

Edgar Filing: MUNIYIELD MICHIGAN INSURED FUND INC - Form N-Q

MUNIYIELD MICHIGAN INSURED FUND INC

Form N-Q

March 30, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT  
INVESTMENT COMPANY

Investment Company Act file number 811-7080

Name of Fund: MuniYield Michigan Insured Fund, Inc.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr.,  
President, MuniYield Michigan Insured Fund, Inc., 800 Scudders  
Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box  
9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 10/31/05

Date of reporting period: 11/01/04 - 01/31/05

Item 1 - Schedule of Investments

MuniYield Michigan Insured Fund, Inc.  
Schedule of Investments as of January 31, 2005

| Face<br>Amount    | Municipal Bonds  |
|-------------------|--|
| Michigan - 150.2% |  |
|                   | Adrian, Michigan, City School District, GO (d):  |
| \$ 2,000          | 5% due 5/01/2029   |
| 1,600             | 5% due 5/01/2034   |
| 1,000             | Allegan, Michigan, Public School District, GO, 5.75% due 5/01/2030                         |
| 1,000             | Ann Arbor, Michigan, Public School District, School Building and S<br>5% due 5/01/2027     |
|                   | Belding, Michigan, Area Schools, GO, Refunding (c):  |
| 785               | 6.05% due 5/01/2006 (e)  |
| 215               | 6.05% due 5/01/2021  |
| 1,000             | Birmingham, Michigan, City School District, School Building and S<br>5% due 11/01/2033 (d) |
| 3,525             | Central Michigan University, General Revenue Bonds, 5% due 10/01/20                        |
| 1,000             | Central Montcalm, Michigan, Public Schools, GO, 5.90% due 5/01/201                         |
| 1,000             | Comstock Park, Michigan, Public Schools, GO, 5.75% due 5/01/2029 (                         |

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|        |   |
|--------|---|
|        | Delta County, Michigan, Economic Development Corporation, Environmental Improvement Revenue Refunding Bonds (Mead Westvaco-Escanaba): |
| 1,500  | AMT, Series B, 6.45% due 4/15/2023  |
| 2,000  | Series A, 6.25% due 4/15/2027   |
| 1,000  | Detroit, Michigan, City School District, GO, Series A, 5.50% due 5/01/2024 (c)  |
| 2,300  | Detroit, Michigan, City School District, School Building and Site GO, Series A, 5.375% due 5/01/2024 (c)                              |
|        | Detroit, Michigan, GO (b):  |
| 1,400  | 5.50% due 4/01/2018   |
| 1,325  | 5.50% due 4/01/2020   |
| 2,705  | Series B, 6% due 4/01/2010 (e)  |
|        | Detroit, Michigan, Sewer Disposal Revenue Refunding Bonds, Senior   |
| 1,000  | Series A, 5% due 7/01/2032  |
| 1,545  | Series C, 5.25% due 7/01/2022   |
|        | Detroit, Michigan, Water Supply System Revenue Bonds:   |
| 4,375  | DRIVERS, Series 200, 9.35% due 7/01/2011 (c) (e) (g)  |
| 1,250  | Senior Lien, Series A, 5.875% due 1/01/2010 (c) (e)   |
| 6,900  | Senior Lien, Series A, 5% due 7/01/2034 (b)   |
| 14,790 | Series B, 5.25% due 7/01/2032 (b)   |
| 3,970  | Series B, 5% due 7/01/2034 (b)  |
| 1,415  | Detroit, Michigan, Water Supply System Revenue Refunding Bonds, 6.5% due 7/01/2012 (c) (h)  |

Portfolio Abbreviations

To simplify the listings of MuniYield Michigan Insured Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

|         |  |
|---------|--|
| AMT     | Alternative Minimum Tax (subject to)   |
| COP     | Certificates of Participation          |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| HDA     | Housing Development Authority          |
| GAN     | Grant Anticipation Notes               |
| GO      | General Obligation Bonds               |
| PCR     | Pollution Control Revenue Bonds        |
| RIB     | Residual Interest Bonds                |

