

BLACKROCK MUNIYIELD CALIFORNIA INSURED FUND, INC
Form N-CSRS
April 07, 2009

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

**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)

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

Date of fiscal year end: 07/31/2009

Date of reporting period: 08/01/2008 – 01/31/2009

Item 1 – Report to Stockholders

Semi-Annual Report

JANUARY 31, 2009 | (UNAUDITED)

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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A Letter to Shareholders

Dear Shareholder

The present time may well be remembered as one of the most tumultuous periods in financial market history. Over the past year, the bursting of the housing bubble and the resultant credit crisis swelled into an all-out global financial market meltdown that featured the collapse of storied financial firms, volatile swings in the world's financial markets and monumental government responses, including the nearly \$800 billion economic stimulus plan signed into law just after period end.

The US economy appeared relatively resilient through the first few months of 2008, when rising food and energy prices fueled inflation fears. Mid-summer ushered in dramatic changes — inflationary pressure subsided amid a plunge in commodity prices, while economic pressures intensified in the midst of a rapid deterioration in consumer spending, employment and other key indicators. By year's end, the National Bureau of Economic Research affirmed that the United States was in a recession, which officially began in December 2007. The Federal Reserve Board (the "Fed"), after slashing interest rates aggressively early in the period, resumed that rate-cutting campaign in the fall, with the final reduction in December 2008 bringing the target federal funds rate to a record low range of between zero and 0.25%. Importantly, the central bank pledged that future policy moves to revive the global economy and financial markets would comprise primarily nontraditional and quantitative easing measures, such as capital injections, lending programs and government guarantees.

Against this backdrop, US equity markets experienced intense volatility, with the sentiment turning decisively negative toward period end. Declines were significant and broad-based, with little divergence among large- and small-cap stocks. Non-US stocks posted stronger results early on, but quickly lost ground as the credit crisis revealed itself to be global in scope and as the worldwide economic slowdown gathered pace. Overall, aggressive monetary and fiscal policy, combined with the defensiveness of the US, helped domestic equities notch better performance than their non-US counterparts.

In fixed income markets, risk aversion remained the popular theme, leading the Treasury sector to top all other asset classes. The high yield market was particularly hard hit in this environment, as economic turmoil, combined with frozen credit markets and substantial technical pressures, took a heavy toll. Meanwhile, the municipal bond market was challenged by a dearth of market participants, lack of liquidity, difficult funding environment and backlog of new-issue supply, which sent prices lower and yields well above Treasuries. By period end, however, some positive momentum had returned to the municipal space.

In all, an investor flight to safety prevailed, as evidenced in the six- and 12-month returns of the major benchmark indexes:

| Total Returns as of January 31, 2009 | 6-month | 12-month |
|---|----------------|-----------------|
| US equities (S&P 500 Index) | (33.95)% | (38.63)% |
| Small cap US equities (Russell 2000 Index) | (37.38) | (36.84) |
| International equities (MSCI Europe, Australasia, Far East Index) | (40.75) | (43.74) |
| US Treasury securities (Merrill Lynch 10-Year US Treasury Index) | 11.96 | 10.64 |
| Taxable fixed income (Barclays Capital US Aggregate Bond Index*) | 3.23 | 2.59 |
| Tax-exempt fixed income (Barclays Capital Municipal Bond Index*) | 0.70 | (0.16) |
| High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index*) | (19.07) | (19.72) |

* Formerly a Lehman Brothers index.

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

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Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. 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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of January 31, 2009 (Unaudited)

BlackRock MuniHoldings Insured Fund II, Inc.

Investment Objective

BlackRock MuniHoldings Insured Fund II, Inc. (MUE) (the “Fund”) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

Performance

For the six months ended January 31, 2009, the Fund returned (6.66)% based on market price and (7.33)% 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 (4.58)% on a market price basis and (6.20)% 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. A positive contributor to performance was the Fund’s significant overweight in pre-refunded bonds in the one-to five-year maturity range, as the yield curve steepened and short- and intermediate-maturity issues outperformed. Conversely, spread products, such as health care, housing and corporate-backed bonds, significantly underperformed as the economic downturn continued to add more stress on the fundamental credit quality for these sectors. The Fund’s exposure to these issues detracted from results.

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

Fund Information

| | |
|---|-------------------|
| Symbol on New York Stock Exchange | MUE |
| Initial Offering Date | February 26, 1999 |
| Yield on Closing Market Price as of January 31, 2009 (\$10.23) ¹ | 5.87% |
| Tax Equivalent Yield ² | 9.03% |
| Current Monthly Distribution per share of Common Shares ³ | \$0.05 |
| Current Annualized Distribution per share of Common Shares ³ | \$0.60 |
| Leverage as of January 31, 2009 ⁴ | 43% |

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

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

³ The distribution rate 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:

| | 1/31/09 | 7/31/08 | Change | High | Low |
|-----------------|---------|---------|----------|---------|--------|
| Market Price | \$10.23 | \$11.30 | (9.47)% | \$11.55 | \$7.00 |
| Net Asset Value | \$11.54 | \$12.84 | (10.12)% | \$13.11 | \$9.70 |

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

Sector Allocations

| | 1/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 25% | 20% |
| Transportation | 25 | 24 |
| Utilities — Electric & Gas | 11 | 10 |
| Hospitals/Health Care | 9 | 13 |
| Housing | 7 | 7 |
| Utilities — Water & Sewer | 6 | 6 |
| Education | 5 | 4 |
| IDA/PCR/Resource Recovery | 5 | 8 |
| State | 3 | 5 |
| Special Tax | 2 | 1 |
| Lease Obligation | 2 | 2 |

Credit Quality Allocations⁵

| | 1/31/09 | 7/31/08 |
|---------|---------|---------|
| AAA/Aaa | 43% | 48% |
| AA/Aa | 45 | 45 |
| A/A | 9 | 6 |
| BBB/Baa | 3 | 1 |

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

Fund Summary as of January 31, 2009 (Unaudited)

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.

Performance

For the six months ended January 31, 2009, the Fund returned (10.15)% based on market price and (4.81)% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (10.16)% on a market price basis and (6.34)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund’s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. A neutral duration posture and a relatively high cash equivalent reserve provided some cushion to the Fund’s NAV, as tax-exempt rates generally rose. Relative to its Lipper peers, the Fund benefited from lower exposure to poorer-rated monoline insurers. Management’s strategy is to pursue a balanced approach to returns, emphasizing income accrual and muting price volatility. Credit fundamentals warrant close monitoring in the current weak economic environment, and management will improve quality as opportunities arise.

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Fund Information

| | |
|---|------------------|
| Symbol on New York Stock Exchange | MCA |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of January 31, 2009 (\$10.74) ¹ | 5.98% |
| Tax Equivalent Yield ² | 9.20% |
| Current Monthly Distribution per share of Common Shares ³ | \$0.0535 |
| Current Annualized Distribution per share of Common Shares ³ | \$0.6420 |
| Leverage as of January 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%.

³ The distribution rate 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

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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:

| | 1/31/09 | 7/31/08 | Change | High | Low |
|-----------------|---------|---------|----------|---------|----------|
| Market Price | \$10.74 | \$12.33 | (12.90)% | \$12.54 | \$ 6.95 |
| Net Asset Value | \$12.79 | \$13.86 | (7.72)% | \$14.17 | \$ 10.46 |

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

Sector Allocations

| | 1/31/09 | 7/31/08 |
|--|---------|---------|
| County/City/Special District/School District | 46% | 47% |
| Utilities — Water & Sewer | 22 | 17 |
| Transportation | 14 | 13 |
| Education | 7 | 8 |
| State | 4 | 4 |
| Utilities — Electric & Gas | 3 | 3 |
| Housing | 2 | 2 |
| Hospitals/Health Care | 1 | 4 |
| Utilities — Irrigation, Resource Recovery, Solid Waste & Other | 1 | 1 |
| Lease Obligations/COP | — | 1 |

Credit Quality Allocations⁵

| | 1/31/09 | 7/31/08 |
|-----------|---------|----------------|
| AAA/Aaa | 43% | 42% |
| AA/Aa | 49 | 46 |
| A/A | 8 | 11 |
| Not Rated | — | 1 ₆ |

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 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 January 31, 2009 (Unaudited)

BlackRock MuniYield Insured Fund, Inc.

