

BLACKROCK MUNIHOLDINGS INSURED FUND, INC.  
Form N-CSRS  
January 08, 2010

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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 811-08707

Name of Fund: BlackRock MuniHoldings Insured Fund, Inc. (MUS)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock MuniHoldings Insured Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055.

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

Date of fiscal year end: 04/30/2010

Date of reporting period: 10/31/2009

Item 1 Report to Stockholders

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EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

## Semi-Annual Report

OCTOBER 31, 2009 | (UNAUDITED)

BlackRock Apex Municipal Fund, Inc. (APX)

BlackRock MuniAssets Fund, Inc. (MUA)

BlackRock MuniEnhanced Fund, Inc. (MEN)

BlackRock MuniHoldings Fund, Inc. (MHD)

BlackRock MuniHoldings Fund II, Inc. (MUH)

BlackRock MuniHoldings Insured Fund, Inc. (MUS)

BlackRock Muni Intermediate Duration Fund, Inc. (MUI)

BlackRock MuniVest Fund II, Inc. (MVT)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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**Dear Shareholder**

Over the past 12 months, we have witnessed a seismic shift in market sentiment from fear and pessimism during the worst economic decline and crisis of confidence in financial markets since The Great Depression to increasing optimism amid emerging signs of recovery. The period began in the midst of an intense deterioration in global economic activity and financial markets in the final months of 2008 and the early months of 2009. The collapse of confidence resulted in massive government policy intervention on a global scale in the financial system and the economy. The tide turned dramatically in March 2009, however, on the back of new US government initiatives, as well as better-than-expected economic data and upside surprises in corporate earnings.

Not surprisingly, global equity markets endured extreme volatility over the past 12 months, starting with steep declines and heightened risk aversion in the early part of the reporting period, which eventually gave way to an impressive rally that began in March. Although there have been fits and starts along the way and a few modest corrections, the new bull market has pushed all major US indices well into positive territory for 2009. The experience in international markets was similar to that in the United States. In particular, emerging markets (which were less affected by the global credit crunch and are experiencing faster economic growth rates when compared to the developed world) have posted impressive gains since the rally began.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, which drove yields sharply lower, but concerns about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields range bound in recent months. As economic and market conditions began to improve in early 2009, near-zero interest rates on risk-free assets prompted many investors to reallocate money from cash investments into higher-yielding and riskier non-Treasury assets. The high yield sector was the greatest beneficiary of this move, having decisively outpaced all other taxable asset classes since the start of 2009. Similarly, the municipal bond market is on pace for its best performance year ever in 2009, following one of its worst years in 2008. Investor demand remains strong for munis, helping to create a highly favorable technical backdrop. Municipal bond mutual funds are seeing record inflows, reflecting the renewed investor interest in the asset class.

As a result of the rebound in sentiment and global market conditions, most major benchmark indexes are now in positive territory for both the 6- and 12-month periods.

<b>Total Returns as of October 31, 2009</b>	<b>6-month</b>	<b>12-month</b>
US equities (S&P 500 Index)	20.04%	9.80%
Small cap US equities (Russell 2000 Index)	16.21	6.46
International equities (MSCI Europe, Australasia, Far East Index)	31.18	27.71
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(0.79)	8.12
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	5.61	13.79
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.99	13.60
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	27.72	48.65

\* Formerly a Merrill Lynch index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market

perspective and investment insight, visit the most recent issue of our award-winning *Shareholder*<sup>®</sup> magazine at [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine). As always, 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

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#### **Announcement to Shareholders**

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On December 1, 2009, BlackRock, Inc. and Barclays Global Investors, N.A. combined to form one of the world's preeminent investment management firms. The new company, operating under the BlackRock name, manages \$3.19 trillion in assets\*\* and offers clients worldwide a full complement of active management, enhanced and index investment strategies and products, including individual and institutional separate accounts, mutual funds and other pooled investment vehicles, and the industry-leading iShares platform of exchange traded funds.

\*\* Data is as of September 30, 2009, is subject to change, and is based on a pro forma estimate of assets under management and other data at BlackRock, Inc. and Barclays Global Investors.

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THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of October 31, 2009

BlackRock Apex Municipal Fund, Inc.

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**Investment Objective**


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**BlackRock Apex Municipal Fund, Inc. (APX) (the Fund)** seeks to provide shareholders with high current income exempt from federal income taxes by investing primarily in a portfolio of medium- to lower-grade or unrated municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 12.25% based on market price and 18.38% based on net asset value (NAV). For the same period, the closed-end Lipper High Yield Municipal Debt Funds category posted an average return of 19.61% on a market price basis and 22.12% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a premium to a discount to NAV by period end, which accounts for the difference between performance based on price and performance based on NAV. Negative performance factors included a relatively short duration stance, yield curve positioning and an above-average credit profile. Low exposure to the tobacco, long-term care and development district sectors also proved detrimental. The Fund's lower degree of leverage versus many of its Lipper peers further hindered relative performance. Positive factors included concentrations in transportation and corporate-related debt.

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.

