

MUNIYIELD MICHIGAN INSURED FUND INC
Form N-CSR
June 28, 2004

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 811-7080

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: 11/01/03 - 04/30/04

Item 1 - Report to Stockholders

(BULL LOGO)
Merrill Lynch Investment Managers

www.mlim.ml.com

MuniYield Michigan
Insured Fund, Inc.

Semi-Annual Report
April 30, 2004

MuniYield Michigan Insured Fund, Inc. seeks to provide shareholders with as high a level of current income exempt from Federal income tax 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 income tax and Michigan income taxes.

This report, including the financial information herein, is

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transmitted to shareholders of MuniYield Michigan Insured Fund, Inc. for their information. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Fund has leveraged its Common Stock and intends to remain leveraged by issuing Preferred Stock to provide the Common Stock shareholders with a potentially higher rate of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) on www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

MuniYield Michigan Insured Fund, Inc.
Box 9011
Princeton, NJ
08543-9011

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MuniYield Michigan Insured Fund, Inc.

The Benefits and Risks of Leveraging

MuniYield Michigan Insured Fund, Inc. utilizes leveraging to seek to enhance the yield and net asset value of its Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, the Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred

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Stock 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 approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock 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. Of course, increases in short-term interest rates would reduce (and even eliminate) the dividends on the Common Stock.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As a part of its investment strategy, the Fund may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Fund to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed-rate, tax-exempt securities. To the extent the Fund invests in inverse floaters, the market value of the Fund's portfolio and the net asset value of the Fund's shares may also be more volatile than if the Fund did not invest in such securities. As of April 30, 2004, the percentage of the Fund's total net assets invested in inverse floaters was 13.89%.

Swap Agreements

The Fund may also invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities.

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A Letter From the President

Dear Shareholder

For the six-month and 12-month periods ended April 30, 2004, the Lehman Brothers Municipal Bond Index posted returns of +1.19% and +2.68%, respectively. Its taxable counterpart, the Lehman Brothers Aggregate Bond Index, had returns of +1.25% and +1.82% for the same periods. Amid considerable month-to-month volatility, tax-exempt bond yields rose over the past year, although not to the same extent as 10-year U.S. Treasury yields. In all, tax-exempt securities continued to be an attractive fixed income investment alternative.

As of April month-end, the Federal Reserve Board maintained its accommodative policy stance, although a better-than-expected employment report for the month of March prompted speculation that an interest rate increase could come sooner than many had expected. On April 2, 2004, the good news on the employment front - previously the one dim spot in an otherwise bright economic picture - helped prompt the yield on the 10-year Treasury bond to spike nearly 25 basis points (.25%), from 3.91% to 4.15%. Market watchers continue to monitor the economic data and Federal Reserve Board language for indications of interest rate direction. If economic growth maintains its recent pace and employment figures continue to improve, many believe it is just a matter of time before interest rates move upward.

Equity markets, in the meantime, gleaned support from the improving economic environment and provided attractive returns. For the six-month and 12-month periods ended April 30, 2004, the Standard & Poor's 500 Index returned +6.27% and +22.88%, respectively. Significant fiscal and monetary stimulus in 2003, including low interest rates and tax cuts, has opened the door to consumer spending, capital spending, increases in exports and long-awaited job growth. As expected, these developments have led the way to improvements in corporate earnings - a positive for stock markets.

The events and efforts of the past year leave us with a much stronger economy today. Of course, markets will always fluctuate, and there are many uncertainties - not the least of which are geopolitical in nature - which can translate into negative market movements. Keeping this in mind, we encourage you to revisit your portfolio and your asset allocation strategy to ensure you are well positioned to take advantage of the opportunities that lie ahead. Importantly, your financial advisor can help you develop a strategy most suitable for your circumstances through all types of market and economic cycles.

We thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

(Terry K. Glenn)

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Terry K. Glenn
President and Director

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

A Discussion With Your Fund's Portfolio Manager

Throughout the period, we remained focused on enhancing yield and preserving net asset value in a volatile interest rate environment.

Describe the recent market environment relative to municipal bonds.

For much of the six-month period, a positive economic backdrop helped bond prices to move higher as yields, which typically move opposite of prices, declined. In early April, however, a surprisingly strong monthly employment report triggered fears that the long-accommodative Federal Reserve Board might raise interest rates sooner than many had expected. As a result, bond yields rose (prices fell) sharply for the remainder of the period. At the end of April, long-term U.S. Treasury bond yields had climbed to 5.13%, representing an increase of approximately 15 basis points (.15%) over the past six months. Ten-year U.S. Treasury note yields stood at 4.30% as of period-end, an increase of more than 20 basis points.