Investment Objective

BlackRock MuniYield Insured Fund, Inc. (MYI) (the “Fund”) seeks to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

Performance

For the six months ended January 31, 2009, the Fund returned (11.51)% based on market price and (10.04)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (4.58)% on a market price basis and (6.20)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund’s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund benefited from its above-average yield, but its constructive positioning during a period of generally increasing yields hurt performance. Performance was also hindered by above-average exposure to the longer end of the yield curve, where yields rose, and by above-average exposure to select monoline insurers, whose credit difficulties decreased the value of insured bonds. Fund management worked to upgrade credit quality and sell weaker credits during this very volatile and illiquid performance period.

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Fund Information

| | |
|---|----------------|
| Symbol on New York Stock Exchange | MYI |
| Initial Offering Date | March 27, 1992 |
| Yield on Closing Market Price as of January 31, 2009 (\$10.46) ¹ | 6.42% |
| Tax Equivalent Yield ² | 9.88% |
| Current Monthly Distribution per share of Common Shares ³ | \$0.056 |
| Current Annualized Distribution per share of Common Shares ³ | \$0.672 |
| Leverage as of January 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.

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

³ The distribution rate 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

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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:

| | 1/31/09 | 7/31/08 | Change | High | Low |
|-----------------|---------|---------|----------|---------|--------|
| Market Price | \$10.46 | \$12.22 | (14.40)% | \$12.30 | \$7.07 |
| Net Asset Value | \$11.19 | \$12.86 | (12.99)% | \$13.22 | \$9.02 |

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

Sector Allocations

| | 1/31/09 | 7/31/08 |
|--|---------|---------|
| Transportation | 32% | 33% |
| County/City/Special District/School District | 17 | 17 |
| Hospitals/Health Care | 9 | 7 |
| Utilities — Water & Sewer | 9 | 7 |
| IDA/PCR/Resource Recovery | 9 | 8 |
| Utilities — Electric & Gas | 7 | 8 |
| Housing | 6 | 5 |
| Education | 6 | 8 |
| State | 3 | 4 |
| Utilities — Irrigation, Resource Recovery, Solid Waste & Other | 1 | 2 |
| Lease Obligations | 1 | 1 |

Credit Quality Allocations⁵

| | 1/31/09 | 7/31/08 |
|---------|---------|---------|
| AAA/Aaa | 48% | 50% |
| AA/Aa | 37 | 37 |
| A/A | 12 | 9 |
| BBB/Baa | 3 | 4 |

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

Fund Summary as of January 31, 2009 (Unaudited)

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.

Performance

For the six months ended January 31, 2009, the Fund returned (10.09)% based on market price and (3.46)% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (10.16)% on a market price basis and (6.34)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund’s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Fund performance was driven primarily by a rising yield (and correspondingly falling price) environment for intermediate and long-term municipals during the second half of 2008. Pre-refunded and escrowed issues were the best-performing municipal sectors for the period, and the Fund’s high allocation to these areas had a positive influence on results.

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Fund Information

| | |
|---|-------------------|
| Symbol on New York Stock Exchange | MYM |
| Initial Offering Date | February 28, 1992 |
| Yield on Closing Market Price as of January 31, 2009 (\$10.12) ¹ | 6.40% |
| Tax Equivalent Yield ² | 9.85% |
| Current Monthly Distribution per share of Common Shares ³ | \$0.054 |
| Current Annualized Distribution per share of Common Shares ³ | \$0.648 |
| Leverage as of January 31, 2009 ⁴ | 39% |

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

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

³ The distribution rate 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.

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

| | 1/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|----------|----------|----------|
| Market Price | \$ 10.12 | \$ 11.63 | (12.98)% | \$ 11.74 | \$ 7.00 |
| Net Asset Value | \$ 12.37 | \$ 13.24 | (6.57)% | \$ 13.54 | \$ 10.95 |

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

Sector Allocations

| | 1/31/09 | 7/31/08 |
|---|---------|---------|
| County/City/Special District/ School District | 25% | 32% |
| Hospitals/Health Care | 16 | 15 |
| IDA/PCR/Resource Recovery | 11 | 8 |
| Transportation | 11 | 11 |
| Utilities — Water & Sewer | 11 | 11 |
| Lease Obligation | 8 | 6 |
| Education | 7 | 6 |
| Utilities — Electric & Gas | 6 | 6 |
| State | 2 | 2 |
| Special Tax | 2 | 2 |
| Housing | 1 | 1 |

Credit Quality Allocations⁵

| | 1/31/09 | 7/31/08 |
|-----------|---------|---------|
| AAA/Aaa | 29% | 36% |
| AA/Aa | 47 | 50 |
| A/A | 20 | 10 |
| BBB/Baa | 2 | 3 |
| Not Rated | 2 | 1 |

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

Fund Summary as of January 31, 2009 (Unaudited)

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.

Performance

For the six months ended January 31, 2009, the Fund returned (12.46)% based on market price and (7.06)% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (10.16)% on a market price basis and (6.34)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund’s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Fund performance was positively influenced by its above-average distribution rate. The Fund’s overweight in longer-maturity insured bonds with weaker underlying ratings detracted overall, but benefited performance toward the end of the period. These bonds significantly underperformed during the past year due to deteriorating credits and ratings of the mono-line insurers, but they began a turnaround in early 2009. Fortunately, management avoided selling these holdings when values were distressed, which would have locked in their underperformance.

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Fund Information

| | |
|---|-------------------|
| Symbol on New York Stock Exchange | MYN |
| Initial Offering Date | February 28, 1992 |
| Yield on Closing Market Price as of January 31, 2009 (\$10.00) ¹ | 6.30% |
| Tax Equivalent Yield ² | 9.69% |
| Current Monthly Distribution per share of Common Shares ³ | \$0.0525 |
| Current Annualized Distribution per share of Common Shares ³ | \$0.6300 |
| Leverage as of January 31, 2009 ⁴ | 40% |

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

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

³ The distribution rate 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

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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:

| | 1/31/09 | 7/31/08 | Change | High | Low |
|-----------------|----------|----------|----------|----------|---------|
| Market Price | \$ 10.00 | \$ 11.80 | (15.25)% | \$ 12.03 | \$ 6.64 |
| Net Asset Value | \$ 11.84 | \$ 13.16 | (10.03)% | \$ 13.50 | \$ 9.94 |

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

Sector Allocations

| | 1/31/09 | 7/31/08 |
|---|---------|---------|
| Transportation | 26% | 29% |
| County/City/Special District/ School District | 25 | 25 |
| IDA/PCR/Resource Recovery | 10 | 10 |
| State | 9 | 8 |
| Utilities — Water & Sewer | 7 | 7 |
| Utilities — Electric & Gas | 5 | 7 |
| Hospital/Health Care | 5 | 4 |
| Education | 4 | 3 |
| Special Tax | 4 | 4 |
| Housing | 3 | 2 |
| Tobacco | 1 | 1 |
| Utility | 1 | — |

Credit Quality Allocations⁵

| | 1/31/09 | 7/31/08 |
|-----------|---------|---------|
| AAA/Aaa | 43% | 47% |
| AA/Aa | 32 | 39 |
| A/A | 21 | 9 |
| BBB/Baa | 4 | 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 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 Fund's total portfolio of \$150 million earns 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 yield.