MuniYield Michigan Insured Fund, Inc.  
Schedule of Investments as of January 31, 2005 (concluded)

|        |                 |
|--------|-----------------|
| Face   |                 |
| Amount | Municipal Bonds |

Michigan (concluded)

|         |  |
|---------|--|
| \$3,900 | Dickinson County, Michigan, Economic Development Corporation, Environmental Improvement Revenue Refunding Bonds (International Paper Company P Series A, 5.75% due 6/01/2016 |
|---------|--|

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|       |  |
|-------|--|
| 3,100 | Dickinson County, Michigan, Healthcare System, Hospital Revenue Revenue Bonds, 5.80% due 11/01/2024 (i)                                |
| 1,610 | East Grand Rapids, Michigan, Public School District, GO, 5.75% due 5/01/2009 (d) (e)   |
|       | Eastern Michigan University, Revenue Bonds, Series B (c):  |
| 1,500 | 5.60% due 6/01/2025  |
| 1,310 | 5.625% due 6/01/2030   |
| 1,025 | Eastern Michigan University, Revenue Refunding Bonds, 6% due 6/01/2020   |
|       | Eaton Rapids, Michigan, Public Schools, School Building and Site, GO, 5.25% due 5/01/2020  |
| 1,325 | 5.25% due 5/01/2021  |
| 1,675 | 5% due 5/01/2026   |
| 1,700 | 5% due 5/01/2029   |
| 3,600 |  |
| 615   | Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Hurley Medical Center), Series A, 5.375% due 7/01/2020 (i)      |
| 2,200 | Fowlerville, Michigan, Community Schools, School District, GO, 5% due 5/01/2030 (c)  |
| 1,000 | Frankenmuth, Michigan, School District, GO, 5.75% due 5/01/2010 (c)  |
| 3,650 | Gibraltar, Michigan, School District School Building and Site, GO, 5% due 5/01/2028 (c)  |
| 1,100 | Grand Blanc, Michigan, Community Schools, GO, 5.625% due 5/01/2020   |
|       | Grand Rapids, Michigan, Building Authority Revenue Bonds, Series A:  |
| 1,100 | 5.50% due 10/01/2019   |
| 1,500 | 5.50% due 10/01/2020   |
| 2,070 | Grand Valley, Michigan, State University Revenue Bonds, 5.50% due 5/01/2020  |
| 8,425 | Greater Detroit, Michigan, Resource Recovery Authority Revenue Bonds Series 167, 10.344% due 12/13/2008 (a) (g)                        |
|       | Gull Lake, Michigan, Community School District, School Building and Site, GO, 5% due 5/01/2028   |
| 2,000 | 5% due 5/01/2030   |
| 3,625 |  |
| 4,775 | Harper Woods, Michigan, City School District, School Building and Site, GO, 5% due 5/01/2034 (c)                                       |
| 9,325 | Hartland, Michigan, Consolidated School District, GO, 6% due 5/01/2020   |
| 3,990 | Hudsonville, Michigan, Public Schools, School Building and Site, GO, 5% due 5/01/2029 (d)  |
| 1,575 | Jenison, Michigan, Public Schools, Building and Site, GO, 5.50% due 5/01/2020  |
| 3,305 | Jonesville, Michigan, Community Schools, GO, 5.75% due 5/01/2029 (c)   |
| 6,850 | Kalamazoo, Michigan, Hospital Finance Authority, Hospital Facility Refunding Bonds (Bronson Methodist Hospital), 5.50% due 5/15/2028   |
| 4,000 | Kent, Michigan, Hospital Finance Authority, Hospital Revenue Refunding Bonds (Butterworth Hospital), Series A, 7.25% due 1/15/2013 (b) |

