Blood Center of Southeastern Wisconsin Project), 5.75%, 6/01/34		
	1,250	1,231,700

Puerto Rico -- 2.0%		
Puerto Rico Commonwealth, Public Improvement, GO, 5.125%, 7/01/30 (e)		
	5,725	5,765,532

Total Municipal Bonds -- 125.1%		358,993,948
=====		
Municipal Bonds Transferred to Tender Option Bond Trusts (n)		

California -- 10.7%		
Palomar Pomerado Health Care District, California, GO (Election of 2004), Series A, 5.125%, 8/01/37 (c)		
	7,364	7,425,081
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (e)		
	5,353	5,124,651
San Diego, California, Community College District, GO (Election of 2002), 5%, 5/01/30 (e)		
	1,485	1,503,880
San Jose California, 5%, 9/1/30 (c)		
	3,805	3,828,961
Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50%, 7/01/35 (e)		
	5,189	5,439,641
Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1) Series A (e):		
5%, 9/01/32	2,920	2,922,015
5%, 9/01/38	4,620	4,577,219

		30,821,448
=====		
Colorado -- 3.2%		
Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-3, 5.10%, 10/01/41 (e)		
	9,404	9,314,006
=====		
Florida -- 10.0%		
Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Bonds (Baptist Medical Center Project), 5%, 8/15/37 (e)		
	7,740	7,588,760
Lee County, Florida, HFA, S/F Mortgage Revenue Bonds (Multi-County Program), AMT, Series A-2, 6, 9/01/40 (h) (i)		
	4,500	4,608,495
Miami-Dade County, Florida, Aviation Revenue Bonds, AMT, Series A, 5%, 10/01/33 (e)		
	6,730	6,066,932
Orlando, Florida, Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series A, 5.25%, 11/01/38 (k)		
	4,000	3,945,920
Saint Petersburg Florida Public Utility Revenue, 5%,		

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10/1/35 (c)	6,492	6,415,417

		28,625,524

See Notes to Financial Statements.

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Schedule of Investments (concluded)

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

Municipal Bonds Transferred to Tender Option Bond Trusts (n)	Par (000)	Value
=====		
Georgia -- 2.3%		
Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/1/34 (e)	\$ 6,296	\$ 6,477,258
=====		
Illinois -- 6.5%		
Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5%, 1/01/38 (e)	15,000	14,648,400
Chicago, Illinois, Water Revenue Refunding Bonds, Second Lien, 5.25%, 11/01/33 (e)	3,972	4,047,898

		18,696,298
=====		
Massachusetts -- 3.7%		
Massachusetts Bay Transportation Authority Massachusetts Sales Tax Revenue Refunding Bonds, Series A, 5%, 7/1/35	5,535	5,537,768
Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (e)	4,998	5,036,739

		10,574,507
=====		
New Jersey -- 1.1%		
New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5%, 1/01/30 (e)	2,998	3,025,956
=====		
New York -- 2.4%		
New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5.25%, 10/15/27 (a)	6,750	6,987,735
=====		
Washington -- 2.5%		
Bellevue, Washington, 5.5%, 12/1/39 (c)	6,891	7,071,905

Total Municipal Bonds Transferred to Tender Option Bond Trusts -- 42.4%		121,594,637
=====		
Total Long-Term Investments (Cost -- \$488,957,899) -- 167.5%		480,588,585
=====		

Short-Term Securities	Shares	

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=====		
Merrill Lynch Institutional Tax-Exempt Fund,		
2.08% (o) (p)	24,818,464	24,818,464

Total Short-Term Securities		
(Cost -- \$24,818,464) -- 8.6%		24,818,464
=====		
Total Investments (Cost -- \$513,776,363*) -- 176.1%		505,407,049
Other Assets Less Liabilities -- 1.5%		4,332,953
Liability for Trust Certificates,		
Including Interest Expense and Fees Payable -- (27.0)%		(77,464,217)
Preferred Stock, at Redemption Value -- (50.6)%		(145,342,669)

Net Assets Applicable to Common Stock -- 100.0%		\$ 286,933,116
=====		

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$435,887,084
	=====
Gross unrealized appreciation	\$ 5,110,064
Gross unrealized depreciation	(12,774,358)

Net unrealized depreciation	\$ (7,664,294)
	=====

- (a) AMBAC Insured.
- (b) U.S. 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) MBIA Insured.
- (d) FHA Insured.
- (e) FSA Insured.
- (f) FGIC Insured.
- (g) Radian Insured.
- (h) FNMA/GNMA Collateralized.
- (i) FHLMC Collateralized.
- (j) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (k) Assured Guaranty Insured.
- (l) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (m) XL Capital Insured.
- (n) 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.
- (o) 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:

	Net	
Affiliate	Activity	Income

Merrill Lynch Institutional Tax-Exempt Fund	24,498,147	\$304,246

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

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See Notes to Financial Statements.