Tax-exempt bond yields generally mimicked the movement of their taxable counterparts, although volatility in the municipal market was more subdued. Long-term revenue bond yields, as measured by the Bond Buyer Revenue Bond Index, rose just four basis points over the past six months. For the same period, yields on AAA-rated issues maturing in 30 years rose approximately 10 basis points to 4.93% while yields on 10-year, AAA-rated issues increased more than 16 basis points to nearly 4%, according to Municipal Market Data. The more marked increase in 10-year bond yields may be attributed to the fact that recent issuance has been heavily concentrated in the 10-year - 20-year range. The resulting supply imbalance prompted higher intermediate bond yields (and lower prices). Longer-maturity and lower-rated issues continued to benefit from more favorable supply/demand factors and, therefore, have seen less price depreciation. For the six-month period as a whole, municipal bond supply declined approximately 5% compared to the same period a year ago.

Overall, demand for tax-exempt municipal bonds has remained positive. Data from the Investment Company Institute indicates that, in just the first three months of 2004, tax-exempt bond funds have seen net new cash flows of almost \$640 million.

Describe conditions in the State of Michigan.

Michigan maintains credit ratings of Aa1 from Moody's and AA+ from Standard & Poor's (S&P) and Fitch, all with stable trends. Moody's and S&P had downgraded the state in the fourth quarter of 2003.

Michigan ranks 33rd in the nation in terms of debt per capita and 35th in debt as a percentage of personal income. These ratios are

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quite low for a populous state and point toward Michigan's flexibility in responding to economic downturns relative to other states.

The state's pension system is nearly fully funded. However, Michigan has continued to lose manufacturing jobs, and revenues consistently have fallen below projections as a result. Officials have resorted to drawing down the Budget Stabilization Fund (BSF), which declined from \$1 billion in fiscal year 2001 to near zero in fiscal year 2003. A sign of stability came in January 2004, when the fiscal year 2004 revenue projections did not require any revisions from October 2003 estimates. Officials expect the fiscal year 2004 budget to produce \$185 million to replenish the BSF. Despite that good news, budget balancing remains difficult because of a slow economic recovery in the state.

How did the Fund perform during the period in light of the existing market conditions?

For the six-month period ended April 30, 2004, the Common Stock of MuniYield Michigan Insured Fund, Inc. had net annualized yields of 6.46% and 7.04%, based on a period-end per share net asset value of \$15.53 and a per share market price of \$14.25, respectively, and \$.500 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +.69%, based on a change in per share net asset value from \$15.94 to \$15.53, and assuming reinvestment of \$.498 per share ordinary income dividends.

For the six-month period ended April 30, 2004, the Fund's Auction Market Preferred Stock (AMPS) had an average yield of .89% for Series A, .88% for Series B and .83% for Series C.

The Fund's return, based on net asset value, for the six-month period lagged the +1.42% return of its comparable Lipper category of Michigan Municipal Debt Funds. (Funds in this Lipper category limit their investment to securities exempt from taxation in Michigan or a city in Michigan.) This Lipper category includes both insured and uninsured Michigan municipal debt funds.

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Recent performance has largely reflected the Fund's defensive position. By maintaining a conservative duration slightly below that of our peers, the Fund was better equipped to weather movements in interest rates. In general, the lower the duration, the less an investment will fluctuate in value as interest rates move up or down. This positioning limited asset price appreciation early in the period when interest rates fell sharply. In addition, lower-rated issues, such as BBB-rated hospital and corporate-backed revenue bonds, were among the best-performing assets over the past six months, as they have been for the past year. As an insured product, the Fund holds fewer of these issues than do the uninsured funds in the Lipper category.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York

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Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section included in this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment return based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

Portfolio activity was restricted during the period, largely because of a significant decline in Michigan tax-exempt bond issuance. Over the past six months, approximately \$4.3 billion in new long-term tax-exempt bonds was issued by Michigan municipalities, a decline of more than 20% compared to the same period a year ago. In addition, recent market yields appear relatively unattractive compared to those of the Fund's existing holdings.

Portfolio transactions largely involved selling insured bonds in the intermediate maturity range and purchasing longer-maturity insured issues. The goal was to take advantage of the steep yield curve and capture the incremental yield available from the longer-maturity issues. Recent increases in coupon income allowed the Fund to increase its dividend earlier in 2004.

In terms of leverage, the Fund's borrowing costs remained around 1% throughout most of the six-month period. These attractive funding levels, in combination with the steep municipal yield curve, continued to generate significant income to the Fund's Common Stock shareholders. The Federal Reserve Board appears poised to begin raising short-term interest rates, most likely later in 2004. The increase, however, is expected to be gradual and should not have a material impact on the positive advantage leverage has had on the Fund's Common Stock yield. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 33.18% of total assets. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We ended the period in a slightly defensive posture with respect to interest rates. We believe this positioning readies the Fund to perform better in stable to slightly rising interest rate environments. We would expect to adopt a more defensive stance when interest rates decline during periods of market volatility.

The Fund was fully invested at period-end in an effort to enhance investment income flows. With short-term cash equivalents yielding only near 1%, the performance penalty for holding assets in cash reserves is far too severe. We continue to favor higher-coupled, lower-rated issues over more interest rate-sensitive current-coupled issues.