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|        |  |
|--------|--|
|        | Kent, Michigan, Hospital Finance Authority Revenue Bonds (Spectrum Series A:   |
| 1,000  | 5.50% due 1/15/2031  |
| 3,000  | 5.50% due 1/15/2031 (b)  |
| 1,510  | Lansing, Michigan, Building Authority, GO, Series A, 5.375% due 6/   |
| 5,235  | Lincoln Park, Michigan, School District, GO, 7% due 5/01/2006 (c) (  |
| 4,775  | Livonia, Michigan, Public School District, GO (Building and Site), 5/01/2010 (c) (e)   |
| 2,425  | Mayville, Michigan, Community Schools, School Building and Site, G 5/01/2034 (c)   |
| 2,500  | Mendon, Michigan, Community Schools, School Building and Site, GO, 5/01/2034 (c)   |
| 2,250  | Michigan Higher Education Facilities Authority, Limited Obligation Refunding Bonds (Hope College), Series A, 5.90% due 4/01/2032 |
|        | Michigan Higher Education Facilities Authority, Revenue Refunding (College for Creative Studies):                                |
| 1,235  | 5.85% due 12/01/2022   |
| 1,145  | 5.90% due 12/01/2027   |
| 2,500  | Michigan Higher Education Student Loan Authority, Student Loan Rev AMT, Series XVII-B, 5.40% due 6/01/2018 (a)                   |
| 1,065  | Michigan Municipal Bond Authority Revenue Bonds (Local Government Group A, 5.50% due 11/01/2020 (a)                              |
|        | Michigan Municipal Bond Authority, Revenue Refunding Bonds (Local Loan Program), Series A:                                       |
| 150    | 6.50% due 11/01/2012 (b)   |
| 1,000  | 6% due 12/01/2013 (c)  |
| 7,000  | 6.125% due 12/01/2018 (c)  |
|        | Michigan State Building Authority, Revenue Refunding Bonds (Facili   |
| 2,500  | (Facilities Program), Series I, 5.50% due 10/15/2018 (b)   |
| 3,000  | (Facilities Program), Series II, 5% due 10/15/2029 (b)   |
| 11,140 | RIB, Series 517X, 8.89% due 10/15/2010 (d) (g)   |
|        | Michigan State, COP (a):   |
| 3,000  | 5.40%** due 6/01/2022  |
| 3,000  | 5.50% due 6/01/2027  |
| 1,605  | Michigan State, HDA, Rental Housing Revenue Bonds, AMT, Series A, 10/01/2037 (b)   |
| 2,690  | Michigan State, HDA, Revenue Refunding Bonds, Series C, 5.90% due  |
| 2,530  | Michigan State Hospital Finance Authority, Hospital Revenue Bonds Obligation Group), Series A, 5.50% due 4/15/2018 (a)           |
|        | Michigan State Hospital Finance Authority, Hospital Revenue Refund   |
| 2,200  | (Crittenton Hospital), Series A, 5.625% due 3/01/2027  |
| 2,000  | (Sparrow Obligation Group), 5.625% due 11/15/2031  |
|        | Michigan State Hospital Finance Authority, Revenue Refunding Bonds   |
| 2,715  | (Ascension Health Credit), Series A, 5.75% due 11/15/2009 (b) (  |
| 12,000 | (Ascension Health Credit), Series A, 6.125% due 11/15/2009 (b)   |