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Schedule of Investments July 31, 2008 BlackRock MuniYield Insured Fund, Inc.
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
=====		
Alaska -- 0.5%		
Alaska Energy Authority, Power Revenue Refunding Bonds (Bradley Lake), Fourth Series, 6%, 7/01/18 (a)	\$ 3,695	\$ 4,221,722
=====		
Arizona -- 3.5%		
Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Senior Series A, 5%, 7/01/36 (b)	21,355	17,800,247
Maricopa County and Phoenix, Arizona, IDA, S/F Mortgage Revenue Bonds, AMT, Series A-2, 5.80%, 7/01/40 (c) (d)	7,680	7,624,704
Phoenix, Arizona, Civic Improvement Corporation, Wastewater System Revenue Refunding Bonds, 5%, 7/01/37 (e)	5,000	4,924,600
		----- 30,349,551
=====		
California -- 16.9%		
Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.40%, 10/01/24 (f) (g)	10,000	8,310,600
Antioch, California, Public Finance Authority, Lease Revenue Refunding Bonds (Municipal Facilities Project), Series A, 5.50%, 1/01/32 (e)	5,000	5,112,700
California State, GO, 5.50%, 4/01/30 (e)	10	10,228
California State, GO, Refunding: 5.50%, 8/01/24	4,000	4,236,640
5.25%, 3/01/38	2,000	2,001,400
California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5.25%, 6/01/28	5,500	5,530,030
California State University, Revenue Refunding Bonds, DRIVERS, Series 2646Z, 7.186%, 5/01/15 (a) (h)	3	2,521
California Statewide Communities Development Authority Revenue Bonds: (Kaiser Permanente), Series B, 5%, 3/01/41	10,000	9,763,900
(Sutter Health), Series D, 5.05%, 8/15/38 (a)	7,500	7,442,475
Fairfield-Suisun, California, Unified School District, GO (Election of 2002), 5.50%, 8/01/28 (e)	5,800	6,007,408
Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Series B1, 4.75%, 8/01/37 (b)	15,000	13,952,550
Mendocino-Lake Community College District, California, GO (Election of 2006), Series A, 5%, 8/01/31 (e)	4,985	4,904,692
Monterey Peninsula Community College District, California, GO, CABS, Series C (a) (g): 5.13%, 8/01/30	13,020	3,829,963

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5.17%, 8/01/33	13,350	3,265,143
Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375%, 11/01/27 (b) (e)	9,465	9,070,026
Redding, California, Electric System, COP, Series A, 5%, 6/01/30 (a)	2,900	2,915,486
Riverside, California, Electric Revenue Bonds, Series D, 5%, 10/01/33	10,765	10,858,225
Riverside County, California, Public Financing Authority, Tax Allocation Revenue Bonds (Redevelopment Projects), 5%, 10/01/35 (i)	10,000	8,999,800
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series A, 5%, 7/01/41 (a)	18,000	17,798,580
San Jose, California, Airport Revenue Refunding Bonds, AMT, Series A, 5.50%, 3/01/32 (f)	12,965	12,613,908
San Mateo, California, Union High School District, COP (Phase One Projects), Series B, 4.486%, 12/15/43 (f) (g)	3,250	1,521,650
Stockton, California, Public Financing Authority, Lease Revenue Bonds (Parking & Capital Projects), 5.25%, 9/01/34 (b)	8,310	8,309,585

		146,457,510
=====		
Colorado -- 0.7%		
Colorado HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series A-3, Class III, 4.80%, 11/01/37 (e)	7,000	5,669,230
=====		
District of Columbia -- 1.1%		
Metropolitan Washington Airports Authority, D.C., Airport System Revenue Bonds, AMT, Series B, 5%, 10/01/32 (f)	10,000	9,135,800
=====		
Florida -- 10.4%		
Broward County, Florida, School Board, COP, Series A, 5.25%, 7/01/33 (a)	15,000	14,896,200
Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT:		
5.375%, 10/01/25 (b)	10,750	10,228,517
5.375%, 10/01/27 (b)	1,000	939,580
Series A, 5%, 10/01/35 (i) (j)	10,000	9,037,900
Series A, 5%, 10/01/39 (e)	25,000	22,087,750
Series A, 5.50%, 10/01/41 (a)	15,000	14,840,700
Miami-Dade County, Florida, Aviation Revenue Refunding Bonds, DRIVERS, AMT, Series 2586Z, 7.318%, 10/01/15 (h) (i) (j)	37	29,294
Miami-Dade County, Florida, Expressway Authority, Toll System Revenue Bonds, 5%, 7/01/39 (f)	9,000	8,630,820
Miami-Dade County, Florida, School Board, COP, Refunding, Series B (j):		
5.25%, 5/01/26	5,000	5,087,400
5.25%, 5/01/31	4,125	4,149,667

