

BLACKROCK MUNIYIELD NEW YORK INSURED FUND, INC.

Form N-CSR

October 07, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06500

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2010

Date of reporting period: 07/31/2010

Item 1 – Report to Stockholders

July 31, 2010

Annual Report

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

BlackRock MuniYield Insured Fund, Inc. (MYI)

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

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

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

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

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

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

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

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

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

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

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

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2010

BlackRock MuniHoldings Insured Fund II, Inc.

Fund Overview

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

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

Performance

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

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

Fund Information

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

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

⁶

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

Fund Summary as of July 31, 2010

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

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

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

Performance

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

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

Fund Information

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

Fund Summary as of July 31, 2010

BlackRock MuniYield Insured Fund, Inc.

Fund Overview

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

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

Performance

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

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Fund Information

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

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Leverage as of July 31, 2010⁴

38%

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

Fund Summary as of July 31, 2010

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

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

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

Performance

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

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Fund Information

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

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

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

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

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

Fund Summary as of July 31, 2010

BlackRock MuniYield New York Insured Fund, Inc.

Fund Overview

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

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

Performance

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

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Fund Information

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

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

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

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

Derivative Financial Instruments

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

Schedule of Investments July 31, 2010

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

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

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