

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

MUNIYIELD MICHIGAN INSURED FUND INC
Form N-Q
September 29, 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., Chief Executive
Officer, 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: 05/01/05 - 07/31/05

Item 1 - Schedule of Investments

MuniYield Michigan Insured Fund, Inc.

Schedule of Investments as of July 31, 2005

| | Face Amount | Municipal Bonds |
|-------------------|----------------|---|
| Michigan - 154.3% | | 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 5/01/2027 |
| | 1,000 | Ann Arbor, Michigan, Public School District, School Building and 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 11/01/2033 (d) |
| | 1,000 | Central Montcalm, Michigan, Public Schools, GO, 5.90% due 5/01/2027 |
| | | Delta County, Michigan, Economic Development Corporation, Environ |

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| | | |
|-------|--|---|
| | | Revenue Refunding Bonds (Mead Westvaco-Escanaba) (e): |
| 1,500 | | AMT, Series B, 6.45% due 4/15/2012 |
| 2,000 | | Series A, 6.25% due 4/15/2012 |
| | | Detroit, Michigan, City School District, GO, Series A (e): |
| 1,000 | | 5.50% due 5/01/2012 (d) |
| 2,300 | | (School Building and Site Improvement), 5.375% due 5/01/2013 |
| | | Detroit, Michigan, GO (b): |
| 1,400 | | 5.50% due 4/01/2018 |
| 1,325 | | 5.50% due 4/01/2020 |
| | | 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 |

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 |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| RIB | Residual Interest Bonds |

MuniYield Michigan Insured Fund, Inc.

Schedule of Investments as of July 31, 2005 (concluded)

| | Face Amount | Municipal Bonds |
|-------------------------|----------------|---|
| Michigan (concluded) | \$ 4,375 | Detroit, Michigan, Water Supply System Revenue Bonds: DRIVERS, Series 200, 8.856% due 7/01/2011 (c) (e) (i) |
| | 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, 7/01/2012 (c) (h) |
| | 3,900 | Dickinson County, Michigan, Economic Development Corporation, En Improvement Revenue Refunding Bonds (International Paper Company 5.75% due 6/01/2016 |
| | 3,100 | Dickinson County, Michigan, Healthcare System, Hospital Revenue 5.80% due 11/01/2024 (g) |
| | 1,610 | East Grand Rapids, Michigan, Public School District, GO, 5.75% d |

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| | 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 6/01/2025 |
| | Eaton Rapids, Michigan, Public Schools, School Building and Site |
| 1,325 | 5.25% due 5/01/2020 |
| 1,675 | 5.25% due 5/01/2021 |
| 1,700 | 5% due 5/01/2026 |
| 3,600 | 5% due 5/01/2029 |
| | Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Medical Center), Series A (g): |
| 615 | 5.375% due 7/01/2020 |
| 1,375 | 6% due 7/01/2020 |
| 2,200 | Fowlerville, Michigan, Community Schools, School District, GO, 5.625% due 5/01/2020 |
| 1,000 | Frankenmuth, Michigan, School District, GO, 5.75% due 5/01/2010 |
| 3,650 | Gibraltar, Michigan, School District, School Building and Site, 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 (f): |
| 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, 9.85% due 12/13/2008 (a) (i) |
| | Gull Lake, Michigan, Community School District, School Building and Site |
| 2,000 | 5% due 5/01/2028 |
| 3,625 | 5% due 5/01/2030 |
| 4,775 | Harper Woods, Michigan, City School District, School Building and Site, Refunding, 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, 5/01/2029 (d) |
| 1,575 | Jenison, Michigan, Public Schools, Building and Site, GO, 5.50% due 5/01/2020 |
| 6,850 | Kalamazoo, Michigan, Hospital Finance Authority, Hospital Facility Revenue Bonds (Bronson Methodist Hospital), 5.50% due 5/15/2028 (b) |
| 4,000 | Kent, Michigan, Hospital Finance Authority, Hospital Revenue Refunding Bonds (Butterworth Hospital), Series A, 7.25% due 1/15/2013 (b) |
| | Kent, Michigan, Hospital Finance Authority Revenue Bonds (Spectrum Hospital), Series A (e): |
| 1,000 | 5.50% due 7/15/2011 |
| 3,000 | 5.50% due 7/15/2011 (b) |
| 1,510 | Lansing, Michigan, Building Authority, GO, Series A, 5.375% due 5/01/2020 |