With economic growth expected to continue its moderate advance, long-term interest rates are likely to begin reversing their recent declines. Given consensus inflationary forecasts, any increase in

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long-term interest rates is likely to be moderate. With this in mind, and considering expectations for manageable new-issue volume in 2004, we believe the municipal market is poised to provide attractive returns compared to the taxable bond market regardless of the interest rate environment.

Fred K. Stuebe
Vice President and Portfolio Manager

May 12, 2004

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Schedule of Investments

S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Michigan--140.1%			
AAA	Aaa	\$ 1,000	Allegan, Michigan, Public School District, GO, 5.75% due 5/01/2030 (d)
AAA	Aaa	785	Belding, Michigan, Area Schools, GO, Refunding (c): 6.05% due 5/01/2006 (e)
AAA	Aaa	215	6.05% due 5/01/2021
AAA	Aaa	1,000	Central Montcalm, Michigan, Public Schools, GO, 5.90% due 5/01/2019 (b)
AAA	Aaa	1,000	Comstock Park, Michigan, Public Schools, GO, 5.75% due 5/01/2024 (c)
BBB	Baa2	1,500	Delta County, Michigan, Economic Development Corporation, Improvement Revenue Refunding Bonds (Mead Westvaco--ES) AMT, Series B, 6.45% due 4/15/2023
BBB	Baa2	2,000	Series A, 6.25% due 4/15/2027
AAA	Aaa	2,300	Detroit, Michigan, City School District, GO: (School Building and Site Improvement), Series A, 5.50% due 5/01/2024 (c)
AAA	Aaa	2,100	(School Building and Site Improvement), Series B, 5.50% due 5/01/2028 (c)
AAA	Aaa	5,155	(School Building and Site Improvement), Series B, 5.50% due 5/01/2033 (c)
AAA	Aaa	1,000	Series A, 5.50% due 5/01/2018 (d)
AAA	Aaa	1,400	Detroit, Michigan, GO (b): 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	1,000	Detroit, Michigan, Sewer Disposal Revenue Bonds, Series A, 5.50% due 1/01/2010 (c) (e)
			Detroit, Michigan, Sewer Disposal Revenue Refunding Bonds, Series A, 5.50% due 1/01/2010 (c) (e)

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			Senior Lien (d):
AAA	Aaa	3,000	Series A, 5% due 7/01/2024
AAA	Aaa	4,075	Series A, 5% due 7/01/2032
AAA	Aaa	1,545	Series C, 5.25% due 7/01/2022
			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	4,875	Senior Lien, Series A, 5.75% due 1/01/2010 (c) (e)
AAA	Aaa	1,250	Senior Lien, Series A, 5.875% due 1/01/2010 (c) (e)
AAA	Aaa	15,490	Series B, 5.25% due 7/01/2032 (b)
AAA	Aaa	9,490	Series B, 5% due 7/01/2034 (b)
			Detroit, Michigan, Water Supply System Revenue Refundings:
AAA	Aaa	1,415	6.25% due 7/01/2012 (c) (h)
			Dickinson County, Michigan, Economic Development Corporation:
BBB	Baa2	3,900	Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series A, 5.75% due 6/01/2016
			Dickinson County, Michigan, Economic Development Corporation:
BBB	Baa2	2,500	Refunding (Champion International Corporation Project) 10/01/2018
			Dickinson County, Michigan, Healthcare System, Hospital:
A	NR*	3,100	Refunding Bonds, 5.80% due 11/01/2024 (i)
			East Grand Rapids, Michigan, Public School District, Grand Rapids:
AAA	Aaa	1,610	5/01/2009 (d) (e)
			Eastern Michigan University Revenue Bonds, Series B (C):
AAA	Aaa	1,500	5.60% due 6/01/2025
AAA	Aaa	1,310	5.625% due 6/01/2030

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 at right.

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., APRIL 30, 2004

Schedule of Investments (continued)