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 yield 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 shareholders will be reduced. The Funds may be required to sell portfolio securities at inopportune times or below fair market 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, the Funds are permitted to issue Preferred Shares in an amount up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of January 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**

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| | |
|--|-----|
| BlackRock MuniHoldings Insured Fund II, Inc. | 43% |
| BlackRock MuniYield California Insured Fund, Inc. | 38% |
| BlackRock MuniYield Insured Fund, Inc. | 41% |
| BlackRock MuniYield Michigan Insured Fund II, Inc. | 39% |
| BlackRock MuniYield New York Insured Fund, Inc. | 40% |

Derivative Instruments

The Funds may invest in various derivative instruments, including swap agreements and futures, and other instruments specified in 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 other party to the transaction and illiquidity of the derivative instrument. A Fund's ability to successfully use a derivative instrument depends on the 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 prices other than current market 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 January 31, 2009 (Unaudited)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| Alabama — 0.9% | | |
| Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50%, 1/01/22 | \$ 3,580 | \$ 2,367,311 |
| Alaska — 0.7% | | |
| Anchorage, Alaska, Water Revenue Refunding Bonds, 6%, 9/01/24 (a) | 1,630 | 1,672,331 |
| Arkansas — 4.5% | | |
| Arkansas State Development Finance Authority, M/F Mortgage Revenue Refunding Bonds, Series C, 5.35%, 12/01/35 (b)(c) | 12,215 | 11,597,776 |
| California — 13.8% | | |
| California State, Veterans, GO, Refunding, AMT, Series BZ, 5.35%, 12/01/21 (b) | 9,350 | 8,800,126 |
| Dixon, California, Unified School District, GO (Election of 2002), 5.20%, 8/01/44 (d) | 2,405 | 2,270,440 |
| Eastern Municipal Water District, California, Water and Sewer, COP, Series H, 5%, 7/01/35 | 1,175 | 1,106,063 |
| Modesto, California, Schools Infrastructure Financing Agency, Special Tax Bonds, 5.50%, 9/01/36 (a) | 4,240 | 3,289,562 |
| Port of Oakland, California, Revenue Bonds, AMT, Series K, 5.75%, 11/01/21 (b)(e) | 3,000 | 2,940,570 |
| Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375%, 11/01/27 (b)(e) | 5,000 | 4,236,600 |
| Roseville, California, Joint Union High School District, GO (Election of 2004), Series A, 5%, 8/01/29 (b)(e) | 2,985 | 2,913,927 |
| Sacramento, California, City Financing Authority, Capital Improvement Revenue Bonds, 5%, 12/01/27 (a) | 150 | 145,713 |
| San Diego, California, Community College District, GO (Election of 2002), 5%, 5/01/30 (d) | 1,485 | 1,456,310 |
| San Francisco, California, City and County Airport Commission, International Airport, Special Facilities Lease Revenue Bonds (SFO Fuel Company LLC), AMT, Series A, 6.10%, 1/01/20 (d) | 1,250 | 1,257,550 |

| Municipal Bonds | Par (000) | Value |
|-------------------------------|--------------|-------|
| California (concluded) | | |

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Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A (f):

| | | | | |
|--|----|-------|-------|------------|
| 5.25%, 9/01/31 | \$ | 495 | \$ | 385,298 |
| 5.25%, 9/01/34 | | | 2,930 | 2,227,445 |
| Vista, California, COP (Community Projects), 5%, 5/01/37 (b) | | 5,400 | | 4,447,764 |
| | | | | 35,477,368 |

Colorado — 4.4%

| | | | | |
|--|--|-------|--|------------|
| Aurora, Colorado, COP, 5.75%, 12/01/10 (a)(g) | | 6,285 | | 6,838,269 |
| Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Senior Series A-2, 7.50%, 4/01/31 | | 190 | | 204,225 |
| Colorado Health Facilities Authority, Hospital Revenue Refunding Bonds (Poudre Valley Health Care), Series A, 5.75%, 12/01/09 (d)(g) | | 4,000 | | 4,208,640 |
| | | | | 11,251,134 |

District of Columbia — 1.5%

| | | | | |
|---|--|-------|--|-----------|
| District of Columbia, Deed Tax Revenue Bonds (Housing Production Trust Fund — New Communities Project), Series A, 5%, 6/01/32 (b) | | 2,500 | | 2,159,900 |
| District of Columbia, Water and Sewer Authority, Public Utility Revenue Refunding Bonds, Senior Lien, Series A, 6%, 10/01/35 (r) | | 1,700 | | 1,778,506 |
| | | | | 3,938,406 |

Florida — 27.0%

| | | | | |
|--|--|-------|--|-----------|
| Broward County, Florida, HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series E, 5.90%, 10/01/39 (h)(i)(j) | | 2,310 | | 2,332,615 |
| Broward County, Florida, School Board, COP, Series A, 5.25%, 7/01/33 (d) | | 5,600 | | 5,290,824 |
| Hillsborough County, Florida, IDA, PCR, Refunding (Tampa Electric Company Project), Series B, 5.15%, 9/01/25 | | 1,200 | | 1,187,088 |
| Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Bonds (Baptist Medical Center Project), 5%, 8/15/37 (d) | | 7,740 | | 6,783,723 |
| Jacksonville, Florida, Port Authority Revenue Bonds, AMT, 6%, 11/01/38 (k) | | 6,250 | | 5,710,562 |

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the list on the right.

AMT Alternative Minimum Tax (subject to)

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| | |
|----------------|--|
| CABS | Capital Appreciation Bonds |
| COP | Certificates of Participation |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| EDA | Economic Development Authority |
| GAN | Grant Anticipation Notes |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Agency |
| IDA | Industrial Development Authority |
| IDR | Industrial Development Revenue Bonds |
| M/F | Multi-Family |
| PCR | Pollution Control Revenue Bonds |
| S/F | Single-Family |
| VRDN | Variable Rate Demand Notes |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Florida (concluded) | | |
| Lee Memorial Health System, Florida, Hospital Revenue Bonds, Series A, 5%, 4/01/32 (a) | \$ 5,000 | \$ 3,665,900 |
| Miami, Florida, Special Obligation Revenue Bonds (Street and Sidewalk Improvement Program), 5%, 1/01/37 (b) | 2,900 | 2,491,854 |
| Miami-Dade County, Florida, Aviation Revenue Bonds, AMT, Series A, 5%, 10/01/33 (d) | 6,730 | 5,385,144 |
| Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A (d): | | |
| 5.25%, 10/01/41 | 13,800 | 11,154,402 |
| 5.50%, 10/01/41 | 6,700 | 5,636,375 |
| Miami-Dade County, Florida, School Board, COP, Refunding, Series B, 5.25%, 5/01/31 (k) | 3,600 | 3,431,700 |
| Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (b)(l) | 3,670 | 476,109 |
| Orlando, Florida, Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series A, 5.25%, 11/01/38 (k) | 4,000 | 3,732,320 |
| Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, 5.125%, 12/01/28 (a) | 6,300 | 5,189,184 |
| Saint Johns County, Florida, Water and Sewer Revenue Bonds, CABS, 5.36%, 6/01/31 (a)(l) | 5,065 | 1,276,127 |
| Seminole County, Florida, Water and Sewer Revenue Bonds, 5%, 10/01/31 | 6,250 | 5,948,438 |
| | | 69,692,365 |
| Idaho — 0.1% | | |
| Idaho Housing and Finance Association, S/F Mortgage Revenue Bonds, AMT, Series E, 6%, 1/01/32 | 330 | 323,512 |
| Illinois — 3.2% | | |
| Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, Series A (b): | | |
| AMT, 5.75%, 1/01/19 | 3,125 | 3,149,000 |
| 5%, 1/01/31 | 1,430 | 1,274,387 |
| Chicago, Illinois, Transit Authority, Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5309 Formula Funds), Series A, 6%, 6/01/26 (k) | 3,400 | 3,721,130 |
| Lake, Cook, Kane and McHenry Counties, Illinois, Community Unit School District Number 220, GO, 6%, 12/01/20 (e) | 125 | 132,683 |
| | | 8,277,200 |

Indiana — 5.5%

Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series A (b):

| | | |
|-------------|-------|------------|
| 5%, 1/01/37 | 8,000 | 7,099,680 |
| 5%, 1/01/42 | 8,000 | 6,969,600 |
| | | 14,069,280 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Kansas — 2.3%

| | | |
|--|----------|--------------|
| Kansas State Development Finance Authority, Health Facilities Revenue Bonds (Sisters of Charity Leavenworth), Series J, 6.125%, 12/01/20 | \$ 3,510 | \$ 3,592,555 |
| Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Bonds, AMT, Series A-2, 6.20%, 12/01/33 (h)(j) | 2,250 | 2,286,518 |
| | | 5,879,073 |