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| 2,425 | Mayville, Michigan, Community Schools, School Building and Site, 5/01/2034 (c) |
| 2,500 | Mendon, Michigan, Community Schools, School Building and Site, G 5/01/2034 (c) |
| 1,875 | Michigan Higher Education Facilities Authority, Limited Obligati (Hillsdale College Project), 5% due 3/01/2035 |
| 2,250 | Michigan Higher Education Facilities Authority, Limited Obligati Bonds (Hope College), Series A, 5.90% due 4/01/2032 |
| | Michigan Higher Education Facilities Authority, Revenue Refundin (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 R Series XVII-B, 5.40% due 6/01/2018 (a) |
| 1,065 | Michigan Municipal Bond Authority Revenue Bonds (Local Governmen Group A, 5.50% due 11/01/2020 (a) |
| | Michigan Municipal Bond Authority, Revenue Refunding Bonds (Loca 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: |
| 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, 8.41% due 10/15/2010 (d) (i) |
| | 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% du |
| 2,530 | Michigan State Hospital Finance Authority, Hospital Revenue Bond Obligation Group), Series A, 5.50% due 4/15/2018 (a) |
| | Michigan State Hospital Finance Authority, Hospital Revenue Refu (Crittenton Hospital), Series A, 5.625% due 3/01/2027 |
| 2,200 | (Sparrow Obligation Group), 5.625% due 11/15/2031 |
| | Michigan State Hospital Finance Authority, Revenue Refunding Bon |
| 6,225 | 5% due 11/15/2036 (b) |
| 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 (|
| 2,500 | (Ascension Health Credit), Series A, 6.25% due 11/15/2009 (b) |
| 4,805 | (Mercy Health Services), Series T, 6.50% due 8/15/2007 (b) (e) |
| 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) (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 |

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| 5,255 | (Trinity Health Credit), Series C, 5.375% due 12/01/2030 |
| 5,000 | Michigan State Strategic Fund, Limited Obligation Revenue Bonds Project), AMT, Series A, 6.55% due 10/01/2022 |
| 7,250 | Michigan State Strategic Fund, Limited Obligation Revenue Refund (Detroit Edison Company), AMT, Series A, 5.55% due 9/01/2029 |
| 6,000 | (Detroit Edison Company Fund - Pollution), Series AA, 6.95% |
| 3,300 | (Detroit Edison Pollution Control), Series C, 5.45% due 9/01/2028 |
| 2,175 | (Dow Chemical Company Project), AMT, 5.50% due 12/01/2028 |
| 5,750 | RIB, Series 382, 10.16% due 9/01/2025 (b)(i) |
| 15,000 | Monroe County, Michigan, Economic Development Corp., Limited Obl Refunding Bonds (Detroit Edison Co. Project), Series AA, 6.95% d |
| 1,000 | Montrose Township, Michigan, School District, GO, 6.20% due 5/01/2025 |
| 1,830 | Muskegon Heights, Michigan, Water System Revenue Bonds, Series A 11/01/2025 (b) |
| 235 | Northview, Michigan, Public School District, GO, Refunding, 5.80% |
| 1,100 | Norway Vulcan, Michigan, Area Schools, GO, 5.90% due 5/01/2009 (|
| 5,320 | Orchard View, Michigan, Schools, School Building and Site, GO, 5 |
| 4,835 | Ostego, Michigan, Public Schools District, School Building and S 5/01/2034 (d) |
| 2,425 | Oxford, Michigan, Area Community School District, GO, 5.50% due |
| 1,370 | Pennfield, Michigan, School District, School Building and Site, 5/01/2029 (c) |
| 1,000 | Plainwell, Michigan, Community Schools, School District, School GO, 5.50% due 11/01/2012 (d)(e) |
| 3,905 | Plymouth-Canton, Michigan, Community School District, GO, 5% due |
| 700 | Pontiac, Michigan, Tax Increment Finance Authority, Revenue Refu (Development Area Number 2), 5.625% due 6/01/2022 (g) |
| 1,425 | Reed, Michigan, City Public Schools, School Building and Site, G |
| 2,500 | Saginaw, Michigan, Hospital Finance Authority, Revenue Refunding Medical Center), Series E, 5.625% due 7/01/2013 (b) |
| 2,100 | Saginaw Valley State University, Michigan, General Revenue Refun 5% due 7/01/2024 |
| 1,445 | 5% due 7/01/2034 |
| 8,900 | Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Company), RIB, Series 282, 10.16% due 8/01/2024 (a)(i) |
| 1,300 | Southfield, Michigan, Library Building Authority, GO, 5.50% due |
| 2,900 | Southfield, Michigan, Public Schools, School Building and Site, 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% |

