

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-06692

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2009

Date of reporting period: 07/31/2009

Item 1 Report to Stockholders

Annual Report

JULY 31, 2009

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

BlackRock MuniYield Insured Fund, Inc. (MYI)

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

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

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

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

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

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

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

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

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

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Announcement to Shareholders

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2009

BlackRock MuniHoldings Insured Fund II, Inc.

Investment Objective

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

Performance

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

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

Fund Information

Symbol on New York Stock Exchange (NYSE)	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of July 31, 2009 (\$11.40) ¹	7.11%
Tax Equivalent Yield ²	10.94%
Current Monthly Distribution per Common Share ³	\$0.0675
Current Annualized Distribution per Common Share ³	\$0.8100
Leverage as of July 31, 2009 ⁴	41%

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

- ⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.
- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2009, the market value of these securities was \$10,104,059 representing 2% of the Fund's long-term investments.

Fund Summary as of July 31, 2009

BlackRock MuniYield California Insured Fund, Inc.

Investment Objective

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

Performance

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

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Fund Information

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

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

- ⁵ Using the higher of S&P's or Moody's ratings.
- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008, the market value of these securities was \$6,574,300 representing 1% of the Fund's long-term investments.

Fund Summary as of July 31, 2009

BlackRock MuniYield Insured Fund, Inc.

Investment Objective

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

Performance

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

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Fund Information

Symbol on NYSE	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of July 31, 2009 (\$12.12) ¹	6.04%
Tax Equivalent Yield ²	9.29%
Current Monthly Distribution per Common Share ³	\$0.061
Current Annualized Distribution per Common Share ³	\$0.732
Leverage as of July 31, 2009 ⁴	39%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.
- The table below summarizes the changes in the Fund's market price and NAV per share:

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

Fund Summary as of July 31, 2009

BlackRock MuniYield Michigan Insured Fund II, Inc.

Investment Objective

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

Performance

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

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Fund Information

Symbol on NYSE	MYM
Initial Offering Date	February 28, 1992
Yield on Closing Market Price as of July 31, 2009 (\$11.58) ¹	6.89%
Tax Equivalent Yield ²	10.60%
Current Monthly Distribution per Common Share ³	\$0.0665
Current Annualized Distribution per Common Share ³	\$0.7980
Leverage as of July 31, 2009 ⁴	38%

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

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

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

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

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

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

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

Fund Summary as of July 31, 2009

BlackRock MuniYield New York Insured Fund, Inc.**Investment Objective**

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

Performance

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

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

Fund Information

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

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.
- The table below summarizes the changes in the Fund's market price and NAV per share:

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

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

Sector Allocations

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

Credit Quality Allocations⁵

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

- ⁵ Using the higher of S&P's or Moody's ratings.
- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008, the market value of these securities was \$4,624,822 representing 1% of the Fund's long-term investments.

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, each Fund is permitted to issue Preferred Shares in an amount of up to 50% of its total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of July 31, 2009, the Funds had economic leverage from Preferred Shares and TOBs as a percentage of their total managed assets as follows:

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

Derivative Financial Instruments

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

Schedule of Investments July 31, 2009

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

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

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

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

3,619,376

District of Columbia 0.9%

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

2,500 2,382,100

Florida 23.3%

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

2,240 2,259,667

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

2,900 2,634,911

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

4,000 3,923,440

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

3,670 492,000

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

5.00%, 10/01/33

6,730 5,754,621

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

13,800 11,914,368

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

6,700 6,015,729

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

6,300 5,588,037

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

5,065 1,310,771

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

7,740 7,391,932

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

4,250 4,135,420

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

12,375 12,570,030

63,990,926

Idaho 0.1%

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

320 327,542

Portfolio Abbreviations

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

ACA	American Capital Access Corp.
AGC	Assured Guaranty Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FNMA	Federal National Mortgage Association
FSA	Financial Security Assurance Inc.
GAN	Grant Anticipation Notes
GNMA	Government National Mortgage Association
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
ISD	Independent School District
MBIA	Municipal Bond Investors Assurance

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

See Notes to Financial Statements.