S&P Moody's Face

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Ratings	Ratings	Amount	Municipal Bonds
Michigan (continued)			
AAA	Aaa	\$ 1,025	Eastern Michigan University, Revenue Refunding Bonds, 6/01/2020 (a)
A	NR*	615	Flint, Michigan, Hospital Building Authority, Revenue Bonds (Hurley Medical Center), Series A, 5.375% due 7/
AAA	Aaa	1,000	Frankenmuth, Michigan, School District, GO, 5.75% due
NR*	Aa1	3,650	Gibraltar, Michigan, School District, GO (School Build 5% due 5/01/2028 (c)
AAA	Aaa	1,100	Grand Blanc, Michigan, Community Schools, GO: 5.625% due 5/01/2020 (c)
AAA	Aaa	2,600	(School Building and Site), 5% due 5/01/2028 (d)
			Grand Rapids, Michigan, Building Authority Revenue Bon Series A (a):
AAA	Aaa	1,100	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 2/01/2018 (c)
AAA	NR*	8,425	Greater Detroit, Michigan, Resource Recovery Authority DRIVERS, Series 167, 11.11% due 12/13/2008 (a)(g)
AAA	Aaa	9,325	Hartland, Michigan, Consolidated School District, GO, 5/01/2010 (c)(e)
AA+	Aa1	1,475	Haslett, Michigan, Public School District, Building an 5.625% due 5/01/2020
AAA	Aaa	1,575	Jenison, Michigan, Public Schools, Building and Site, 5/01/2019 (c)
AAA	Aaa	3,305	Jonesville, Michigan, Community Schools, GO, 5.75% due
NR*	Aaa	6,850	Kalamazoo, Michigan, Hospital Finance Authority, Hospi Revenue Refunding Bonds (Bronson Methodist Hospital), 5/15/2028 (b)
AAA	Aaa	4,000	Kent, Michigan, Hospital Finance Authority, Hospital R Bonds (Butterworth Hospital), Series A, 7.25% due 1/15
			Kent, Michigan, Hospital Finance Authority Revenue Bon Health), Series A:
AA	Aa3	1,000	5.50% due 1/15/2031
AAA	Aaa	3,000	5.50% due 1/15/2031 (b)
AAA	Aaa	1,035	Lansing, Michigan, Building Authority, GO, Series A, 5 6/01/2023 (b)
AAA	Aaa	5,235	Lincoln Park, Michigan, School District, GO, 7% due 5/
AAA	Aaa	4,775	Livonia, Michigan, Public School District, GO (Buildin 5.75% due 5/01/2010 (c)(e)
			Livonia, Michigan, Public School District, GO, Refundi

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S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
			Series A (b):
AAA	Aaa	2,850	5% due 5/01/2024
AAA	Aaa	2,840	5% due 5/01/2025
BBB	NR*	2,250	Michigan Higher Education Facilities Authority, Limited Revenue Refunding Bonds (Hope College), Series A, 5.90%
			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 Revenue Bonds, AMT, Series XVII-B, 5.40% due 6/01/2018
AAA	NR*	1,065	Michigan Municipal Bond Authority Revenue Bonds (Local Loan Program), Group A, 5.50% due 11/01/2020 (a)
			Michigan Municipal Bond Authority, Revenue Refunding Bonds (Government Loan Program), Series A:
AAA	Aaa	265	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, 9.633% due 4/15/2009 (b) (g)

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Schedule of Investments (continued)

S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
			Michigan State Building Authority, Revenue Refunding Bonds (Facilities Program), Series I, 5.50% due 10/15/2010
AAA	Aaa	\$ 2,500	
NR*	Aaa	11,140	RIB, Series 517X, 9.63% 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, 5.30% due 10/01/2037 (b)
AA+	NR*	2,690	Michigan State, HDA, Revenue Refunding Bonds, Series C, 12/01/2015 (f)
AAA	Aaa	2,530	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds (Mid-Michigan Obligation Group), Series A, 5.50% due 4/15/2009 (b) (g)
			Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds:
A+	A2	2,200	(Crittenton Hospital), Series A, 5.625% due 3/01/2010
A	A1	2,000	(Sparrow Obligation Group), 5.625% due 11/15/2031

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			Michigan State Hospital Finance Authority, Revenue Ref
AAA	Aaa	2,715	(Ascension Health Credit), Series A, 5.75% due 11/1
AAA	Aaa	12,000	(Ascension Health Credit), Series A, 6.125% due 11/
AAA	Aaa	2,500	(Ascension Health Credit), Series A, 6.25% due 11/1
AAA	Aaa	4,805	(Mercy Health Services), Series T, 6.50% due 8/15/2
AAA	Aaa	2,000	(Mercy Health Services), Series X, 6% due 8/15/2014
AAA	Aaa	2,200	(Mercy Health Services), Series X, 5.75% due 8/15/2
AAA	Aaa	4,930	(Mercy Mount Clemens), Series A, 6% due 5/15/2014 (
AAA	Aaa	3,000	(Saint John Hospital), Series A, 6.0% due 5/15/2013
AA-	Aa3	1,000	(Trinity Health Credit), Series C, 5.375% due 12/01
AA-	Aa3	2,255	(Trinity Health Credit), Series C, 5.375% due 12/01
AAA	Aaa	6,400	(Trinity Health), Series A, 6% due 12/01/2027 (a)
			Michigan State Strategic Fund, Limited Obligation Reve
BBB-	Baa1	5,000	(Ford Motor Company Project), AMT, Series A, 6.55%
BBB+	NR*	3,000	(Republic Services Inc.), AMT, 4.25% due 8/01/2031
			Michigan State Strategic Fund, Limited Obligation Reve
			Refunding Bonds:
AAA	Aaa	7,250	(Detroit Edison Company), AMT, Series A, 5.55% due
AAA	Aaa	6,000	(Detroit Edison Company Fund--Pollution), Series AA
			5/01/2011 (c)
A-	A3	2,175	(Dow Chemical Company Project), AMT, 5.50% due 12/0
NR*	Aaa	5,750	RIB, Series 382, 11.38% due 9/01/2025 (b) (g)
BBB	Baa1	2,500	Michigan State Strategic Fund, PCR, Refunding (General
			6.20% due 9/01/2020
AAA	Aaa	1,000	Michigan State Trunk Line Revenue Refunding Bonds, 5.2
			10/01/2021 (d)
			Michigan Technological University, General Revenue Bon
			Series A (b):
AAA	Aaa	1,850	5% due 10/01/2029
AAA	Aaa	1,650	5% due 10/01/2034
AAA	Aaa	15,000	Monroe County, Michigan, Economic Development Corp., L
			Obligation Revenue Refunding Bonds (Detroit Edison Co.
			Series AA, 6.95% due 9/01/2022 (c)
AAA	Aaa	9,000	Monroe County, Michigan, PCR (Detroit Edison Company P
			Series CC, 6.55% due 6/01/2024 (b)
AAA	Aaa	1,000	Montrose Township, Michigan, School District, GO, 6.20
			5/01/2017 (b)
NR*	Aaa	1,830	Muskegon Heights, Michigan, Water System Revenue Bonds
			5.625% due 11/01/2025 (b)
AAA	Aaa	235	Northview, Michigan, Public School District, GO, Refun
			due 5/01/2021 (b)
AAA	Aaa	1,100	Norway Vulcan, Michigan, Area Schools, GO, 5.90% due 5
AA+	Aaa	2,425	Oxford, Michigan, Area Community School District, GO,
			5/01/2018 (d)
AAA	Aaa	1,000	Plainwell, Michigan, Community Schools, School Distric
			and Site, GO, 5.50% due 5/01/2020 (d)

