

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

MUNIYIELD MICHIGAN INSURED FUND INC

Form N-Q

September 29, 2004

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: Terry K. Glenn, President,  
MuniYield Michigan Insured Fund, Inc., 800 Scudders Mill Road,  
Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011,  
Princeton, NJ, 08543-9011

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

Date of fiscal year end: 10/31/04

Date of reporting period: 05/01/04 - 07/31/04

Item 1 - Schedule of Investments

MuniYield Michigan Insured Fund, Inc.

Schedule of Investments as of July 31, 2004

S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Michigan - 141.1%			
			Adrian, Michigan, City School District, GO(d):
AAA	Aaa	\$ 2,000	5% due 5/01/2029
AAA	Aaa	1,600	5% due 5/01/2034
AAA	Aaa	1,000	Allegan, Michigan, Public School District, GO, 5.75% due 5/01/2034
			Belding, Michigan, Area Schools, GO, Refunding(c):
AAA	Aaa	785	6.05% due 5/01/2006(e)
AAA	Aaa	215	6.05% due 5/01/2021
AAA	Aaa	5,000	Birmingham, Michigan, City School District, School Building and 5% due 11/01/2033(d)
AAA	Aaa	1,000	Central Montcalm, Michigan, Public Schools, GO, 5.90% due 5/01/2034
AAA	Aaa	1,000	Comstock Park, Michigan, Public Schools, GO, 5.75% due 5/01/2029

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			Delta County, Michigan, Economic Development Corporation, Environmental Improvement Revenue Refunding Bonds (Mead Westvaco-Escanaba):
BBB	Baa2	1,500	AMT, Series B, 6.45% due 4/15/2023
BBB	Baa2	2,000	Series A, 6.25% due 4/15/2027
			Detroit, Michigan, City School District, GO, Series A:
AAA	Aaa	1,000	5.50% due 5/01/2018(d)
AAA	Aaa	2,300	(School Building and Site Improvement), 5.375% due 5/01/2024
			Detroit, Michigan, GO(b):
AAA	Aaa	1,400	5.50% due 4/01/2018
AAA	Aaa	1,325	5.50% due 4/01/2020
AAA	Aaa	2,705	Series B, 6% due 4/01/2015
AAA	Aaa	1,545	Detroit, Michigan, Sewer Disposal Revenue Refunding Bonds, Senior Series C, 5.25% due 7/01/2022(d)
			Detroit, Michigan, Water Supply System Revenue Bonds:
AAA	NR*	4,375	DRIVERS, Series 200, 10.14% due 7/01/2011(c) (e) (g)
AAA	Aaa	1,250	Senior Lien, Series A, 5.875% due 1/01/2010(c) (e)
AAA	Aaa	6,900	Senior Lien, Series A, 5% due 7/01/2034(b)
AAA	Aaa	15,490	Series B, 5.25% due 7/01/2032(b)
AAA	Aaa	3,500	Series B, 5% due 7/01/2034(b)

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
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds

MuniYield Michigan Insured Fund, Inc.

Schedule of Investments as of July 31, 2004 (concluded)

S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Michigan (concluded)			
AAA	Aaa	\$ 1,415	Detroit, Michigan, Water Supply System Revenue Refunding Bonds, 7/01/2012(c) (h)
BBB	Baa2	3,900	Dickinson County, Michigan, Economic Development Corporation, Environmental Improvement Revenue Refunding Bonds (International Paper Company) Series A, 5.75% due 6/01/2016