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ANNUAL REPORT

JULY 31, 2009

Schedule of Investments (continued)

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

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

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

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

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Oklahoma 1.0%

Claremore Public Works Authority, Oklahoma, RB, Series A (FSA), 5.25%, 6/01/14 (a)	2,385	2,796,722
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Rhode Island 2.1%

Providence Redevelopment Agency, Rhode Island, RB, Public Safety & Municipal Buildings, Series A (AMBAC), 5.75%, 4/01/10 (a)	5,555	5,796,476
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South Carolina 5.8%

South Carolina State Housing Finance & Development Authority, South Carolina, RB, Series A-2 (FSA), AMT, 6.35%, 7/01/19	1,110	1,125,473
South Carolina State Public Service Authority, RB, Series A (AMBAC), 5.00%, 1/01/42	15,000	14,739,300

15,864,773

See Notes to Financial Statements.

Schedule of Investments (continued)

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

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

Municipal Bonds Transferred to
Tender Option Bond Trusts (c)

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

Municipal Bonds Transferred to Tender Option Bond Trusts (c)	Par (000)	Value
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Colorado 3.4%		
Colorado Health Facilities Authority, RB, Catholic Health, Series C3 (FSA), 5.10%, 10/01/41	\$ 9,410	\$ 9,176,914

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

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

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

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

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

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

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

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

Washington 2.6%		
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City of Bellevue, Washington, GO, Refunding (MBIA), 5.50%, 12/01/39	6,883	7,074,975
Total Municipal Bonds Transferred to Tender Option Bond Trusts 42.4%		116,224,116
Total Long-Term Investments		
(Cost \$462,544,006) 164.1%		450,165,586

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

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

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

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

(a) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

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- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (d) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (e) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

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

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of July 31, 2009 in determining the fair valuation of the Fund's investments:

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

Total	<u>\$ 471,058,676</u>
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¹ See above Schedule of Investments for values in each state.

See Notes to Financial Statements.

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Schedule of Investments July 31, 2009

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

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

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

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

See Notes to Financial Statements.

Schedule of Investments (continued)

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

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

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

Municipal Bonds	Par (000)	Value
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California (continued)

State 4.1%

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

Transportation 12.3%

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

Utilities 21.2%

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

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Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/33	7,175	7,212,023
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See Notes to Financial Statements.

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Schedule of Investments (continued)

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

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

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

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

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

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

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

Total Municipal Bonds Transferred to Tender Option Bond Trusts	39.5%	182,285,335
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Total Long-Term Investments (Cost \$718,590,346) 150.8%	696,092,901
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Short-Term Securities	Shares
CMA California Municipal Money Fund, 0.04% (d)(e)	21,941,944
Total Short-Term Securities (Cost \$21,941,944) 4.8%	21,941,944

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

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

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

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

- (c) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (d) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

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

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of July 31, 2009 in determining the fair valuation of the Fund's investments:

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

Total

\$ 718,034,845

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

See Notes to Financial Statements.

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Schedule of Investments July 31, 2009

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

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

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

See Notes to Financial Statements.

Schedule of Investments (continued)

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

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

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

Municipal Bonds	Par (000)	Value
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Michigan (concluded)

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

Minnesota 0.7%

City of Minneapolis Minnesota, RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,500	5,991,315
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Missouri 0.0%

Missouri Housing Development Commission, RB, S/F, Homeownership Loan, C-1 (GNMA) AMT, 7.15%, 3/01/32	85	91,036
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Nevada 5.6%

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

New Jersey 3.3%

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

New Mexico 0.2%

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

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

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

Municipal Bonds	Par (000)	Value
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Texas (concluded)

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

Utah 1.1%

Utah Transit Authority, Utah, Refunding RB, CAB, Sub-Series A (AGC), 5.35%, 6/15/20 (b)	15,930	9,237,011
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Vermont 0.4%

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

Washington 5.9%

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

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

Municipal Bonds Transferred to
Tender Option Bond Trusts (c)

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

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

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

See Notes to Financial Statements.

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Schedule of Investments (concluded)

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

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

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

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

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

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

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- (c) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (d) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (e) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

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

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

Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of July 31, 2009 in determining the fair valuation of the Fund's investments:

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

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

See Notes to Financial Statements.

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Schedule of Investments July 31, 2009

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

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

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

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

Education 6.3%

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

See Notes to Financial Statements.

Schedule of Investments (continued)

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

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

Municipal Bonds	Par (000)	Value
Michigan (concluded)		

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State 14.4%

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

Transportation 15.4%

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

Utilities 19.0%

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

Total Municipal Bonds in Michigan

216,831,920

Puerto Rico 7.3%

State 5.3%

Puerto Rico Public Buildings