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MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Schedule of Investments (continued)

S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Michigan (concluded)			
A	NR*	\$ 700	Pontiac, Michigan, Tax Increment Finance Authority, Tax Increment Revenue Refunding Bonds (Development Area 2) due 6/01/2022 (i)
AA+	Aa1	1,800	Rochester, Michigan, Community School District, GO, Series 5.50% due 5/01/2015 (c)
AAA	Aaa	2,500	Saginaw, Michigan, Hospital Finance Authority, Revenue Bonds (Covenant Medical Center), Series E, 5.625% due 5/01/2018 (b)
NR*	Aaa	8,900	Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Detroit Edison Company), RIB, Series 282, 11.42% due 5/01/2018 (b)
AAA	Aaa	1,300	Southfield, Michigan, Library Building Authority, GO, 5.50% due 5/01/2018 (b)
AA+	Aa1	1,900	Sturgis, Michigan, Public School District, GO (School and Site): 5.50% due 5/01/2021
AA+	Aa1	2,545	Sturgis, Michigan, Public School District, GO (School and Site): 5.625% due 5/01/2030
AAA	Aaa	1,000	Three Rivers, Michigan, Community Schools, GO, 6% due 5/01/2018 (b)
AAA	Aaa	1,100	Waverly, Michigan, Community School, GO, 5.50% due 5/01/2018 (b)
AAA	Aaa	10,660	Wayne Charter County, Michigan, Airport Revenue Bonds (Metropolitan Wayne County), AMT, Series A, 5.375% due 5/01/2018 (b)
AAA	Aaa	1,750	Wayne Charter County, Michigan, Detroit Metropolitan Airport Hotel, Series A, 5% due 12/01/2030 (b)
AAA	Aaa	2,070	Wayne County, Michigan, COP, 5.625% due 5/01/2011 (a)
AAA	Aaa	1,710	West Bloomfield, Michigan, School District, GO, Refunding Bonds: 5.50% due 5/01/2017
AAA	Aaa	1,225	West Bloomfield, Michigan, School District, GO, Refunding Bonds: 5.50% due 5/01/2018
AAA	Aaa	2,405	West Branch-Rose City, Michigan, Area School District, GO, 5.50% due 5/01/2024 (c)
Puerto Rico--4.4%			
BBB	Baa3	2,300	Children's Trust Fund Project of Puerto Rico, Tobacco Revenue Refunding Bonds: 5.50% due 5/15/2039
BBB	Baa3	1,400	Children's Trust Fund Project of Puerto Rico, Tobacco Revenue Refunding Bonds: 5.625% due 5/15/2043
AAA	Aaa	1,270	Puerto Rico Electric Power Authority, Power Revenue Bonds: 5.50% due 5/01/2018 (b)

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			Receipts, Class R, Series 16 HH, 10.07% due 7/01/2013
			Puerto Rico Public Finance Corporation, Commonwealth A
			Revenue Bonds:
AAA	Aaa	1,000	Series A, 5.375% due 8/01/2024 (b)
BBB+	Baa3	1,000	Series E, 5.70% due 8/01/2025
BBB+	Baa3	2,900	Series E, 5.75% due 8/01/2030
AAA	Aaa	2,150	University of Puerto Rico, University Revenue Refundin
			Series O, 5.375% due 6/01/2030 (b)
			Total Municipal Bonds (Cost--\$382,291)--144.5%

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Schedule of Investments (concluded)

	Shares	
	Held	Short-Term Securities
	15,355	CMA Michigan Municipal Money Fund (j)
		Total Short-Term Securities (Cost--\$15,355)--5.4%
		Total Investments (Cost--\$397,646)--149.9%
		Liabilities in Excess of Other Assets--(0.3%)
		Preferred Stock, at Redemption Value--(49.6%)
		Net Assets Applicable to Common Stock--100.0%

*Not Rated.