Kentucky — 0.4%

| | | |
|--|-------|-----------|
| Kentucky Economic Development Financing Authority, Louisville Arena Project Revenue Bonds (Louisville Arena Authority, Inc.), Sub-Series A-1, 6%, 12/01/38 (k) | 1,150 | 1,143,560 |
|--|-------|-----------|

Michigan — 8.6%

| | | |
|--|-------|------------|
| Detroit, Michigan, Sewer Disposal Revenue Refunding Bonds, Senior Lien, Series B, 5.25%, 7/01/22 | 9,235 | 9,026,012 |
| Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Mercy-Mount Clemens), Series A, 6%, 5/15/09 (b)(g) | 1,000 | 1,025,260 |
| Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (m): | | |
| Series A, 5.50%, 6/01/30 | 2,000 | 1,626,380 |
| Series C, 5.65%, 9/01/29 | 5,000 | 4,178,900 |
| Royal Oak, Michigan, Hospital Finance Authority, Hospital Revenue Refunding Bonds (William Beaumont Hospital), 8.25%, 9/01/39 | 3,115 | 3,182,782 |
| Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Detroit Edison Co. Project), Series AA, 6.40%, 8/01/24 (a) | 3,000 | 3,067,620 |
| | | 22,106,954 |

Minnesota — 6.1%

| | | |
|---|-------|------------|
| Minneapolis, Minnesota, Health Care System, Revenue Refunding Bonds (Fairview Health Services), Series B, 6.50%, 11/15/38 (k) | 1,975 | 2,086,035 |
| Prior Lake, Minnesota, Independent School District Number 719, GO (d): | | |
| 5.50%, 2/01/16 | 2,555 | 2,648,053 |
| 5.50%, 2/01/17 | 1,830 | 1,896,649 |
| 5.50%, 2/01/18 | 3,570 | 3,700,019 |
| 5.50%, 2/01/19 | 2,840 | 2,943,433 |
| Sauk Rapids, Minnesota, Independent School District Number 47, GO, Series A, 5.625%, 2/01/18 (b) | 2,185 | 2,332,619 |
| | | 15,606,808 |

Nevada — 4.6%

| | | |
|---|--------|------------|
| Clark County, Nevada, Airport Revenue Bonds (Jet Aviation Fuel Tax), AMT, Series C, 5.375%, 7/01/20 (a) | 1,200 | 1,163,124 |
| Clark County, Nevada, Water Reclamation District, Limited Tax, GO, 6%, 7/01/38 | 10,000 | 10,597,000 |

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 |
|---|--------------|-------------------|
| Nevada (concluded) | | |
| Nevada Housing Division, S/F Mortgage Revenue Bonds, AMT, Series A-2, 6.30%, 4/01/22 (b) | \$ 95 | \$ 96,568 |
| | | <u>11,856,692</u> |
| New Jersey — 5.2% | | |
| New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25%, 7/01/33 (b) | 11,000 | 10,296,220 |
| New Jersey State Transportation Trust Fund Authority, Transportation System Revenue Bonds, Series A, 5.625%, 12/15/28 | 2,930 | 3,043,391 |
| | | <u>13,339,611</u> |
| New York — 1.6% | | |
| New York City, New York, City Transitional Finance Authority, Building Aid Revenue Bonds, Series S-3, 5.25%, 1/15/39 | 2,300 | 2,193,280 |
| Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25%, 6/01/21 (a) | 2,000 | 2,024,580 |
| | | <u>4,217,860</u> |
| North Carolina — 0.5% | | |
| North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series 14-A, 5.35%, 1/01/22 (a) | 1,235 | 1,236,606 |
| Ohio — 1.1% | | |
| Aurora, Ohio, City School District, COP, 6.10%, 12/01/09 (b)(g) | 1,745 | 1,844,151 |
| Kent State University, Ohio, University Revenue Bonds, 6%, 5/01/24 (a) | 1,000 | 1,031,780 |
| | | <u>1,031,780</u> |

2,875,931

Oklahoma — 1.1%

| | | |
|---|-------|-----------|
| Claremore, Oklahoma, Public Works Authority, Capital Improvement Revenue Refunding Bonds, Series A, 5.25%, 6/01/14 (d)(g) | 2,385 | 2,833,141 |
|---|-------|-----------|

Pennsylvania — 0.1%

| | | |
|--|-----|---------|
| Washington County, Pennsylvania, Capital Funding Authority Revenue Bonds (Capital Projects and Equipment Program), 6.15%, 12/01/29 (a) | 305 | 248,450 |
|--|-----|---------|

Rhode Island — 4.0%

| | | |
|---|-------|------------|
| Providence, Rhode Island, Redevelopment Agency Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75%, 4/01/10 (a)(g) | 5,555 | 5,940,295 |
| Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of Design), Series D, 5.50%, 8/15/31 (m) | 4,685 | 4,447,283 |
| | | 10,387,578 |

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| South Carolina — 6.0% | | |
| South Carolina Housing Finance and Development Authority, Mortgage Revenue Refunding Bonds, AMT, Series A-2, 6.35%, 7/01/19 (d) | \$ 1,225 | \$ 1,237,189 |
| South Carolina State Public Service Authority, Revenue Refunding Bonds, Series A, 5%, 1/01/42 (a) | 15,000 | 14,346,900 |
| | | 15,584,089 |

Texas — 14.6%

| | | |
|--|-------|-----------|
| Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series B, 6%, 11/01/23 (b) | 1,300 | 1,300,533 |
| Dallas-Fort Worth, Texas, International Airport Revenue Refunding and Improvement Bonds, AMT, Series A (b)(e): | | |
| 5.875%, 11/01/17 | 1,835 | 1,888,252 |
| 5.875%, 11/01/18 | 2,150 | 2,199,471 |
| 5.875%, 11/01/19 | 2,390 | 2,434,836 |
| El Paso, Texas, Water and Sewer Revenue Refunding and Improvement Bonds, Series A (d): | | |

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| | | |
|---|--------|------------|
| 6%, 3/01/15 | 115 | 128,058 |
| 6%, 3/01/16 | 170 | 189,303 |
| 6%, 3/01/17 | 180 | 200,439 |
| Harris County, Texas, Health Facilities Development Corporation, Hospital Revenue Refunding Bonds (Memorial Hermann Healthcare System), Series B, 7.25%, 12/01/35 | 1,000 | 1,044,150 |
| North Texas Tollway Authority, System Revenue Refunding Bonds (b): | | |
| First Tier, 5.75%, 1/01/40 | 14,750 | 13,898,483 |
| First Tier, Series B, 5.75%, 1/01/40 | 1,000 | 942,270 |
| Series A, 5.625%, 1/01/33 | 10,975 | 10,401,995 |
| Tarrant County, Texas, Cultural Education Facilities Financing Corporation, Revenue Refunding Bonds (CHRISTUS Health), Series A, 6.50%, 7/01/37 (k) | 3,000 | 3,135,810 |
| | | 37,763,600 |

Virginia — 0.9%

| | | |
|--|-------|-----------|
| Virginia State Public School Authority, Special Obligation School Financing Bonds (Fluvanna County), 6.50%, 12/01/35 | 2,195 | 2,423,039 |
|--|-------|-----------|

Washington — 1.9%

| | | |
|--|-------|-----------|
| Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45%, 7/01/37 (a) | 3,840 | 3,142,041 |
| Lewis County, Washington, GO, Refunding, 5.75%, 12/01/24 (a) | 1,640 | 1,676,752 |
| | | 4,818,793 |

Wisconsin — 0.4%

| | | |
|--|-------|-----------|
| Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Blood Center of Southeastern Wisconsin Project), 5.75%, 6/01/34 | 1,250 | 1,065,700 |
|--|-------|-----------|