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BBB	Baa2	2,500	Dickinson County, Michigan, Economic Development Corporation, PC (Champion International Corporation Project), 5.85% due 10/01/20
A	NR*	3,100	Dickinson County, Michigan, Healthcare System, Hospital Revenue Bonds, 5.80% due 11/01/2024(i)
AAA	Aaa	1,610	East Grand Rapids, Michigan, Public School District, GO, 5.75% due 5/01/2009(d) (e)
AAA	Aaa	1,500	Eastern Michigan University Revenue Bonds, Series B(c): 5.60% due 6/01/2025
AAA	Aaa	1,310	5.625% due 6/01/2030
AAA	Aaa	1,025	Eastern Michigan University Revenue Refunding Bonds, 6% due 6/01/20
AAA	Aaa	1,325	Eaton Rapids, Michigan, Public Schools, School Building and Site 5.25% due 5/01/2020
AAA	Aaa	1,675	5.25% due 5/01/2021
AAA	Aaa	1,700	5% due 5/01/2026
AAA	Aaa	3,600	5% due 5/01/2029
A	NR*	615	Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Medical Center), Series A, 5.375% due 7/01/2020(i)
AAA	Aaa	1,800	Fowlerville, Michigan, Community Schools, School District GO, 5% due 5/01/2030(c)
AAA	Aaa	1,000	Frankenmuth, Michigan, School District, GO, 5.75% due 5/01/2020(c)
AAA	Aaa	3,650	Gibraltar, Michigan, School District, School Building and Site, 5.75% due 5/01/2028(c)
AAA	Aaa	1,100	Grand Blanc, Michigan, Community Schools, GO, 5.625% due 5/01/2020(c)
AAA	Aaa	1,100	Grand Rapids, Michigan, Building Authority Revenue Bonds, Series A, 5.50% due 10/01/2019
AAA	Aaa	1,500	5.50% due 10/01/2020
AAA	Aaa	2,070	Grand Valley, Michigan, State University Revenue Bonds, 5.50% due 2/01/2018(c)
AAA	NR*	8,425	Greater Detroit, Michigan, Resource Recovery Authority Revenue Bonds (DRIVERS), Series 167, 11.121% due 12/13/2008(a) (g)
AAA	Aaa	9,325	Hartland, Michigan, Consolidated School District, GO, 6% due 5/01/2020
AA+	Aa1	1,475	Haslett, Michigan, Public School District, Building and Site, GO, 5.75% due 5/01/2020
AAA	Aaa	3,990	Hudsonville, Michigan, Public Schools, School Building and Site, 5.75% due 5/01/2029(d)
AAA	Aaa	1,575	Jenison, Michigan, Public Schools, Building and Site, GO, 5.50% due 5/01/2019(c)
AAA	Aaa	3,305	Jonesville, Michigan, Community Schools, GO, 5.75% due 5/01/2029
NR*	Aaa	6,850	Kalamazoo, Michigan, Hospital Finance Authority, Hospital Facility Refunding Bonds (Bronson Methodist Hospital), 5.50% due 5/15/2020
AAA	Aaa	4,000	Kent, Michigan, Hospital Finance Authority, Hospital Revenue Refunding Bonds (Butterworth Hospital), Series A, 7.25% due 1/15/2013(b)

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			Kent, Michigan, Hospital Finance Authority Revenue Bonds (Spectrum Series A(b) :
AA	Aa3	1,000	5.50% due 1/15/2031
AAA	Aaa	3,000	5.50% due 1/15/2031
AAA	Aaa	1,510	Lansing, Michigan, Building Authority, GO, Series A, 5.375% due
AAA	Aaa	5,235	Lincoln Park, Michigan, School District, GO, 7% due 5/01/2006(c)
AAA	Aaa	4,775	Livonia, Michigan, Public School District, GO (Building and Site 5/01/2010(c) (e)
BBB	NR*	2,250	Michigan Higher Education Facilities Authority, Limited Obligation Refunding Bonds (Hope College), Series A, 5.90% due 4/01/2032
			Michigan Higher Education Facilities Authority, Revenue Refunding Bonds (College for Creative Studies):
NR*	Baa2	1,235	5.85% due 12/01/2022
NR*	Baa2	1,145	5.90% due 12/01/2027
AAA	Aaa	2,500	Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-B, 5.40% due 6/01/2018(a)
AAA	NR*	1,065	Michigan Municipal Bond Authority Revenue Bonds (Local Government Refunding Program), Group A, 5.50% due 11/01/2020(a)
			Michigan Municipal Bond Authority, Revenue Refunding Bonds (Local Government Loan Program), Series A:
AAA	Aaa	150	6.50% due 11/01/2012(b)
AAA	Aaa	1,000	6% due 12/01/2013(c)
AAA	Aaa	7,000	6.125% due 12/01/2018(c)
AA+	Aaa	7,000	Michigan State Building Authority Revenue Bonds, GO, RIB, Series A, 5.50% due 4/15/2009(b) (g)
			Michigan State Building Authority Revenue Refunding Bonds:
AAA	Aaa	2,500	(Facilities Program), Series I, 5.50% due 10/15/2018(b)
AAA	Aaa	3,000	(Facilities Program), Series II, 5% due 10/15/2029
NR*	Aaa	11,140	RIB, Series 517X, 9.64% due 10/15/2010(d) (g)
			Michigan State COP(a):
AAA	Aaa	3,000	5.40% ** due 6/01/2022
AAA	Aaa	3,000	5.50% due 6/01/2027
AAA	Aaa	2,665	Michigan State HDA, Rental Housing Revenue Bonds, AMT, Series A, 5.50% due 10/01/2037(b)
AA+	NR*	2,690	Michigan State HDA, Revenue Refunding Bonds, Series C, 5.90% due 12/01/2015(f)
AAA	Aaa	2,530	Michigan State Hospital Finance Authority, Hospital Revenue Bonds (Mid-Michigan Obligation Group), Series A, 5.50% due 4/15/2018(a)
			Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds:
A+	A2	2,200	(Crittenton Hospital), Series A, 5.625% due 3/01/2027
A	A1	2,000	(Sparrow Obligation Group), 5.625% due 11/15/2031
			Michigan State Hospital Finance Authority Revenue Refunding Bonds:
AAA	Aaa	2,715	(Ascension Health Credit), Series A, 5.75% due 11/15/2009(b)
AAA	Aaa	12,000	(Ascension Health Credit), Series A, 6.125% due 11/15/2009(b)
AAA	Aaa	2,500	(Ascension Health Credit), Series A, 6.25% due 11/15/2009(b)