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

(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 April 30, 2004.

(h)Escrowed to maturity.

(i)ACA Insured.

(j)Investments in companies considered to be an affiliate of the

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Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) are as follows:

	(in Thousands)	
Affiliate	Net Activity	Dividend Income
CMA Michigan Municipal Money Fund	4,519	\$22

Forward interest rate swaps entered into as of April 30, 2004 were as follows:

	(in Thousands)	
Affiliate	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 3.926%		
Broker, J.P. Morgan Chase Bank Expires August 2014	\$21,500	\$ (19)

See Notes to Financial Statements.

Quality Profile

The quality ratings of securities in the Fund as of April 30, 2004 were as follows:

S&P Rating/Moody's Rating	Percent of Total Investments
AAA/Aaa	81.4%
AA/Aa	4.5
A/A	2.6
BBB/Baa	7.8
NR (Not Rated)	3.7

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Statement of Net Assets

As of April 30, 2004

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Assets

Investments in unaffiliated securities, at value (identified cost--\$382,291,020)	
Investments in affiliated securities, at value (identified cost--\$15,354,873)	
Cash	
Receivables:	
Interest	\$ 7
Securities sold	
Dividends from affiliates	

Prepaid expenses	
Total assets	

Liabilities

Unrealized depreciation on forward interest rate swaps	
Payables:	
Securities purchased	8
Investment adviser	
Dividends to Common Stock shareholders	
Other affiliates	

Accrued expenses and other liabilities	
Total liabilities	

Preferred Stock

Preferred Stock, at redemption value, par value \$.05 per share
(2,000 Series A Shares, 2,000 Series B Shares and 1,600 Series C Shares
of AMPS* issued and outstanding at \$25,000 per share liquidation preference)

Net Assets Applicable to Common Stock

Net assets applicable to Common Stock

Analysis of Net Assets Applicable to Common Stock

Common Stock, par value \$.10 per share (18,155,932 shares issued and outstanding)	
Paid-in capital in excess of par	
Undistributed investment income--net	\$ 4
Accumulated realized capital losses on investments--net	(17,
Unrealized appreciation on investments--net	25

Total accumulated earnings--net	
Total--Equivalent to \$15.53 net asset value per share of Common Stock (market price--\$14.25)	

*Auction Market Preferred Stock.

See Notes to Financial Statements.

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MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Statement of Operations

For the Six Months Ended April 30, 2004

Investment Income

Interest
Dividends from affiliates

Total income

Expenses

Investment advisory fees
Commission fees
Accounting services
Transfer agent fees
Professional fees
Printing and shareholder reports
Directors' fees and expenses
Custodian fees
Listing fees
Pricing fees
Other

\$ 1

Total expenses before reimbursement
Reimbursement of expenses

1

Total expenses after reimbursement

Investment income--net

Realized & Unrealized Loss on Investments--Net

Realized loss on investments--net
Change in unrealized appreciation/depreciation on investments--net

Total realized and unrealized loss on investments--net

Dividends to Preferred Stock Shareholders

Investment income--net

Net Increase in Net Assets Resulting from Operations

See Notes to Financial Statements.

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

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Statements of Changes in Net Assets

	For the Month April 2004
Increase (Decrease) in Net Assets:	
Operations	
Investment income--net	\$ 9
Realized gain (loss) on investments--net	(6)
Change in unrealized appreciation/depreciation on investments--net	(6)
Dividends to Preferred Stock shareholders	(1)

Net increase in net assets resulting from operations	1

Dividends to Common Stock Shareholders	
Investment income--net	(9)

Net decrease in net assets resulting from dividends to Common Stock shareholders	(9)

Net Assets Applicable to Common Stock	
Total increase (decrease) in net assets applicable to Common Stock	(7)
Beginning of period	289

End of period*	\$ 281
	=====
*Undistributed investment income--net	\$ 4
	=====

See Notes to Financial Statements.

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.