		89,927,828
=====		
Georgia -- 1.4%		
Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.25%, 7/15/33	13,170	11,897,515
=====		
Hawaii -- 0.2%		

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Hawaii State, GO, Series CX, 5.50%, 2/01/21 (a)	2,000	2,117,840
=====		
Illinois -- 12.9%		
Chicago, Illinois, O'Hare International Airport		
Revenue Bonds, Third Lien, AMT, Series B-2 (e):		
5.25%, 1/01/27	16,685	15,780,172
6%, 1/01/27	26,230	26,798,929
Illinois Health Facilities Authority Revenue Bonds		
(Delnor Hospital):		
Series B, 5.25%, 5/15/32	6,150	6,149,508
Series D, 5.25%, 5/15/32	10,000	9,999,200
Illinois Municipal Electric Agency, Power Supply		
Revenue Bonds, Series A (b):		
5%, 2/01/35 (e)	25,000	23,904,500
5.25%, 2/01/35	15,000	14,747,100

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniYield Insured Fund, Inc.
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
=====		
Illinois (concluded)		
McLean and Woodford Counties, Illinois, Community		
Unit School District Number 005, GO, Refunding,		
6.375%, 12/01/16 (a)	\$ 1,215	\$ 1,340,109
Northern Illinois Municipal Power Agency, Power		
Project Revenue Refunding Bonds (Prairie State		
Project), Series A, 5%, 1/01/37 (e)	12,000	11,541,960
Regional Transportation Authority, Illinois, Revenue		
Bonds, Series C, 7.75%, 6/01/20 (b)	1,000	1,245,500

		111,506,978
=====		
Indiana -- 1.5%		
Indiana Bond Bank, Special Program Gas Revenue		
Bonds, Series A, 5.25%, 10/15/20	10,955	10,638,072
Indiana Health Facilities Financing Authority,		
Hospital Revenue Bonds (Deaconess Hospital Obligated		
Group), Series A, 5.375%, 3/01/34 (f)	2,250	2,262,262

		12,900,334
=====		
Kentucky -- 2.3%		
Louisville and Jefferson Counties, Kentucky,		
Metropolitan Sewer District, Sewer and Drain		
System Revenue Bonds, Series A, 5.25%,		
5/15/37 (b)	20,005	20,079,418
=====		
Louisiana -- 2.5%		
Louisiana Local Government Environmental Facilities		
and Community Development Authority, Revenue		
Bonds (Capital Projects and Equipment Acquisition		
Program), Series A, 6.30%, 7/01/30 (f)	3,750	3,826,050
Louisiana Public Facilities Authority, Mortgage		
Revenue Refunding Bonds (Baton Rouge General		

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Medical Center Project), 5.25%, 7/01/33 (e)	15,000	14,875,650
New Orleans, Louisiana, GO (Public Improvements), 5%, 10/01/33 (e)	3,545	3,272,992

		21,974,692
=====		
Maryland -- 1.2%		
Baltimore, Maryland, Wastewater Project Revenue Bonds, Series A, 5%, 7/01/38 (a)	10,000	10,030,600
=====		
Massachusetts -- 5.6%		
Boston, Massachusetts, Housing Authority, Capital Program Revenue Bonds (a):		
5%, 4/01/23	2,000	2,060,160
5%, 4/01/27	2,000	2,030,520
5%, 4/01/28	2,720	2,748,914
Massachusetts State, HFA, Housing Development Revenue Refunding Bonds, Series B, 5.40%, 12/01/28 (e)	2,500	2,567,250
Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Series 128, 4.875%, 12/01/38 (a)	12,900	10,650,369
Massachusetts State Port Authority, Special Facilities Revenue Refunding Bonds (BOSFUEL Project), AMT, 5%, 7/01/38 (b)	19,755	17,170,453
Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.75%, 1/01/14 (a) (k)	10,000	11,018,200

		48,245,866
=====		
Michigan -- 2.7%		
Michigan Higher Education Student Loan Authority, Student Loan Revenue Bonds, AMT, Series XVII-Q, 5%, 3/01/31 (f)	4,325	3,445,382
Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (i):		
Series A, 5.50%, 6/01/30	8,000	7,298,560
Series C, 5.65%, 9/01/29	5,000	4,558,250
Michigan State, HDA, Rental Housing Revenue Bonds, AMT, Series B, 4.95%, 4/01/44 (a)	10,000	8,223,700

		23,525,892
=====		
Missouri -- 1.2%		
Missouri State Health and Educational Facilities Authority, Health Facilities Revenue Bonds (Saint Luke's Health System), Series A, 5.50%, 11/15/35	10,000	10,022,500
Missouri State Housing Development Commission, S/F Mortgage Revenue Bonds (Homeownership Loan Program), AMT, Series C-1, 7.15%, 3/01/32 (d)	100	104,899