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AAA	Aaa	4,805	(Mercy Health Services), Series T, 6.50% due 8/15/2013(b)
AAA	Aaa	2,000	(Mercy Health Services), Series X, 6% due 8/15/2014(b)
AAA	Aaa	2,200	(Mercy Health Services), Series X, 5.75% due 8/15/2019(b)
AAA	Aaa	4,930	(Mercy Mount Clemens), Series A, 6% due 5/15/2014(b)
AAA	Aaa	3,000	(Saint John Hospital), Series A, 6% due 5/15/2013(a)(h)
AAA	Aaa	6,400	(Trinity Health), Series A, 6% due 12/01/2027(a)
AA-	Aa3	1,000	(Trinity Health Credit), Series C, 5.375% due 12/01/2023
AA-	Aa3	5,255	(Trinity Health Credit), Series C, 5.375% due 12/01/2030
BBB-	Baa1	5,000	Michigan State Strategic Fund, Limited Obligation Revenue Bonds (Company Project), AMT, Series A, 6.55% due 10/01/2022
			Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company), AMT, Series A, 5.55% due 9/01/2029
AAA	Aaa	7,250	(Detroit Edison Company), AMT, Series A, 5.55% due 9/01/2029
AAA	Aaa	6,000	(Detroit Edison Company Fund - Pollution), Series AA, 6.95% due 9/01/2028
A-	A3	3,300	(Detroit Edison Pollution Control), Series C, 5.45% due 9/01/2028
A-	A3	2,175	(Dow Chemical Company Project), AMT, 5.50% due 12/01/2028
NR*	Aaa	5,750	RIB, Series 382, 11.39% due 9/01/2025(b)(g)
BBB	Baa1	2,500	Michigan State Strategic Fund, PCR, Refunding (General Motors Company Project), AMT, Series A, 6.55% due 10/01/2022
AAA	Aaa	1,000	Michigan State Trunk Line Revenue Refunding Bonds, 5.25% due 10/01/2022
AAA	Aaa	15,000	Monroe County, Michigan, Economic Development Corp., Limited Obligation Revenue Refunding Bonds (Detroit Edison Co. Project), Series AA, 6.95% due 9/01/2022(c)
AAA	Aaa	1,000	Montrose Township, Michigan, School District, GO, 6.20% due 5/01/2021(b)
NR*	Aaa	1,830	Muskegon Heights, Michigan, Water System Revenue Bonds, Series A, 6.50% due 11/01/2025(b)
AAA	Aaa	235	Northview, Michigan, Public School District, GO, Refunding, 5.80% due 5/01/2021(b)
AAA	Aaa	1,100	Norway Vulcan, Michigan, Area Schools, GO, 5.90% due 5/01/2025(c)
AA+	Aaa	2,425	Oxford, Michigan, Area Community School District, GO, 5.50% due 5/01/2025(c)
AAA	Aaa	1,370	Pennfield, Michigan, School District, School Building and Site, GO, 5.50% due 5/01/2029(c)
AAA	Aaa	1,000	Plainwell, Michigan, Community Schools, School District, School Building and Site, GO, 5.50% due 5/01/2020(d)
A	NR*	700	Pontiac, Michigan, Tax Increment Finance Authority, Tax Increment Finance Authority Refunding Bonds (Development Area 2), 5.625% due 6/01/2022(i)
AAA	Aaa	1,425	Reed, Michigan, City Public Schools, School Building and Site, GO, 5.50% due 5/01/2026(d)
AA+	Aa1	1,800	Rochester, Michigan, Community School District, GO, Series II, 5.50% due 5/01/2015(c)
AAA	Aaa	2,500	Saginaw, Michigan, Hospital Finance Authority Revenue Refunding Bonds (Covenant Medical Center), Series E, 5.625% due 7/01/2013(b)
			Saginaw Valley State University, Michigan, General Revenue Refunding Bonds, Series A, 5% due 7/01/2024
NR*	Aaa	2,100	5% due 7/01/2024
NR*	Aaa	1,445	5% due 7/01/2034