	For the Six Months Ended April 30, 2004	For the Year Ended 2003	For the Year Ended 2002
Increase (Decrease) in Net Asset Value:			
Per Share Operating Performance			
Net asset value, beginning of period	\$ 15.94	\$ 15.74	\$ 15.81
	-----	-----	-----
Investment income--net	.53+++	1.10+++	1.10+++
Realized and unrealized gain (loss) on investments--net	(.41)	.15	(.12)
Dividends to Preferred Stock shareholders from investment income--net	(.03)	(.07)	(.11)

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Total from investment operations	.09	1.18	.87
Less dividends to Common Stock shareholders from investment income--net	(.50)	(.98)	(.94)
Capital charge resulting from issuance of Common Stock	--	--	--
Total dividends to Common Stock shareholders	(.50)	(.98)	(.94)
Net asset value, end of period	\$ 15.53	\$ 15.94	\$ 15.74
Market price per share, end of period	\$ 14.25	\$ 14.69	\$ 13.95
Total Investment Return**			
Based on market price per share	.25%++++	12.57%	4.77%
Based on net asset value per share	.69%++++	8.26%	6.33%
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of reimbursement and excluding reorganization expenses***	1.00%*	1.01%	1.04%
Total expenses, excluding reorganization expenses***	1.01%*	1.03%	1.04%
Total expenses***	1.01%*	1.03%	1.04%
Total investment income--net***	6.58%*	6.83%	7.10%
Amount of dividends to Preferred Stock shareholders	.41%*	.45%	.70%
Investment income--net, to Common Stock shareholders	6.17%*	6.38%	6.40%
Ratios Based on Average Net Assets of Common & Preferred Stock***			
Total expenses, net of reimbursement and excluding reorganization expenses	.67%*	.68%	.70%
Total expenses, excluding reorganization expenses	.69%*	.69%	.70%
Total expenses	.69%*	.69%	.70%
Total investment income--net	4.46%*	4.61%	4.75%
Ratios Based on Average Net Assets of Preferred Stock			
Dividends to Preferred Stock shareholders	.87%*	.94%	1.40%

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

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Financial Highlights (concluded)

The following per share data and ratios have been derived from information provided in the financial statements.

	For the Six Months Ended April 30, 2004	For the Year En 2003	For the Year En 2002
--	--	-------------------------	-------------------------

Supplemental Data

Net assets applicable to Common Stock, end of period (in thousands)	\$ 281,976	\$ 289,364	\$ 285,802
	=====	=====	=====
Preferred Stock outstanding, end of period (in thousands)	\$ 140,000	\$ 140,000	\$ 140,000
	=====	=====	=====
Portfolio turnover	16.57%	33.39%	32.68%
	=====	=====	=====

Leverage

Asset coverage per \$1,000	\$ 3,014	\$ 3,067	\$ 3,041
	=====	=====	=====

Dividends Per Share on Preferred Stock Outstanding++++

Series A--Investment income--net	\$ 111	\$ 240	\$ 354
	=====	=====	=====
Series B--Investment income--net	\$ 110	\$ 230	\$ 362
	=====	=====	=====
Series C--Investment income--net	\$ 104	\$ 240	\$ 333
	=====	=====	=====

*Annualized.

**Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

***Do not reflect the effect of dividends to Preferred Stock shareholders.

++Amount is less than \$(.01) per share.

++++The Fund's Preferred Stock was issued on November 19, 1992 (Series A) and March 6, 2000 (Series B and Series C).

+++++Certain prior year amounts have been reclassified to conform to current year presentation.

+++Based on average shares outstanding.

++++Aggregate total investment return.

See Notes to Financial Statements.

Notes to Financial Statements

1. Significant Accounting Policies:

MuniYield Michigan Insured Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. All such adjustments are of a normal, recurring nature. The Fund determines and makes available for publication the net asset value of its Common Stock on a weekly basis. The Fund's Common Stock is listed on the New York Stock Exchange under the symbol MIY. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds are traded primarily in the over-the-counter markets and are valued at the last available bid price in the over-the-counter market or on the basis of yield equivalents as obtained by the Fund's pricing service from one or more dealers that make markets in the securities. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the over-the-counter market, valuation is the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Fund from the counterparty. Short-term investments with a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including valuations furnished by a pricing service retained by the Fund, which may utilize a matrix system for valuations. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Board of Directors.

(b) Derivative financial instruments--The Fund may engage in various portfolio investment strategies both to increase the return of the Fund, and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

* Financial futures contracts--The Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or

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payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

* Options--The Fund may write covered call options and purchase put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked to market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired, or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Notes to Financial Statements (continued)

Written and purchased options are non-income producing investments.

* Forward interest rate swaps--The Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

(c) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Interest income is recognized on the accrual basis. Dividend income is recorded on the ex-dividend dates. The Fund amortizes all premiums and discounts on debt securities.

(e) Dividends and distributions--Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

2. Investment Advisory Agreement and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned

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subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .50% of the Fund's average weekly net assets, including proceeds from the issuance of Preferred Stock. For the six months ended April 30, 2004, FAM reimbursed the Fund in the amount of \$28,379.

For the six months ended April 30, 2004, the Fund reimbursed MLIM \$4,442 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended April 30, 2004 were \$72,416,452 and \$69,036,674, respectively.