		10,127,399
=====		
Nevada -- 5.4%		
Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2, 5%, 7/01/30 (b)	25,000	24,127,750
Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series A, 5.25%, 7/01/34 (f)	12,675	10,308,831
Las Vegas, Nevada, Convention and Visitors Authority Revenue Bonds, 5%, 7/01/37 (f)	11,950	11,524,819

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Reno, Nevada, Capital Improvement Revenue Bonds, 5.50%, 6/01/19 (b)	1,165	1,189,849

		47,151,249
=====		
New Jersey -- 1.8%		
New Jersey EDA, Cigarette Tax Revenue Bonds: 5.75%, 6/15/29	3,060	2,865,782
5.75%, 6/15/34	14,135	12,979,464

		15,845,246
=====		
New Mexico -- 0.2%		
New Mexico Educational Assistance Foundation, Student Loan Revenue Refunding Bonds (Student Loan Program), AMT, First Sub-Series A-2, 6.65%, 11/01/25	1,605	1,651,304
New Mexico Mortgage Finance Authority, S/F Mortgage Revenue Bonds, AMT, Series C-2, 6.95%, 9/01/31 (d)	335	349,599

		2,000,903
=====		
New York -- 5.8%		
Metropolitan Transportation Authority, New York, Commuter Facilities Revenue Refunding Bonds, Series B, 5.125%, 7/01/24 (f) (1)	5,335	5,396,886
New York City, New York, City Municipal Water Finance Authority, Water and Sewer System, Revenue Refunding Bonds, Series DD, 5%, 6/15/37	10,605	10,661,843

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniYield Insured Fund, Inc.
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
=====		
New York (concluded)		
New York City, New York, City Transitional Finance Authority, Future Tax Secured, Revenue Refunding Bonds, Sub-Series C-1, 5%, 11/01/27	\$ 5,000	\$ 5,133,800
New York City, New York, GO:		
Series J, 5.25%, 5/15/24	10,000	10,290,500
Series J, 5.25%, 5/15/25	1,000	1,027,010
Series M, 5%, 4/01/30 (j)	15,000	15,108,900
New York State Dormitory Authority, State Supported Debt Revenue Bonds (Mental Health Services Facilities), Series B, 5%, 2/15/28 (a)	2,700	2,731,833

		50,350,772
=====		
Ohio -- 1.7%		
Lorain County, Ohio, Hospital Revenue Refunding Bonds (Catholic Healthcare Partners), Series C-2, 5%, 4/01/33 (a)	15,000	14,893,800
=====		

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Pennsylvania -- 3.2%		
Pennsylvania State Turnpike Commission, Oil Franchise Tax Revenue Bonds, Series C, 5%, 12/01/32 (e)		
	16,000	15,909,760
Pennsylvania State Turnpike Commission, Turnpike Revenue Bonds, Series A1, 5%, 6/01/38 (j)		
	12,000	11,798,160

		27,707,920
=====		
Rhode Island -- 0.3%		
Rhode Island State Economic Development Corporation, Airport Revenue Bonds, AMT, Series A, 5.25%, 7/01/38 (j)		
	3,000	2,782,800
=====		
South Carolina -- 1.9%		
Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District) (j):		
5.25%, 12/01/28	3,895	3,965,850
5.25%, 12/01/29	3,465	3,515,277
5.25%, 12/01/30	1,160	1,173,990
Kershaw County, South Carolina, Public Schools Foundation, Installment Power Revenue Refunding Bonds (m):		
5%, 12/01/30	3,775	3,575,491
5%, 12/01/31	3,690	3,499,928
South Carolina Housing Finance and Development Authority, Mortgage Revenue Refunding Bonds, AMT, Series A-2, 6.35%, 7/01/19 (a)		
	705	724,564

		16,455,100
=====		
Tennessee -- 0.6%		
Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), AMT, Series A (a):		
5.25%, 7/01/22	2,975	2,931,595
5.35%, 1/01/26	2,105	2,019,705

		4,951,300
=====		
Texas -- 24.1%		
Canyon, Texas, Regional Water Authority, Contract Revenue Bonds (Wells Ranch Project), 5%, 8/01/32 (f)		
	8,185	8,028,012
Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series A, 5%, 11/01/35 (a)		
	1,000	924,430
Dallas-Fort Worth, Texas, International Airport Revenue Refunding and Improvement Bonds, AMT, Series A, 5.625%, 11/01/26 (b)		
	15,000	14,541,300
El Paso County, Texas, Hospital District, GO, Series A, 5%, 8/15/37 (j)		
	5,000	4,880,150
Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Senior Lien, Series G (e):		
5.75%, 11/15/19	1,665	1,707,674
5.75%, 11/15/20	3,500	3,575,845
5.25%, 11/15/30	10,000	9,495,600
Harris County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Methodist Hospital Project), VRDN, Series C, 2.30%, 12/01/41 (a) (h)		
	24,375	24,375,000