Total Municipal Bonds — 121.0% 312,054,168

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 Transferred to Tender Option Bond Trusts (n) | Par (000) | Value |
|--|--------------|--------------|
| California — 9.0% | | |
| Palomar Pomerado Health Care District, California, GO (Election of 2004), Series A, 5.125%, 8/01/37 (b) | \$ 7,360 | \$ 7,224,723 |
| San Jose, California, GO (Libraries, Parks and Public Safety Projects), 5%, 9/01/30 (b) | 3,805 | 3,740,950 |
| Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50%, 7/01/35 (d) | 5,189 | 5,258,095 |
| Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1), Series A (d): | | |
| 5%, 9/01/32 | 2,920 | 2,702,810 |
| 5%, 9/01/38 | 4,620 | 4,202,814 |
| | | 23,129,392 |
| Colorado — 3.1% | | |
| Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-3, 5.10%, 10/01/41 (d) | 9,410 | 8,118,666 |
| Florida — 4.2% | | |
| Lee County, Florida, HFA, S/F Mortgage Revenue Bonds (Multi-County Program), AMT, Series A-2, 6%, 9/01/40 (h)(i)(j) | 4,500 | 4,807,665 |
| Saint Petersburg, Florida, Public Utilities Revenue Refunding Bonds, 5%, 10/01/35 (b) | 6,493 | 6,084,395 |
| | | 10,892,060 |
| Georgia — 2.5% | | |
| Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/01/34 (d) | 6,290 | 6,326,230 |
| Illinois — 6.9% | | |

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| | | |
|--|--------|-------------------|
| Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5%, 1/01/38 (d) | 15,000 | 13,851,300 |
| Chicago, Illinois, Water Revenue Refunding Bonds, Second Lien, 5.25%, 11/01/33 (d) | 3,969 | 3,957,493 |
| | | <u>17,808,793</u> |

Massachusetts — 4.0%

| | | |
|---|-------|-------------------|
| Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A, 5%, 7/01/35 | 5,535 | 5,392,252 |
| Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (d) | 4,994 | 5,004,932 |
| | | <u>10,397,184</u> |

Municipal Bonds Transferred to Tender Option Bond Trusts (n)

**Par
(000)**

Value

New York — 2.7%

| | | |
|--|----------|--------------|
| New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5.25%, 10/15/27 (a) | \$ 6,750 | \$ 6,936,908 |
|--|----------|--------------|

Washington — 2.7%

| | | |
|--|-------|-----------|
| Bellevue, Washington, GO, Refunding, 5.50%, 12/01/39 (b) | 6,883 | 6,948,521 |
|--|-------|-----------|

Total Municipal Bonds Transferred to Tender Option Bond Trusts — 35.1%

90,557,754

**Total Long-Term Investments
(Cost — \$431,166,890) — 156.1%**

402,611,922

Short-Term Securities

California — 1.9%

| | | |
|---|-------|-----------|
| Los Angeles County, California, Metropolitan Transportation Authority, Sales Tax Revenue Refunding Bonds, Proposition C, VRDN, Second Senior Series A, 6%, 2/05/09 (b)(o) | 5,000 | 5,000,000 |
|---|-------|-----------|

Florida — 4.0%

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| | | |
|---|--------|------------|
| Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Refunding Bonds (Baptist Medical Center Project), VRDN, 0.40%, 2/02/09 (o) | 10,300 | 10,300,000 |
|---|--------|------------|

Illinois — 1.4%

| | | |
|--|-------|-----------|
| Illinois State Finance Authority, Revenue Refunding Bonds (Central DuPage Health System), VRDN, Series B, 0.45%, 2/02/09 (o) | 3,500 | 3,500,000 |
|--|-------|-----------|

Shares

Money Market Fund — 10.1%

| | | |
|---|------------|------------|
| Merrill Lynch Institutional Tax-Exempt Fund, 0.60% (p)(q) | 26,102,900 | 26,102,900 |
|---|------------|------------|

**Total Short-Term Securities
(Cost — \$44,902,900) — 17.4%**

44,902,900

Total Investments (Cost — \$476,069,790*) — 173.5%

447,514,822

Other Assets Less Liabilities — 2.7%

7,065,244

**Liability for Trust Certificates,
Including Interest Expense and Fees Payable — (19.9)%**

(51,324,803)

Preferred Shares, at Redemption Value — (56.3)%

(145,312,325)

Net Assets Applicable to Common Shares — 100.0%

\$ 257,942,938

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

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

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 426,204,678 |
| Gross unrealized appreciation | \$ 6,246,642 |
| Gross unrealized depreciation | (35,799,740) |
| Net unrealized depreciation | \$ (29,553,098) |

- (a) AMBAC Insured.
- (b) MBIA Insured.
- (c) FHA Insured.
- (d) FSA Insured.
- (e) FGIC Insured.
- (f) Radian Insured.
- (g) U.S. government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (h) FNMA Collateralized.
- (i) FHLMC Collateralized.
- (j) GNMA Collateralized.
- (k) Assured Guaranty Insured.
- (l) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (m) XL Capital Insured.
- (n) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (o) 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. Rate shown is as of report date. This rate changes periodically based upon prevailing market rates.
- (p)

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Investments in companies considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|---|-----------------|-----------|
| Merrill Lynch Institutional Tax-Exempt Fund | 1,284,436 | \$111,253 |

- (q) Represents the current yield as of report date.
- (r) When issued security.
- 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 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 circumstance, to the extent observable inputs are not available (including the Fund's own assumption 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 January 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|------------------|------------------------------|
| | Assets |
| Level 1 | \$ 26,102,900 |
| Level 2 | 421,411,922 |
| Level 3 | — |
| Total | \$ 447,514,822 |

See Notes to Financial Statements.

Schedule of Investments January 31, 2009 (Unaudited)

BlackRock MuniYield California Insured Fund, Inc.
(MCA)

(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| California — 117.3% | | |
| County/City/Special District/ School District — 63.8% | | |
| Alameda, California, GO, 5%, 8/01/33 (a) | \$ 2,350 | \$ 2,278,983 |
| Alameda County, California, Joint Powers Authority, Lease Revenue Refunding Bonds, 5%, 12/01/34 (e) | 2,960 | 2,828,398 |
| Anaheim, California, Union High School District, GO (Election of 2002), 5%, 8/01/27 (a) | 2,400 | 2,332,296 |
| Banning, California, Unified School District, GO (Election of 2006), Series B, 5.25%, 8/01/33 (c) | 4,300 | 4,195,811 |
| Bay Area Government Association, California, Tax Allocation Revenue Refunding Bonds (California Redevelopment Agency Pool), Series A, 6%, 12/15/24 (e) | 255 | 257,700 |
| Brentwood, California, Infrastructure Refinancing Authority, Infrastructure Revenue Refunding Bonds, Series A, 5.20%, 9/02/29 (e) | 3,980 | 3,886,430 |
| Capistrano, California, Unified School District, Community Facility District, Special Tax Refunding Bonds, 5%, 9/01/29 (a)(f) | 7,000 | 5,536,090 |
| Chabot-Las Positas, California, Community College District, GO (Election of 2004), Series B, 5.17%, 8/01/26 (b)(c) | 6,705 | 2,490,170 |
| Chino Valley, California, Unified School District, GO (Election of 2002), Series C, 5.25%, 8/01/30 (a) | 3,000 | 2,913,450 |
| Chula Vista, California, Elementary School District, COP, 5%, 9/01/29 (a) | 3,910 | 3,257,030 |
| Coachella Valley, California, Unified School District, GO (Election of 2005), Series A, 5%, 8/01/25 (a)(f) | 3,275 | 3,264,061 |
| Corona, California, COP (Clearwater Cogeneration Project), 5%, 9/01/28 (a) | 6,000 | 4,817,940 |
| Desert Sands, California, Unified School District, COP (Financing Project), 5.75%, 3/01/24 (e) | 1,000 | 1,022,660 |
| Fremont, California, Unified School District, Alameda County, GO, Series A, 5.50%, 8/01/26 (a)(f) | 10,755 | 10,904,602 |
| Fresno, California, Joint Powers Financing Authority, Lease Revenue Bonds, Series A, 5.75%, 6/01/26 (e) | 3,295 | 3,363,800 |
| Fullerton, California, Public Financing Authority, Tax Allocation Revenue Bonds, 5%, 9/01/27 (b) | 6,930 | 5,765,136 |
| Glendora, California, Unified School District, GO (Election of 2005), Series A: 5%, 8/01/27 (a) | 1,350 | 1,311,917 |
| 5.25%, 8/01/30 (a) | 2,700 | 2,622,105 |
| Hemet, California, Unified School District, GO, Series B, 5.125%, 8/01/37 (d) | 4,500 | 4,277,115 |
| Imperial, California, Community College District, GO (Election of 2004), 5%, 8/01/29 (a)(f) | 3,090 | 2,930,525 |
| La Quinta, California, Financing Authority, Local Agency Revenue Bonds, Series A, 5.25%, 9/01/24 (b) | 2,500 | 2,407,175 |
| Lodi, California, Unified School District, GO (Election of 2002), 5%, 8/01/29 (e) | 10,260 | 10,117,591 |
| Los Angeles, California, Community Redevelopment Agency, Community Redevelopment Financing Authority Revenue Bonds (Bunker Hill Project), Series A, 5%, 12/01/27 (e) | 10,000 | 9,154,000 |
| Municipal Bonds | Par (000) | Value |