Net realized gains (losses) for the six months ended April 30, 2004 and net unrealized appreciation/depreciation as of April 30, 2004 were as follows:

	Realized Gains (Losses)	Unrealized Appreciation/ Depreciation
Long-term investments	\$ 580,346	\$ 25,130,340
Forward interest rate swaps	(1,132,541)	--
Financial futures contracts	--	(18,727)
	-----	-----
Total	\$ (552,195)	\$ 25,111,613
	=====	=====

As of April 30, 2004, net unrealized appreciation for Federal income tax purposes aggregated \$25,288,350, of which \$27,056,713 related to appreciated securities and \$1,768,363 related to depreciated securities. The aggregate cost of investments at April 30, 2004 for Federal income tax purposes was \$397,487,883.

4. Stock Transactions:

The Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value \$.10 per share, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of holders of Common Stock.

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Notes to Financial Statements (concluded)

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Preferred Stock

Auction Market Preferred Stock are shares of Preferred Stock of the Fund, with a par value of \$.05 per share and a liquidation preference of \$25,000 per share, plus accrued and unpaid dividends that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at April 30, 2004 were as follows: Series A, 1.02%, Series B, 1.02% and Series C, .75%.

The Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the six months ended April 30, 2004, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of FAM, earned \$90,677 as commissions.

5. Capital Loss Carryforward:

On October 31, 2003, the Fund had a net capital loss carryforward of \$13,269,487, of which \$679,274 expires in 2006; \$3,974,932 expires in 2007; \$7,490,629 expires in 2008; and \$1,124,652 expires in 2010. This amount will be available to offset like amounts of any future taxable gains.

6. Subsequent Event:

The Fund paid a tax-exempt income dividend to holders of Common Stock in the amount of \$.084000 per share on May 27, 2004 to shareholders of record on May 14, 2004.

Proxy Results

During the six-month period ended April 30, 2004, MuniYield Michigan Insured Fund, Inc.'s Common Stock shareholders voted on the following proposal. The proposal was approved at a shareholders' meeting on April 27, 2004. A description of the proposal and number of shares voted are as follows:

	Shares Voted For	Shares Withheld From Voting
1. To elect the Fund's Directors:		
Donald W. Burton	17,016,533	635,326
David H. Walsh	17,022,560	629,299
Fred G. Weiss	17,025,159	626,700

During the six-month period ended April 30, 2004, MuniYield Michigan Insured Fund, Inc.'s Preferred Stock shareholders (Series A - C) voted on the following proposal. The proposal was approved at a shareholders' meeting on April 27, 2004. A description of the proposal and number of shares voted are as follows:

	Shares Voted For	Shares Withheld From Voting
1. To elect the Fund's Board of Directors: Donald W. Burton,		

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M. Colyer Crum, Laurie Simon Hodrick, David H. Walsh and
Fred G. Weiss

4,895

2

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Officers and Directors

Terry K. Glenn, President and Director
Donald W. Burton, Director
M. Colyer Crum, Director
Laurie Simon Hodrick, Director
David H. Walsh, Director
Fred G. Weiss, Director
Kenneth A. Jacob, Senior Vice President
John M. Loffredo, Senior Vice President
Fred K. Stuebe, Vice President
Donald C. Burke, Vice President and Treasurer
Phillip S. Gillespie, Secretary

Custodian

The Bank of New York
100 Church Street
New York, NY 10286

Transfer Agents

Common Stock:

The Bank of New York
101 Barclay Street
New York, NY 10286

Preferred Stock:

The Bank of New York
101 Barclay Street - 7 West
New York, NY 10286

NYSE Symbol

MIY

Dividend Policy

The Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Fund may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any month pay out such accumulated but undistributed

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income in addition to net investment income earned in that month. As a result, the dividends paid by the Fund for any particular month may be more or less than the amount of net investment income earned by the Fund during such month. The Fund's current accumulated but undistributed net investment income, if any, is disclosed in the Statement of Net Assets, which comprises part of the Financial Information included in this report.

Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this website <http://www.icsdelivery.com/live> and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

MUNIYIELD MICHIGAN INSURED FUND, INC., APRIL 30, 2004

Item 2 - Code of Ethics - Not Applicable to this semi-annual report

Item 3 - Audit Committee Financial Expert - Not Applicable to this semi-annual report

Item 4 - Principal Accountant Fees and Services - Not Applicable to this semi-annual report

Item 5 - Audit Committee of Listed Registrants - Not Applicable to this semi-annual report

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - Not Applicable to this semi-annual report

Item 8 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 9 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 10 - Controls and Procedures

10(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

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date within 90 days prior to the filing date of this report.

10(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 half-year 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 11 - Exhibits attached hereto

11(a)(1) - Code of Ethics - Not Applicable to this semi-annual report

11(a)(2) - Certifications - Attached hereto

11(a)(3) - Not Applicable

11(b) - Certifications - Attached hereto

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

MuniYield Michigan Insured Fund, Inc.

By: /s/ Terry K. Glenn
Terry K. Glenn,
President of
MuniYield Michigan Insured Fund, Inc.

Date: June 18, 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: June 18, 2004

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

Date: June 18, 2004