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Harris County, Texas, Hospital District, Senior Lien Revenue Refunding Bonds, Series A, 5.25%, 2/15/37 (e)	10,000	9,941,200
Matagorda County, Texas, Navigation District Number 1, PCR, Refunding (Central Power and Light Company Project), AMT, 5.20%, 5/01/30 (e)	6,250	5,776,250
North Texas Tollway Authority, Dallas North Tollway System Revenue Bonds, Series A, 5%, 1/01/15 (a) (k)	5,890	6,288,930
North Texas Tollway Authority, System Revenue Refunding Bonds, First Tier:		
Series A, 6%, 1/01/25	6,250	6,551,813
Series A, 5.125%, 1/01/28 (e)	25,500	24,721,230
Series B, 5.75%, 1/01/40 (e)	10,000	10,210,800
Northside, Texas, Independent School District, GO: 5.25%, 8/15/27	3,295	3,433,291
5%, 8/15/38	10,000	10,007,600
San Antonio Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds, 5.50%, 8/01/22	9,100	8,798,426
Texas State Department of Housing and Community Affairs, S/F Mortgage Revenue Bonds, AMT, Series A, 5.45%, 9/01/23 (d) (e)	4,705	4,614,758
Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A (f):		
5.50%, 8/15/39	10,000	10,147,700
5%, 8/15/42	10,000	9,548,800
Texas State University, System Financing Revenue Refunding Bonds:		
5.25%, 3/15/24	9,000	9,421,740
5.25%, 3/15/25	9,000	9,372,060
5.25%, 3/15/26	10,000	10,382,000
5.25%, 3/15/27	1,350	1,395,252

		208,139,861
=====		

See Notes to Financial Statements.

ANNUAL REPORT

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Schedule of Investments (continued) BlackRock MuniYield Insured Fund, Inc.
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
=====		
Vermont -- 0.4%		
Vermont HFA, Revenue Refunding Bonds, AMT, Series C, 5.50%, 11/01/38 (a)	\$ 3,000	\$ 2,775,810
Vermont HFA, S/F Housing Revenue Bonds, AMT, Series 12B, 6.30%, 11/01/19 (a)	415	420,752

		3,196,562
=====		
Virginia -- 0.3%		
Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625%, 6/01/28 (f)	2,500	2,495,350
=====		

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Washington -- 6.8%		
Bellevue, Washington, GO, Refunding (e):		
5.25%, 12/01/26	2,545	2,620,739
5.25%, 12/01/27	2,455	2,513,208
5.25%, 12/01/28	2,850	2,908,225
5.25%, 12/01/29	3,000	3,051,480
Chelan County, Washington, Public Utility District		
Number 001, Consolidated Revenue Bonds		
(Chelan Hydro System), AMT:		
Series A, 5.45%, 7/01/37 (f)	3,030	2,870,622
Series C, 5.65%, 7/01/32 (e)	6,000	5,976,300
Port of Seattle, Washington, Revenue Bonds,		
RIB, AMT, Series 2553, 7.284%,		
1/01/12 (e) (h)	3	2,089
Radford Court Properties, Washington, Student		
Housing Revenue Bonds, 5.75%, 6/01/32 (e)		
	10,000	10,369,600
Seattle, Washington, Housing Authority Revenue		
Bonds (High Rise Rehabilitation Program --		
Phase 3), AMT, 5.15%, 11/01/27 (a)		
	6,255	5,803,702
Skagit County, Washington, Public Hospital District,		
GO, Series A (e):		
5.25%, 12/01/25	4,945	4,976,401
5.25%, 12/01/26	5,450	5,464,116
Tacoma, Washington, Regional Water Supply System,		
Water Revenue Bonds, 5%, 12/01/32 (e)		
	5,300	5,248,113
Washington State Health Care Facilities Authority		
Revenue Bonds (Providence Health System),		
Series A, 5.25%, 10/01/21 (e)		
	7,000	7,200,900

		59,005,495
=====		
West Virginia -- 0.7%		
Harrison County, West Virginia, County Commission		
for Solid Waste Disposal Revenue Bonds		
(Monongahela Power), AMT, Series C, 6.75%,		
8/01/24 (f)	5,925	5,937,916
=====		
Wisconsin -- 0.4%		
Wisconsin State Health and Educational Facilities		
Authority Revenue Bonds (SynergyHealth Inc.),		
6%, 11/15/32	3,395	3,373,170

Total Municipal Bonds -- 118.2%		1,022,455,619
=====		
Municipal Bonds Transferred to		
Tender Option Bond Trusts (n)		
=====		
California -- 13.1%		
Alameda County, California, Joint Powers Authority,		
Lease Revenue Refunding Bonds, 5%,		
12/01/34 (a)	6,990	6,911,782
California State University, Systemwide Revenue		
Refunding Bonds, Series A, 5%, 11/01/16 (f)		
	18,435	18,511,321
California Statewide Communities Development		
Authority Revenue Bonds (Saint Joseph		
Home Care), Series E, 5.25%, 7/01/47 (a)		
	12,000	12,026,160
Las Virgenes, California, Unified School District, GO,		
Series A, 5%, 8/01/31 (a)		
	10,000	10,098,547
Los Angeles California Community College District,		
5%, 8/01/32 (a)		
	15,000	15,195,300