California (continued)**County/City/Special District/ School District (continued)**

Los Angeles, California, Unified School District, GO:

| | | | | |
|--|----|--------|----|------------|
| (Election of 2002), Series C, 5%, 7/01/32 | \$ | 10,000 | \$ | 9,522,500 |
| (Election of 2004), Series C, 5%, 7/01/27 (f) | | 2,880 | | 2,882,592 |
| (Election of 2004), Series F, 5%, 7/01/30 (f) | | 5,000 | | 4,711,400 |
| Los Angeles County, California, Metropolitan Transportation Authority, Sales Tax Revenue Refunding Bonds, Proposition A, First Tier Senior-Series A (b): | | | | |
| 5%, 7/01/27 | | 5,240 | | 5,254,043 |
| 5%, 7/01/35 | | 6,500 | | 6,224,140 |
| Los Angeles County, California, Public Works Financing Authority, Lease Revenue Refunding Bonds (Master Refunding Project), Series A, 5%, 12/01/28 (a) | | | | |
| | | 6,000 | | 5,418,540 |
| Los Rios, California, Community College District, GO (Election of 2002), Series B, 5%, 8/01/27 (a) | | | | |
| | | 3,000 | | 3,005,700 |
| Merced, California, Community College District, GO (School Facilities District Number 1), 5%, 8/01/31 (a) | | | | |
| | | 6,865 | | 6,399,828 |
| Murrieta Valley, California, Unified School District, Public Financing Authority, Special Tax Revenue Bonds, Series A, 5.125%, 9/01/26 (d) | | | | |
| | | 8,000 | | 7,543,760 |
| Natomas Unified School District, California, GO (Election of 2006), 5%, 8/01/28 (a)(f) | | | | |
| | | 6,015 | | 5,769,047 |
| Oxnard, California, Unified High School District, GO, Refunding, Series A, 6.20%, 8/01/30 (a) | | | | |
| | | 9,645 | | 9,759,390 |
| Peralta, California, Community College District, GO (Election of 2007), Series B, 5%, 8/01/37 (e) | | | | |
| | | 6,695 | | 6,439,385 |
| Poway, California, Unified School District, School Facilities Improvement, GO (Election of 2002), Series 1-B, 5%, 8/01/30 (e) | | | | |
| | | 10,000 | | 9,780,900 |
| Redlands, California, Unified School District, GO (Election of 2008), 5.25%, 7/01/33 (e) | | | | |
| | | 5,000 | | 4,992,950 |
| Riverside, California, COP, 5%, 9/01/28 (b) | | | | |
| | | 3,000 | | 2,711,340 |
| Riverside, California, Unified School District, GO: | | | | |
| (Election of 2001), Series A, 5.25%, 2/01/23 (a)(f) | | 6,000 | | 6,198,660 |
| (Election of 2001), Series B, 5%, 8/01/30 (a) | | 7,515 | | 7,062,597 |
| Series C, 5%, 8/01/32 (d) | | 5,010 | | 4,848,578 |
| Sacramento, California, City Financing Authority, Capital Improvement Revenue Bonds (Community Rein Capital Program), Series A, 5%, 12/01/36 (b) | | | | |
| | | 3,000 | | 2,704,560 |
| Sacramento, California, City Financing Authority, Tax Allocation Revenue Bonds (Merged Downtown and Oak Park Projects), Series A, 5.036%, 12/01/32 (a)(c)(f) | | | | |
| | | 6,590 | | 1,050,314 |
| Saddleback Valley, California, Unified School District, GO, 5%, 8/01/29 (e) | | | | |
| | | 2,565 | | 2,529,398 |
| San Bernardino, California, City Unified School District, GO, Series A, 5%, 8/01/28 (e)(g)(h) | | | | |
| | | 5,000 | | 4,872,350 |
| San Diego, California, Redevelopment Agency, Subordinate Tax Allocation Bonds (Centre City Redevelopment Project), Series A (b): | | | | |
| 5.25%, 9/01/24 | | 2,720 | | 2,619,006 |
| 5.25%, 9/01/25 | | 2,860 | | 2,720,003 |
| San Jose, California, Financing Authority, Lease Revenue Refunding Bonds (Civic Center Project), Series B, 5%, 6/01/32 (b) | | | | |
| | | 11,400 | | 10,929,522 |

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) | | |
| San Jose, California, GO (Libraries, Parks and Public Safety Projects), 5%, 9/01/27 (a) | \$ 7,910 | \$ 7,948,284 |
| San Jose, California, Redevelopment Agency, Tax Allocation Bonds (Housing Set-Aside Merged Area), AMT, Series E, 5.85%, 8/01/27 (a) | 7,300 | 6,815,791 |
| San Juan, California, Unified School District, GO (Election of 2002), 5%, 8/01/28 (a) | 4,250 | 4,076,218 |
| San Mateo County, California, Transit District, Sales Tax Revenue Refunding Bonds, Series A, 5%, 6/01/29 (a) | 4,350 | 4,289,622 |
| Santa Rosa, California, High School District, GO (Election of 2002), 5%, 8/01/28 (a) | 2,500 | 2,397,775 |
| South Tahoe, California, Joint Powers Financing Authority, Revenue Refunding Bonds (South Tahoe Redevelopment Project Area Number 1), Series A, 5%, 10/01/29 (e) | 1,645 | 1,555,693 |
| Ventura County, California, Community College District, GO, Refunding, Series A, 5%, 8/01/27 (a) | 3,395 | 3,401,756 |
| Vista, California, COP (Community Projects), 5%, 5/01/37 (a) | 6,750 | 5,559,705 |
| Vista, California, Unified School District, GO, Series B, 5%, 8/01/28 (a)(f) | 2,550 | 2,445,731 |
| West Contra Costa, California, Unified School District, GO: (Election of 2005), Series B, 5.625%, 8/01/35 (i) | 7,500 | 7,613,025 |
| (Election of 2002), Series B, 5%, 8/01/32 (e) | 6,690 | 6,327,603 |
| | | 280,316,691 |
| Education — 3.8% | | |
| California Educational Facilities Authority Revenue Bonds (University of San Diego), Series A, 5.50%, 10/01/32 | 5,000 | 5,030,900 |
| California Educational Facilities Authority, Student Loan Revenue Bonds (CalEdge Loan Program), AMT, 5.55%, 4/01/28 (b) | 7,355 | 6,587,284 |
| San Diego County, California, COP (Salk Institute for Bio Studies), 5.75%, 7/01/31 (a) | 5,200 | 4,960,592 |
| | | 16,578,776 |
| Hospitals/Health Care — 3.7% | | |
| California Statewide Communities Development Authority, Health Facility Revenue Bonds (Memorial Health Services), Series A, 6%, 10/01/23 | 3,685 | 3,729,258 |
| California Statewide Communities Development Authority Revenue Bonds: (Adventist), Series B, 5%, 3/01/37 (d) | 5,850 | 5,031,760 |
| (Sutter Health), Series D, 5.05%, 8/15/38 (d) | 7,925 | 6,928,193 |
| California Statewide Communities Development Authority, Revenue Refunding Bonds (Kaiser Permanente), Series A, 5%, 4/01/31 | 900 | 748,971 |
| | | 16,438,182 |