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|        |  |
|--------|--|
| 2,500  | (Ascension Health Credit), Series A, 6.25% due 11/15/2009 (b) (  |
| 4,805  | (Mercy Health Services), Series T, 6.50% due 8/15/2013 (b)   |
| 2,000  | (Mercy Health Services), Series X, 6% due 8/15/2014 (b)  |
| 2,200  | (Mercy Health Services), Series X, 5.75% due 8/15/2019 (b)   |
| 4,930  | (Mercy Mount Clemens), Series A, 6% due 5/15/2014 (b)  |
| 3,000  | (Saint John Hospital), Series A, 6% due 5/15/2013 (a) (e) (h)  |
| 6,400  | (Trinity Health), Series A, 6% due 12/01/2027 (a)  |
| 1,000  | (Trinity Health Credit), Series C, 5.375% due 12/01/2023   |
| 5,255  | (Trinity Health Credit), Series C, 5.375% due 12/01/2030   |
| 2,800  | Michigan State Revenue Bonds, GAN, Series B, 1.83% due 9/15/2008 (   |
| 5,000  | Michigan State Strategic Fund, Limited Obligation Revenue Bonds (F<br>Company Project), AMT, Series A, 6.55% due 10/01/2022              |
|        | Michigan State Strategic Fund, Limited Obligation Revenue Refunding  |
| 7,250  | (Detroit Edison Company), AMT, Series A, 5.55% due 9/01/2029 (   |
| 6,000  | (Detroit Edison Company Fund - Pollution), Series AA, 6.95% du   |
| 3,300  | (Detroit Edison Pollution Control), Series C, 5.45% due 9/01/2   |
| 2,175  | (Dow Chemical Company Project), AMT, 5.50% due 12/01/2028  |
| 5,750  | RIB, Series 382, 10.64% due 9/01/2025 (b) (g)  |
| 4,300  | Michigan State Strategic Fund, PCR, Refunding (General Motors Corp<br>9/01/2020  |
| 1,000  | Michigan State Trunk Line, Revenue Refunding Bonds, 5.25% due 10/0   |
| 15,000 | Monroe County, Michigan, Economic Development Corp., Limited Oblig<br>Refunding Bonds (Detroit Edison Co. Project), Series AA, 6.95% due |
| 1,000  | Montrose Township, Michigan, School District, GO, 6.20% due 5/01/2   |
| 1,830  | Muskegon Heights, Michigan, Water System Revenue Bonds, Series A,<br>11/01/2025 (b)  |
| 235    | Northview, Michigan, Public School District, GO, Refunding, 5.80%<br>5/01/2021 (b)   |
| 1,100  | Norway Vulcan, Michigan, Area Schools, GO, 5.90% due 5/01/2025 (c)   |
| 5,320  | Orchard View, Michigan, Schools, School Building and Site, GO, 5%<br>5/01/2029 (b)   |
| 4,835  | Ostego, Michigan, Public Schools District, School Building and Sit<br>5/01/2034 (d)  |
| 2,425  | Oxford, Michigan, Area Community School District, GO, 5.50% due 5/   |
| 1,370  | Pennfield, Michigan, School District, School Building and Site, GO<br>5/01/2029 (c)  |
| 1,000  | Plainwell, Michigan, Community Schools, School District, School Bu<br>GO, 5.50% due 5/01/2020 (d)  |
| 3,905  | Plymouth-Canton, Michigan, Community School District, GO, 5% due 5   |
| 700    | Pontiac, Michigan, Tax Increment Finance Authority, Tax Increment<br>Refunding Bonds (Development Area 2), 5.625% due 6/01/2022 (i)      |
| 1,425  | Reed, Michigan, City Public Schools, School Building and Site, GO,<br>5/01/2026 (d)  |

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|                    |   |
|--------------------|---|
| 1,800              | Rochester, Michigan, Community School District, GO, Series II, 5.5% due 5/01/2015 (c)   |
| 2,500              | Saginaw, Michigan, Hospital Finance Authority, Revenue Refunding Bonds (Detroit Medical Center), Series E, 5.625% due 7/01/2013 (b)                 |
| 2,100              | Saginaw Valley State University, Michigan, General Revenue Refunding Bonds, Series A, 5% due 7/01/2024  |
| 1,445              | 5% due 7/01/2034  |
| 8,900              | Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Detroit Metropolitan Airport Company), RIB, Series 282, 10.64% due 8/01/2024 (a)(g) |
| 1,300              | Southfield, Michigan, Library Building Authority, GO, 5.50% due 5/01/2027   |
| 2,900              | Southfield, Michigan, Public Schools, School Building and Site, GO, 5.25% due 5/01/2027   |
| 3,500              | 5% due 5/01/2029  |
| 1,325              | Sparta, Michigan, Area Schools, School Building and Site, GO, 5% due 5/01/2030 (c)  |
| 1,900              | Sturgis, Michigan, Public School District, School Building and Site, GO, 5.50% due 5/01/2021  |
| 2,545              | 5.625% due 5/01/2030  |
| 1,000              | Three Rivers, Michigan, Community Schools GO, 6% due 5/01/2006 (b)  |
| 1,100              | Waverly, Michigan, Community School, GO, 5.50% due 5/01/2010 (c)(e)   |
| 10,660             | Wayne Charter County, Michigan, Airport Revenue Bonds (Detroit Metropolitan Wayne County), AMT, Series A, 5.375% due 12/01/2015 (b)                 |
| 1,750              | Wayne Charter County, Michigan, Detroit Metropolitan Airport, GO, Series A, 5% due 12/01/2030 (b)   |
| 1,710              | West Bloomfield, Michigan, School District, GO Refunding (c): 5.50% due 5/01/2017   |
| 1,225              | 5.50% due 5/01/2018   |
| 2,405              | West Branch-Rose City, Michigan, Area School District, GO, 5.50% due 5/01/2024 (c)  |
| 6,075              | Western Michigan University Revenue Bonds, 5% due 11/15/2035 (c)  |
| 1,600              | Zeeland, Michigan, Public Schools, School Building and Site, GO, 5% due 5/01/2029 (b)   |
| Puerto Rico - 3.5% |   |
| 1,270              | Puerto Rico Electric Power Authority, Power Revenue Bonds, Trust R, Class R, Series 16 HH, 9.333% due 7/01/2013 (d)(g)                              |
| 3,790              | Puerto Rico Municipal Finance Agency Revenue Bonds, Series A, 5% due 8/01/2027 (d)  |
|                    | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds (e):   |
| 1,000              | Series A, 5.375% due 8/01/2011 (b)  |
| 1,000              | Series E, 5.70% due 2/01/2010   |
| 2,150              | University of Puerto Rico, University Revenue Refunding Bonds, Series A, 5% due 8/01/2027 (d)   |