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Orange County, California, Sanitation District, COP, Series B, 5%, 2/01/37 (a)	10,780	10,699,042
Riverside California Electric Revenue Bonds, 5%, 10/01/38 (a)	20,000	20,077,800
San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5%, 5/01/33 (a)	9,375	9,468,000
San Francisco, California, Bay Area Rapid Transit District, Sales Tax Revenue Bonds, 5%, 7/01/36 (a)	10,000	10,086,241

		113,074,193
=====		
Colorado -- 0.8%		
Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), Series C, 5.25%, 3/01/40 (a)	7,004	7,001,065
=====		
Connecticut -- 0.6%		
Connecticut State Health and Educational Facilities Authority Revenue Bonds (Yale University), Series T-1, 4.70%, 7/01/29	5,009	5,007,796
=====		
Florida -- 3.2%		
Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, 5%, 10/01/40 (i)(j)	15,000	13,085,029
Orlando, Florida, Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series A, 5.25%, 11/01/38 (j)	15,000	14,797,200

		27,882,229
=====		
Georgia -- 2.6%		
Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series B, 5.25%, 1/01/33 (a)	12,500	12,651,492
Metropolitan Atlanta Rapid Transportation Authority, Georgia Sale Tax Fund Revenue Bonds, Series B, 5%, 7/01/37 (a)	10,000	10,136,066

		22,787,558
=====		

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniYield Insured Fund, Inc.
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (n)	Par (000)	Value
=====		
Illinois -- 2.4%		
Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, Third Lien, AMT, Series C-2, 5.25%, 1/01/30 (a)	\$16,400	\$ 15,551,136
Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project), Series B,		

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5.75%, 6/15/23 (e)	4,798	5,127,136

		20,678,272
=====		
Indiana -- 1.3%		
Indianapolis, Indiana, Gas Utility Revenue Refunding Bonds, Second Lien, Series B, 5.25%, 8/15/27 (j)	11,000	11,145,420
=====		
Louisiana -- 2.7%		
Louisiana State Gas and Fuels Tax Revenue Bonds, Series A, 5%, 5/01/36 (a)	10,005	9,944,770
New Orleans, Louisiana, Aviation Board Revenue Bonds, AMT, Series A, 5.25%, 1/01/32 (a)	14,030	13,270,697

		23,215,467
=====		
Massachusetts -- 1.4%		
Massachusetts State, Housing Finance Agency Housing Revenue Bonds, Series A, 5.15%, 7/01/26 (a)	11,915	11,824,012
=====		
Michigan -- 0.5%		
Wayne County, Michigan, Airport Authority, Revenue Refunding Bonds, AMT, 5.375%, 12/01/32 (j)	4,995	4,885,160
=====		
New Jersey -- 1.3%		
Garden State Preservation Trust of New Jersey, Open Space and Farmland Preservation Revenue Bonds, Series A, 5.75%, 11/01/28 (a) (o)	10,000	11,417,900
=====		
New York -- 5.7%		
New York State Dormitory Authority, Non-State Supported Debt Revenue Bonds (Presbyterian Hospital of New York), 5.25, 2/15/31 (a)	20,000	20,236,600
New York State Dormitory Authority Revenue Bonds, Non State Supported Debt, 5%, 8/15/36 (a) (o)	10,000	9,880,839
Port Authority of New York and New Jersey, Consolidated Revenue Bonds, AMT, 137th Series, 5.125%, 7/15/30 (a)	19,492	19,176,144

		49,293,583
=====		
Ohio -- 0.5%		
Montgomery County, Ohio, Revenue Bonds, Series C, 5%, 10/01/41 (a)	4,993	4,865,830
=====		
Pennsylvania -- 1.9%		
Pennsylvania State Turnpike Commission, Turnpike Revenue Bonds, Series A, 5.50%, 12/01/31 (f)	15,600	16,111,836
=====		
Texas -- 5.0%		
Friendswood, Texas, Independent School District, GO, 5%, 2/15/37	12,955	12,818,658
Houston Texas Independent School District, 5%, 2/15/23	10,000	9,971,684
Houston Texas Utility System Revenue Refunding -- Comb-First Lien-Series A, 5%, 11/15/36 (a)	10,695	10,566,553
Judson, Texas, Independent School District, School Building, GO, 5%, 2/01/37 (j)	10,000	9,791,594