| Municipal Bonds | Par (000) | Value |
|--|--------------|------------|
| California (continued) | | |
| Housing — 3.0% | | |
| California Rural Home Mortgage Finance Authority, S/F Mortgage Revenue Bonds (Mortgage-Backed Securities Program), AMT: | | |
| Series A, 6.35%, 12/01/29 (g)(h)(j) | \$ 210 | \$ 216,961 |
| Series B, 6.25%, 12/01/31 (g)(h) | 95 | 96,282 |
| California State Department of Veteran Affairs, Home Purchase Revenue Refunding Bonds, Series A, 5.35%, 12/01/27 (b) | 12,680 | 12,732,495 |
| San Bernardino County, California, S/F Home Mortgage Revenue Refunding Bonds, AMT, Series A-1, 6.25%, 12/01/31 | 155 | 160,620 |
| | | 13,206,358 |
| State — 5.6% | | |
| California State, GO, 6.25%, 10/01/19 (a) | 860 | 862,494 |
| California State, GO, Refunding, Veterans, AMT, Series B, 5.70%, 12/01/32 (b) | 19,865 | 17,730,307 |
| California State Public Works Board, Lease Revenue Bonds (Various University Projects), Series D, 5%, 5/01/26 (a) | 6,010 | 5,968,351 |
| | | 24,561,152 |
| Transportation — 13.6% | | |
| Port of Oakland, California, Revenue Bonds, AMT, Series K (a)(f): | | |
| 5.875%, 11/01/17 | 2,745 | 2,765,807 |
| 5.75%, 11/01/29 | 7,500 | 6,737,475 |
| Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375%, 11/01/27 (a)(f) | 19,040 | 16,132,973 |
| San Diego, California, Unified Port District, Revenue Refunding Bonds, AMT, Series A, 5.25%, 9/01/19 (a) | 5,400 | 5,281,038 |
| San Francisco, California, Bay Area Rapid Transit District, Sales Tax Revenue Refunding Bonds, Series A, 5%, 7/01/34 (a) | 10,500 | 10,076,535 |
| San Francisco, California, City and County Airport Commission, International Airport Revenue Refunding Bonds, AMT, Second Series: | | |
| 6.75%, 5/01/19 | 4,420 | 4,614,392 |
| Issue 34E, 5.75%, 5/01/24 (e) | 5,000 | 4,808,150 |
| Issue 34E, 5.75%, 5/01/25 (e) | 3,500 | 3,332,875 |
| San Francisco, California, City and County Airport Commission, International Airport, Special Facilities Lease Revenue Bonds (SFO Fuel Company LLC), AMT, Series A (e): | | |
| 6.10%, 1/01/20 | 1,000 | 1,006,040 |
| 6.125%, 1/01/27 | 985 | 960,188 |
| San Jose, California, Airport Revenue Bonds, Series D, 5%, 3/01/28 (a) | 4,135 | 3,967,822 |
| | | 59,683,295 |

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) | | |
| Utilities — Electric & Gas — 3.2% | | |
| Glendale, California, Electric Revenue Bonds, 5%, 2/01/32 (a) | \$ 4,390 | \$ 4,061,804 |
| Los Angeles, California, Water and Power Revenue Bonds (Power System), Sub-Series A-1, 5%, 7/01/37 (b) | 5,000 | 4,787,850 |
| Santa Clara, California, Subordinated Electric Revenue Bonds, Series A, 5%, 7/01/28 (a) | 5,500 | 5,275,435 |
| | | 14,125,089 |
| Utilities — Irrigation, Resource Recovery, Solid Waste & Other — 0.9% | | |
| Sacramento, California, Municipal Utility District Financing Authority Revenue Bonds (Consumers Project), 5%, 7/01/21 (a) | 4,500 | 4,080,330 |
| Utilities — Water & Sewer — 19.7% | | |
| Contra Costa, California, Water District, Water Revenue Refunding Bonds: | | |
| Series L, 5%, 10/01/32 (e) | 4,135 | 4,033,858 |
| Series O, 5%, 10/01/24 (b) | 1,735 | 1,787,171 |
| East Bay, California, Municipal Utility District, Wastewater System Revenue Refunding Bonds, Sub-Series A (b): | | |
| 5%, 6/01/33 | 4,000 | 3,889,960 |
| 5%, 6/01/37 | 7,985 | 7,703,129 |
| East Bay, California, Municipal Utility District, Water System Revenue Refunding Bonds, Series A, 5%, 6/01/37 (f) | 6,000 | 5,754,060 |
| East Bay Municipal Utility District, California, Water System Revenue Bonds, Sub-Series A, 5%, 6/01/35 (a) | 15,000 | 14,529,450 |
| El Centro, California, Financing Authority, Water Revenue Bonds, Series A, 5.25%, 10/01/35 (e) | 1,100 | 949,091 |
| Hollister, California, Joint Powers Finance Authority, Wastewater Revenue Refunding Bonds (Refining and Improvement Project), Series 1 (e): | | |
| 5%, 6/01/32 | 5,000 | 4,539,050 |
| 5%, 6/01/37 | 6,000 | 5,320,500 |
| Madera, California, Public Financing Authority, Water and Wastewater Revenue Refunding Bonds, 5%, 3/01/36 (a) | 2,010 | 1,814,367 |
| Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5%, 10/01/33 (a)(f) | 7,175 | 7,044,774 |
| Napa, California, Water Revenue Bonds, 5%, 5/01/35 (b) | 9,070 | 8,502,853 |
| Oakland, California, Sewer Revenue Bonds, Series A, 5%, 6/15/29 (e) | 4,270 | 4,121,618 |
| Oxnard, California, Financing Authority, Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), Series A, 5.25%, 6/01/34 (a)(f) | 10,000 | 9,438,100 |
| | | |
| Municipal Bonds | Par (000) | Value |

California (continued)**Utilities — Water & Sewer (concluded)**

| | | | | |
|---|----|-------|-------|-----------|
| Stockton, California, Public Financing Authority, Water Revenue Bonds (Water System Capital Improvement Projects), Series A, 5%, 10/01/31 (a) | \$ | 2,600 | \$ | 2,422,967 |
| Turlock, California, Public Finance Authority, Sewer Revenue Bonds, Series A, 5%, 9/15/33 (a)(e) | | | 3,000 | 2,783,520 |
| Vallecitos Water District and Wastewater Enterprise, California, COP, Refunding, Series A, 5%, 7/01/27 (e) | | 2,000 | | 2,004,000 |

86,638,468
Total Municipal Bonds — 117.3%

515,628,341

Municipal Bonds Transferred to Tender Option Bond Trusts (k)**County/City/Special District/ School District — 5.4%**

| | | | | |
|---|--|--------|--|------------|
| Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series A, 5%, 7/01/37 | | 15,000 | | 14,709,300 |
| Palomar Pomerado Health Care District, California, GO (Election of 2004), Series A, 5.125%, 8/01/37 (a) | | 9,300 | | 9,129,066 |

23,838,366

Education — 5.7%

| | | | | |
|--|--|-------|--|-----------|
| California State University, Systemwide Revenue Bonds, Series A, 5%, 11/01/39 (e) | | 4,860 | | 4,583,417 |
| Fremont, California, Unified School District, Alameda County, GO (Election of 2002), Series B, 5%, 8/01/30 (e) | | 5,997 | | 5,865,540 |
| Los Angeles, California, Community College District, GO (Election of 2003), Series E, 5%, 8/01/31 (e) | | 7,497 | | 7,290,088 |
| University of California Revenue Bonds, Series L, 5%, 5/15/40 | | 7,398 | | 7,016,876 |