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| | | |
|--------------------|--------|---|
| | 2,700 | Sturgis, Michigan, Public School District, GO, Refunding, 5% due |
| | 1,775 | Tecumseh, Michigan, Public Schools, GO, Refunding, 5.125% due 5/ |
| | 1,100 | Waverly, Michigan, Community School, GO, 5.50% due 5/01/2010 (c) |
| | 10,660 | Wayne Charter County, Michigan, Airport Revenue Bonds (Detroit M 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) |
| | | Wayne County, Michigan, Airport Authority Revenue Bonds (Detroit County Airport), AMT (b): |
| | 7,525 | 5.25% due 12/01/2025 |
| | 6,300 | 5.25% due 12/01/2026 |
| | 6,000 | 5% due 12/01/2034 |
| | | West Bloomfield, Michigan, School District, GO Refunding (c): |
| | 1,710 | 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% |
| | 6,075 | Western Michigan University Revenue Bonds, 5% due 11/15/2035 (c) |
| | 1,600 | Zeeland, Michigan, Public Schools, School Building and Site, GO, |
| Puerto Rico - 4.5% | | Puerto Rico Commonwealth, Infrastructure Financing Authority, Sp Appreciation Revenue Bonds, Series A: |
| | 4,600 | 4.680%** due 7/01/2031 (c) |
| | 11,700 | 4.657%** due 7/01/2036 (a) |
| | 1,270 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Trust Series 16 HH, 8.804% due 7/01/2013 (d) (i) |
| | 3,790 | Puerto Rico Municipal Finance Agency Revenue Bonds, Series A, 5% |
| | 1,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriati Series E, 5.70% due 2/01/2010 (e) |
| | 2,150 | University of Puerto Rico, University Revenue Refunding Bonds, S due 6/01/2030 (b) |
| | | Total Municipal Bonds (Cost - \$411,076) - 154.3% |
| Shares | | |
| Held | | Short-Term Securities |
| | 1,502 | CMA Michigan Municipal Money Fund (j) |
| | | Total Short-Term Securities (Cost - \$1,502) - 0.5% |
| | | Total Investments (Cost - \$412,578*) - 154.8% |
| | | Other Assets Less Liabilities - 2.9% |
| | | Preferred Stock, at Redemption Value - (57.7%) |
| | | Net Assets Applicable to Common Stock - 100.0% |

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

| | (in Thousands) |
|-------------------------------|----------------|
| Aggregate cost | \$ 412,578 |
| | ===== |
| Gross unrealized appreciation | \$ 30,791 |
| Gross unrealized depreciation | (396) |
| | ----- |
| Net unrealized appreciation | \$ 30,395 |
| | ===== |

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

- (a) AMBAC Insured.
- (b) MBIA Insured.
- (c) FGIC Insured.
- (d) FSA Insured.
- (e) Prerefunded.
- (f) FHA Insured.
- (g) ACA Insured.
- (h) Escrowed to maturity.
- (i) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (j) 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:

| | (in Thousands) | |
|-----------------------------------|-----------------|--------------------|
| Affiliate | Net Activity | Dividend Income |
| CMA Michigan Municipal Money Fund | (5,688) | \$ 17 |

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

| | (in Thousands) | |
|--|--------------------|----------------------------|
| | Notional Amount | Unrealized Appreciation |
| Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate of 3.647% | | |
| Broker, JPMorgan Chase Bank | | |

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Expires October 2015

\$21,500

\$ 34

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.,
Chief Executive Officer
MuniYield Michigan Insured Fund, Inc.

Date: September 23, 2005

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.,
Chief Executive Officer
MuniYield Michigan Insured Fund, Inc.

Date: September 23, 2005

By: /s/ Donald C. Burke

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Donald C. Burke,
Chief Financial Officer
MuniYield Michigan Insured Fund, Inc.

Date: September 23, 2005