		43,148,489
=====		

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Virginia -- 0.4%		
University of Virginia Revenue Bonds, 11.05%, 6/01/40	3,945	4,018,417
=====		
Washington -- 11.1%		
Bellevue, Washington, GO, Refunding, Series 2736-1, 10.65%, 12/01/34 (e)	17,600	17,471,269
Central Puget Sound Regional Transportation Authority, Washington, Sales and Use Tax Revenue Bonds, Series A, 5%, 11/01/34 (a)	17,000	16,942,060
King County, Washington, Public Hospital District Number 001, GO, Refunding, Series A, 5%, 12/01/37 (j)	15,000	14,528,100
King County, Washington, Sewer Revenue Revenue Bonds, 5%, 1/01/37 (a)	15,785	15,736,823
Port of Seattle, Washington, Revenue Refunding Bonds, AMT, Series B, 5.20%, 7/01/29 (e)	20,565	18,874,763
Washington State, 5%, 7/01/31 (a)	12,035	12,097,031

		95,650,046

Total Municipal Bonds Transferred to Tender Option Bond Trusts -- 54.5%		472,007,273
=====		
Total Long-Term Investments (Cost -- \$1,538,903,204) -- 172.7%		1,494,462,892
=====		
=====		
Short-Term Securities	Shares	
=====		
Merrill Lynch Institutional Tax-Exempt Fund, 2.08% (p) (q)	26,154,406	26,154,406

Total Short-Term Securities (Cost -- \$26,154,406) -- 3.0%		26,154,406
=====		
Total Investments (Cost -- \$1,565,057,610*) -- 175.7%		1,520,617,298

Other Assets Less Liabilities -- 1.2%		10,818,060

Liability for Trust Certificates, Including Interest Expense and Fees Payable -- (33.3)%		(288,548,552)

Preferred Stock, at Redemption Value -- (43.6)%		(377,439,884)

Net Assets Applicable to Common Stock -- 100.0%		\$ 865,446,922
=====		

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock MuniYield Insured Fund, Inc.

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2008, as computed for federal income tax purposes, were as follows:
Aggregate cost \$ 1,286,910,513

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	=====
Gross unrealized appreciation	\$ 5,882,087
Gross unrealized depreciation	(59,806,410)

Net unrealized depreciation	\$ (53,924,323)
	=====

- (a) FSA Insured.
- (b) FGIC Insured.
- (c) FHLMC Collateralized.
- (d) FNMA/GNMA Collateralized.
- (e) MBIA Insured.
- (f) AMBAC Insured.
- (g) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (h) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (i) XL Capital Insured.
- (j) Assured Guaranty Insured.
- (k) U.S. 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.
- (l) Security is collateralized by Municipal or U.S. Treasury Obligations.
- (m) CIFG Insured.
- (n) 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.
- (o) FHA Insured.
- (p) 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
Merrill Lynch Institutional Tax-Exempt Fund	21,252,053	\$460,001

- (q) Represents the current yield as of report date.
- o Forward interest rate swaps outstanding as of July 31, 2008 were as follows:

	Notional Amount (000)	Unrealized Depreciation
Pay a fixed rate of 3.913% and receive a floating rate based on 1-Week SIFMA Rate		
Broker, JPMorgan Chase		
Expires October 2028	\$125,000	\$(1,951,000)

See Notes to Financial Statements.

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July 31, 2008

Assets

Investments at value -- unaffiliated 1
Investments at value -- affiliated 2
Cash
Interest receivable
Investment sold receivable
Dividends from affiliates
Prepaid expenses
Other assets

Total assets

Accrued Liabilities

Unrealized depreciation on forward interest rate swaps
Interest expense and fees payable
Investments purchased payable
Income dividends payable -- common shares
Investment advisory fees payable
Officer's and Directors' payable
Other affiliates payable
Accrued expenses payable

Total accrued liabilities

Other Liabilities

Trust certificates 3

Total Liabilities

Preferred Stock at Redemption Value

Preferred Stock, at \$0.10 par value per share at \$25,000 per share liquidation preference 4,5 ..

Net Assets Applicable to Common Stock

Net assets applicable to Common Stock

See Notes to Financial Statements.

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July 31, 2008

=====
 Net Assets Applicable to Common Stock Consist of

Common Stock, par value \$0.10 per share 6	\$
Paid-in capital in excess of par	
Undistributed net investment income	
Accumulated net realized loss	
Net unrealized appreciation/depreciation	
Net Assets Applicable to Common Stock	\$
Net asset value per share of Common Stock	\$
1 Investments at cost -- unaffiliated	\$
2 Investments at cost -- affiliated	\$
3 Represents short-term floating rate certificates issued by tender option bond trusts.	
4 Preferred Stock issued and outstanding:	
Series A Shares	
Series B Shares	
Series C Shares	
Series D Shares	
Series E Shares	
Series F Shares	
Series G Shares	
Series H Shares	
Series I Shares	
5 Preferred Stock authorized	
6 Common Stock issued and outstanding	

See Notes to Financial Statements.