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NR*	Aaa	8,900	Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Edison Company), RIB, Series 282, 11.42% due 8/01/2024(a) (g)
AAA	Aaa	1,300	Southfield, Michigan, Library Building Authority, GO, 5.50% due
			Southfield, Michigan, Public Schools, School Building and Site, Series B(d):
AAA	Aaa	2,900	5.25% due 5/01/2027
AAA	Aaa	3,500	5% due 5/01/2029
AAA	Aaa	1,325	Sparta, Michigan, Area Schools, School Building and Site, GO, 5% 5/01/2030(c)
			Sturgis, Michigan, Public School District, School Building and S
AA+	Aa1	1,900	5.50% due 5/01/2021
AA+	Aa1	2,545	5.625% due 5/01/2030
AAA	Aaa	1,000	Three Rivers, Michigan, Community Schools, GO, 6% due 5/01/2006(c)
AAA	Aaa	1,100	Waverly, Michigan, Community School, GO, 5.50% due 5/01/2021(c)
AAA	Aaa	10,660	Wayne Charter County, Michigan, Airport Revenue Bonds (Detroit M Wayne County), AMT, Series A, 5.375% due 12/01/2015(b)
AAA	Aaa	1,750	Wayne Charter County, Michigan, Detroit Metropolitan Airport, GO Hotel, Series A, 5% due 12/01/2030(b)
			West Bloomfield, Michigan, School District, GO Refunding(c):
AAA	Aaa	1,710	5.50% due 5/01/2017
AAA	Aaa	1,225	5.50% due 5/01/2018
AAA	Aaa	2,405	West Branch-Rose City, Michigan, Area School District, GO, 5.50% 5/01/2024(c)
AAA	Aaa	1,600	Zeeland, Michigan, Public Schools, School Building and Site, GO, 5/01/2029(b)
Puerto Rico - 4.6%			
AAA	Aaa	1,270	Puerto Rico Electric Power Authority, Power Revenue Bonds, Trust Class R, Series 16 HH, 10.07% due 7/01/2013(d) (g)
AAA	Aaa	3,790	Puerto Rico Municipal Finance Agency Revenue Bonds, Series A, 5% 8/01/2027(d)
			Puerto Rico Public Finance Corporation, Commonwealth Appropriati Revenue Bonds(e):
AAA	Aaa	1,000	Series A, 5.375% due 8/01/2011(b)
BBB+	Baa2	2,900	Series E, 5.75% due 2/01/2007
BBB+	Baa2	1,000	Series E, 5.70% due 2/01/2010
AAA	Aaa	2,150	University of Puerto Rico, University Revenue Refunding Bonds, S 5.375% due 6/01/2030(b)
Total Municipal Bonds (Cost - \$382,996) - 145.8%			

Shares  
Held

Short-Term Securities

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11,077 CMA Michigan Municipal Money Fund(j)

Total Short-Term Securities (Cost - \$11,077) - 3.9%

Total Investments (Cost - \$394,073\*\*\*) - 149.7%

Other Assets Less Liabilities- 0.0%

Preferred Stock, at Redemption Value - (49.7%)

Net Assets Applicable to Common Stock - 100.0%

(a) AMBAC Insured.

(b) MBIA Insured.

(c) FGIC Insured.

(d) FSA Insured.

(e) Prerefunded.

(f) FHA Insured.

(g) The interest rate is subject to change periodically and inversely based upon prevailing market rates. The interest rate shown is the rate in effect at July 31, 2004.

(h) Escrowed to maturity.

(i) ACA Insured.

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

	(in Thousands)	
Affiliate	Net Activity	Dividend Income
CMA Michigan Municipal Money Fund	241	\$ 41

\* Not Rated.

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

\*\*\*The cost and unrealized appreciation/depreciation of investments as of July 31, 2004, as computed for federal income tax purposes were as follows:

	(in Thousands)	
Aggregate cost	\$	394,073
Gross unrealized appreciation	\$	27,895
Gross unrealized depreciation		(99)
Net unrealized appreciation	\$	27,796

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Forward interest rate swaps outstanding as of July 31, 2004 were as follows:

	(in Thousands)	
	Notional Amount	Unrealized Depreciation
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.229%		
Broker, J.P. Morgan Chase Bank Expires August 2014	\$ 10,000	\$ (402)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.081%		
Broker, J.P. Morgan Chase Bank Expires August 2014	\$ 10,100	(276)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.885%		
Broker, J.P. Morgan Chase Bank Expires October 2014	\$ 21,500	(138)
Total		----- \$ (816) =====

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



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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/ Terry K. Glenn\_\_\_\_\_

        Terry K. Glenn,  
        President of  
        MuniYield Michigan Insured Fund, Inc.

Date: September 17, 2004

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/ Terry K. Glenn\_\_\_\_\_

        Terry K. Glenn,  
        President of  
        MuniYield Michigan Insured Fund, Inc.

Date: September 17, 2004

By:    \_/s/ Donald C. Burke\_\_\_\_\_

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

Date: September 17, 2004