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due 6/01/2030 (b)

Total Investments (Cost - \$409,713\*) - 153.7%  
 Other Assets Less Liabilities - 3.1%  
 Preferred Stock, at Redemption Value - (56.8%)

Net Assets Applicable to Common Stock - 100.0%

\*The cost and unrealized appreciation (depreciation) of investments as of January 31, 2005, as computed for federal income tax purposes, were as follows:

(in Thousands)

|                               |            |
|-------------------------------|------------|
| Aggregate cost                | \$ 409,713 |
|                               | =====      |
| Gross unrealized appreciation | \$ 37,015  |
| Gross unrealized depreciation | (121)      |
|                               | -----      |
| Net unrealized appreciation   | \$ 36,894  |
|                               | =====      |

\*\*Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase of the Fund.

(a)AMBAC Insured.

(b)MBIA Insured.

(c)FGIC Insured.

(d)FSA Insured.

(e)Prerefunded.

(f)FHA Insured.

(g)The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.

(h)Escrowed to maturity.

(i)ACA Insured.

Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

(in Thousands)

| Affiliate                         | Net Activity | Dividend Income |
|-----------------------------------|--------------|-----------------|
| CMA Michigan Municipal Money Fund | (7,190)      | \$ 8            |

Forward interest rate swaps outstanding as of January 31, 2005 were as follows:

(in Thousands)

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|  | Notional<br>Amount | Unrealized<br>Depreciation |
|--|--------------------|----------------------------|
| Receive a variable rate equal to<br>7-Day Bond Market Association<br>Municipal Swap Index Rate and pay<br>a fixed rate of 3.619% |                    |                            |
| Broker, JPMorgan Chase Bank<br>Expires February 2015   | \$ 10,100          | \$ (106)                   |
| Receive a variable rate equal to<br>7-Day Bond Market Association<br>Municipal Swap Index Rate and pay<br>a fixed rate of 3.565% |                    |                            |
| Broker, JPMorgan Chase Bank<br>Expires April 2015  | \$ 21,500          | (53)                       |
| Total  |                    | -----<br>\$ (159)<br>===== |

Item 2 - Controls and Procedures

2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

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

MuniYield Michigan Insured Fund, Inc.

By: /s/ Robert C. Doll, Jr.  
Robert C. Doll, Jr.,  
President  
MuniYield Michigan Insured Fund, Inc.

Date: March 21, 2005



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

By: /s/ Robert C. Doll, Jr.  
Robert C. Doll, Jr.,  
President  
MuniYield Michigan Insured Fund, Inc.

Date: March 21, 2005

By: /s/ Donald C. Burke  
Donald C. Burke,  
Chief Financial Officer  
MuniYield Michigan Insured Fund, Inc.

Date: March 21, 2005