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Statements of Operations

BlackRock MuniHoldings
 Insured Fund II, Inc.

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	Period Oct. 1, 2007 to July 31, 2008	Year Ended September 30, 2007
Investment Income		
Interest	\$ 20,762,994	\$ 26,030,731
Income from affiliates	304,246	339,612
Total income	21,067,240	26,370,343
Expenses		
Investment advisory	2,327,048	2,831,673
Commissions for Preferred Stock	419,891	521,380
Accounting services	119,396	158,040
Professional	135,707	83,760
Transfer agent	21,669	60,099
Printing	35,194	51,114
Custodian	25,298	29,588
Officer and Directors	24,084	24,731
Registration	8,811	9,436
Miscellaneous	73,924	77,652
Total expenses excluding interest expense and fees	3,191,022	3,847,473
Interest expense and fees 1	786,838	1,151,782
Total expenses	3,977,860	4,999,255
Less fees waived by advisor	(243,738)	(220,257)
Less fees paid indirectly	(128)	--
Total expenses after waiver and fees paid indirectly	3,733,994	4,778,998
Net investment income	17,333,246	21,591,345
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) from:		
Investments	(975,689)	2,069,420
Futures and swaps	--	(616,000)
	(975,689)	1,453,420
Net change in unrealized appreciation/depreciation on:		
Investments	(19,379,156)	(11,557,931)
Futures and swaps	--	260,075
	(19,379,156)	(11,297,856)
Total realized and unrealized loss	(20,354,845)	(9,844,436)
Dividends to Preferred Stock Shareholders From		
Net investment income	(5,637,611)	(7,380,240)
Net Increase (Decrease) in Net Assets Applicable to Common Stock Shareholders Resulting from Operations	\$ (8,659,210)	\$ 4,366,669

1 Related to tender option bond trusts.

See Notes to Financial Statements.

ANNUAL REPORT

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Statements of Changes in Net Assets

BlackRock MuniHoldings Insured Fund II, Inc.

	Period Oct. 1, 2007 to July 31, 2008
Increase (Decrease) in Net Assets:	
=====	
Operations	

Net investment income	\$ 17,333,246
Net realized gain (loss)	(975,689)
Net change in unrealized appreciation/depreciation	(19,379,156)
Dividends to Preferred Stock shareholders from net investment income	(5,637,611)

Net increase (decrease) in net assets applicable to Common Stock shareholders resulting from operations	(8,659,210)

=====	
Dividends to Common Stock Shareholders From	

Net investment income	(11,176,213)

=====	
Net Assets Applicable to Common Stock Shareholders	

Total decrease in net assets applicable to Common Stock	(19,835,423)
Beginning of period	306,768,539

End of period	\$ 286,933,116
	=====
End of period undistributed net investment income	\$ 1,930,588
	=====

See Notes to Financial Statements.

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Statements of Changes in Net Assets

BlackRock MuniYield Insured Fund, Inc.

Period
November 1,
2007 to July 31,

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Increase (Decrease) in Net Assets:	2008
<hr/>	
Operations	
<hr/>	
Net investment income	\$ 46,868,985
Net realized loss	(25,129,148)
Net change in unrealized appreciation/depreciation	(88,495,600)
Dividends and distributions to Preferred Stock shareholders from:	
Net investment income	(14,617,148)
Net realized gain	--
<hr/>	
Net increase (decrease) in net assets applicable to Common Stock shareholders resulting from operations	(81,372,911)
<hr/>	
Dividends and Distributions to Common Stock Shareholders From	
<hr/>	
Net investment income	(33,920,775)
Net realized gain	--
<hr/>	
Decrease in net assets resulting from dividends and distributions to Common Stock shareholders	(33,920,775)
<hr/>	
Net Assets Applicable to Common Stock Shareholders	
<hr/>	
Total increase (decrease) in net assets applicable to Common Stock	(115,293,686)
Beginning of period	980,740,608
<hr/>	
End of period	\$ 865,446,922
<hr/>	
End of period undistributed net investment income	\$ 5,152,178
<hr/>	

See Notes to Financial Statements.

ANNUAL REPORT

JULY 31, 2008

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Statement of Cash Flows

BlackRock MuniYield Insured Fund, Inc.

Cash Provided by Operating Activities

Net decrease in net assets resulting from operations, excluding dividends to Preferred Stock shareholders	
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by	
operating activities:	
Decrease in receivables	
Increase in prepaid expenses and other assets	
Decrease in other liabilities	
Net realized and unrealized loss	
Amortization of premium and discount on investments	
Proceeds from sales and paydowns of long-term securities	

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Purchases of long-term securities
Net purchases of short-term investments

Cash provided by operating activities
=====

Cash Used for Financing Activities

Payments on redemption of Preferred Stock
Cash receipts from Trust Certificates
Cash payments from Trust Certificates
Cash dividends paid to Common Stock shareholders