24,755,921

Transportation — 7.5%

| | | | | |
|--|--|--------|--|------------|
| Long Beach, California, Harbor Revenue Bonds, AMT, Series A, 5.375%, 5/15/24 | | 15,150 | | 13,985,571 |
| San Francisco, California, Bay Area Rapid Transit District, Sales Tax Revenue Refunding Bonds, Series A, 5%, 7/01/30 (a) | | 19,630 | | 19,150,243 |

33,135,814

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 Transferred to Tender Option Bond Trusts (k) | Par (000) | Value |
|---|--------------|--------------|
| California (concluded) | | |
| Utilities — Electric & Gas — 0.8% | | |
| Anaheim, California, Public Financing Authority, Electric System Distribution Facilities Revenue Bonds, Series A, 5%, 10/01/31 (e) | \$ 3,568 | \$ 3,418,448 |
| Utilities — Water & Sewer — 12.4% | | |
| Los Angeles, California, Department of Water and Power, Power System Revenue Refunding Bonds, Series A, Sub-Series A-2, 5%, 7/01/27 (a) | 16,000 | 15,549,120 |
| Los Angeles, California, Water and Power Revenue Bonds (Power System), Sub-Series A-1, 5%, 7/01/31 (e) | 5,007 | 4,836,955 |
| Rancho, California, Water District Financing Authority, Revenue Refunding Bonds, Series A, 5%, 8/01/34 (e) | 9,277 | 8,975,430 |
| San Diego County, California, Water Authority, Water Revenue Bonds, COP, Series A (e): | | |
| 5%, 5/01/30 | 7,350 | 7,189,403 |
| 5%, 5/01/31 | 10,000 | 9,711,600 |
| San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5%, 5/01/33 (e) | 8,510 | 8,208,065 |
| | | 54,470,573 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 31.8% | | 139,619,122 |
| Total Long-Term Investments (Cost — \$701,175,204) — 149.1% | | 655,247,463 |
| Short-Term Securities | | |
| California — 5.7% | | |
| Utilities — Water & Sewer — 2.3% | | |
| East Bay Municipal Utility District, California, Water System Revenue Refunding Bonds, VRDN, Sub-Series B, 1.25%, 2/04/09 (e)(l) | 10,000 | 10,000,000 |
| Transportation — 3.4% | | |
| Los Angeles County, California, Metropolitan Transportation Authority, Sales Tax Revenue Refunding Bonds, Proposition C, VRDN, Second Senior Series A, 6%, 2/05/09 (a)(l) | 15,000 | 15,000,000 |

Shares

Money Market Fund — 6.8%

| | | |
|---|------------|------------|
| CMA California Municipal Money Fund, 0.18% (m)(n) | 29,933,000 | 29,933,000 |
|---|------------|------------|

**Total Short-Term Securities
(Cost — \$54,933,000) — 12.5%**

54,933,000

Total Investments (Cost — \$756,108,204*) — 161.6%

710,180,463

Liabilities in Excess of Other Assets — (0.2)%

(724,290)

**Liability for Trust Certificates, Including Interest Expense
and Fees Payable — (17.6)%**

(77,649,638)

Preferred Shares, at Redemption Value — (43.8)%

(192,327,876)

Net Assets Applicable to Common Shares — 100.0%

\$ 439,478,659

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

| | |
|-------------------------------|------------------------|
| Aggregate cost | <u>\$ 678,735,234</u> |
| Gross unrealized appreciation | \$ 1,602,961 |
| Gross unrealized depreciation | <u>(47,327,555)</u> |
| Net unrealized depreciation | <u>\$ (45,724,594)</u> |

- (a) MBIA Insured.
- (b) AMBAC Insured.
- (c) Represents a zero-coupon bond. Rate shown is the effective yield at the time of purchase.
- (d) Assured Guaranty Insured.
- (e) FSA Insured.
- (f) FGIC Insured.
- (g) FNMA Collateralized.
- (h) GNMA Collateralized.
- (i) BHAC Insured.

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- (j) FHLMC Collateralized.
- (k) 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.
- (l) 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. Rate shown is as of report date. This rate changes periodically based upon prevailing market rates.
- (m) 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 | 29,726,747 | \$ 127,654 |

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

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

- 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 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 circumstance, to the extent observable inputs are not available (including the Fund's own assumption 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 January 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|------------------|---------------------------|
| | Assets |
| Level 1 | \$ 29,933,000 |
| Level 2 | 680,247,463 |
| Level 3 | — |
| Total | \$ 710,180,463 |

See Notes to Financial Statements.

Schedule of Investments January 31, 2009 (Unaudited)

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

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Alabama — 0.8% | | |
| Alabama Special Care Facilities Financing Authority of Mobile, Revenue Refunding Bonds (Ascension Health Credit), Series D, 5%, 11/15/39 (a) | \$ 6,810 | \$ 5,799,328 |
| Alaska — 0.6% | | |
| Alaska Energy Authority, Power Revenue Refunding Bonds (Bradley Lake), Fourth Series, 6%, 7/01/18 (b) | 3,495 | 4,215,809 |
| Arizona — 3.1% | | |
| Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Senior Series A, 5%, 7/01/36 (c) | 21,355 | 13,302,670 |
| Maricopa County and Phoenix, Arizona, IDA, S/F Mortgage Revenue Bonds, AMT, Series A-2, 5.80%, 7/01/40 (d)(e)(f) | 5,470 | 5,402,063 |
| Salt River Project, Arizona, Agriculture Improvement and Power District, Electric System Revenue Bonds, Series A, 5%, 1/01/37 | 5,000 | 4,874,900 |
| | | 23,579,633 |
| California — 14.3% | | |
| Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.40%, 10/01/24 (g)(h) | 10,000 | 7,973,600 |
| Antioch, California, Public Finance Authority, Lease Revenue Refunding Bonds (Municipal Facilities Project), Series A, 5.50%, 1/01/32 (a) | 5,000 | 5,002,450 |
| California Statewide Communities Development Authority Revenue Bonds (b): | | |
| (Saint Joseph Home Care), Series E, 5.25%, 7/01/47 | 11,800 | 10,395,446 |
| (Sutter Health), Series D, 5.05%, 8/15/38 | 7,400 | 6,469,228 |
| California State, GO, 5.50%, 4/01/30 (a) | 10 | 9,962 |
| California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5.25%, 6/01/28 | 5,500 | 5,108,400 |
| California State University, Revenue Refunding Bonds, DRIVERS, Series 2646Z, 8.819%, 5/01/15 (b)(i) | 3 | 2,273 |
| Fairfield-Suisun, California, Unified School District, GO (Election of 2002), 5.50%, 8/01/28 (a) | 5,800 | 5,882,360 |
| Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Series B1, 4.75%, 8/01/37 (a)(c) | 15,000 | 12,984,900 |

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| | | |
|---|--------|-----------|
| Mendocino-Lake Community College District, California, GO (Election of 2006), Series A, 5%, 8/01/31 (a) | 1,485 | 1,384,376 |
| Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375%, 11/01/27 (a)(c) | 8,465 | 7,172,564 |
| Redding, California, Electric System, COP, Series A, 5%, 6/01/30 (b) | 1,900 | 1,758,944 |
| Riverside County, California, Public Financing Authority, Tax Allocation Revenue Bonds (Redevelopment Projects), 5%, 10/01/35 (j) | 10,000 | 7,434,900 |

| Municipal Bonds | Par (000) | Value |
|---|--------------|---------------|
| California (concluded) | | |
| Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series A, 5%, 7/01/41 (b) | \$ 18,000 | \$ 16,772,940 |
| San Jose, California, Airport Revenue Refunding Bonds, AMT, Series A, 5.50%, 3/01/32 (h) | 11,965 | 10,189,992 |
| San Mateo, California, Union High School District, COP (Phase One Projects), Series B, 4.758%, 12/15/43 (g)(h) | 3,250 | 1,482,293 |
| Stockton, California, Public Financing Authority, Lease Revenue Bonds (Parking & Capital Projects), 5.25%, 9/01/34 (a)(c) | 8,310 | 7,361,330 |
| | | 107,385,958 |

Colorado — 0.8%

| | | |
|---|-------|-----------|
| Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), Series C, 5.25%, 3/01/40 (b) | 7,000 | 5,996,690 |
|---|-------|-----------|