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**Fund Information**


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Symbol on New York Stock Exchange ( NYSE )	APX
Initial Offering Date	July 25, 1989
Yield on Closing Market Price as of October 31, 2009 (\$8.38) <sup>1</sup>	6.66%
Tax Equivalent Yield <sup>2</sup>	10.25%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0465
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.5580
Leverage as of October 31, 2009 <sup>4</sup>	4%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup>

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Represents 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 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 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$8.38	\$7.72	8.55%	\$8.90	\$7.46
Net Asset Value	\$8.78	\$7.67	14.47%	\$9.06	\$7.67

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

### Sector Allocations

	10/31/09	4/30/09
Corporate	25%	24%
Health	24	22
County/City/Special District/School District	19	20
Transportation	9	11
Education	5	6
State	5	2
Utilities	5	6
Housing	4	6
Tobacco	4	3

### Credit Quality Allocations<sup>5</sup>

	10/31/09	4/30/09
AAA/Aaa	7%	7%
AA/Aa	3	5
A/A	13	12
BBB/Baa	28	23
BB/Ba	8	10
B/B	7	5
CCC/Caa	4	3
Not Rated <sup>6</sup>	30	35

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

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$6,443,683 representing 4% and \$8,923,111 representing 5%, respectively, of the Fund's long-term investments.





Fund Summary as of October 31, 2009

BlackRock MuniAssets Fund, Inc.

**Investment Objective**

**BlackRock MuniAssets Fund, Inc. (MUA) (the Fund)** seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of medium- to lower-grade or unrated municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

No assurance can be given that the Fund's investment objective will be achieved.

**Performance**

For the six months ended October 31, 2009, the Fund returned 9.95% based on market price and 18.35% based on NAV. For the same period, the closed-end Lipper High Yield Municipal Debt Funds category posted an average return of 19.61% on a market price basis and 22.12% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a premium to a discount to NAV by period end, which accounts for the difference between performance based on price and performance based on NAV. Negative performance factors included a relatively short duration stance, yield curve positioning and an above-average credit profile. Low exposure to the tobacco, long-term care and development district sectors also proved detrimental. The Fund's lower degree of leverage versus many of its Lipper peers further hindered relative performance. Positive factors included concentrations in transportation, health and corporate-related debt.

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 NYSE	MUA
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of October 31, 2009 (\$11.58) <sup>1</sup>	6.99%
Tax Equivalent Yield <sup>2</sup>	10.75%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0675
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8100
Leverage as of October 31, 2009 <sup>4</sup>	4%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup>

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Represents TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$11.58	\$10.91	6.14%	\$12.71	\$10.64
Net Asset Value	\$12.10	\$10.59	14.26%	\$12.52	\$10.59

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

### Sector Allocations

	10/31/09	4/30/09
Corporate	28%	26%
Health	25	25
County/City/Special District/School District	16	18
Transportation	9	12
Utilities	6	7
Education	5	4
State	4	2
Housing	4	4
Tobacco	3	2

### Credit Quality Allocations<sup>5</sup>

	10/31/09	4/30/09
AAA/Aaa	8%	9%
AA/Aa	3	3
A/A	17	19
BBB/Baa	25	19
BB/Ba	8	9
B/B	7	5
CCC/Caa	4	3
CC/Ca		1
Not Rated <sup>6</sup>	28	32

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$11,551,977 representing 4% and \$12,884,659 representing 5%, respectively, of the Fund's long-term investments.



Fund Summary as of October 31, 2009

BlackRock MuniEnhanced Fund, Inc.

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**Investment Objective**


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**BlackRock MuniEnhanced Fund, Inc. (MEN) (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 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.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 13.82% based on market price and 11.79% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.62% on a market price basis and 9.56% 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. Among the factors that positively contributed to Fund performance during the reporting period were: exposure to the long end of the curve during a period of yield-curve flattening and a general tightening of credit spreads, which drove performance in the Fund's holdings of insured bonds with weaker underlying credits; and the Fund's concentration in the transportation and housing sectors, which outperformed during the period. Conversely, low exposure to the utilities and education sectors detracted from Fund performance as both segments performed well.

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.

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**Fund Information**


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Symbol on NYSE	MEN
Initial Offering Date	March 2, 1989
Yield on Closing Market Price as of October 31, 2009 (\$9.80) <sup>1</sup>	6.49%
Tax Equivalent Yield <sup>2</sup>	9.98%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.053
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.636
Leverage as of October 31, 2009 <sup>4</sup>	39%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

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<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> Represents Auction Market Preferred Shares ( 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 9.80	\$ 8.88	10.36%	\$ 10.80	\$ 8.59
Net Asset Value	\$ 10.59	\$ 9.77	8.39%	\$ 11.16	\$ 9.62

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

**Sector Allocations**

	10/31/09	4/30/09
County/City/Special District/School District	29%	29%
Transportation	23	23
State	18	21
Utilities	13	12
Health	5	4
Housing	5	4
Corporate	4	4
Education	3	2
Tobacco		1

**Credit Quality Allocations<sup>5</sup>**

	10/31/09	4/30/09
AAA/Aaa	42%	45%
AA/Aa	23	33
A/A	28	19
BBB/Baa	5	3
Not Rated	2	

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

Fund Summary as of October 31, 2009

BlackRock MuniHoldings Fund, Inc.

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**Investment Objective**


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**BlackRock MuniHoldings Fund, Inc. (MHD) (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 issuers, is exempt from federal income taxes.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 26.84% based on market price and 17.38% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 16.28% on a market price basis and 14.93% 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. Positive performance factors included concentrations in health, housing and corporate-related debt. Renewed risk appetite was also beneficial, given the Fund's focus on lower-rated credits. In addition, the Fund's long duration stance and emphasis on longer-dated bonds were additive as yields on the long end of the curve fell substantially. Negative factors included less exposure to the tax-backed, essential services and tobacco sectors.

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.

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**Fund Information**


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Symbol on NYSE	MHD
Initial Offering Date	May 2, 1997
Yield on Closing Market Price as of October 31, 2009 (\$14.66) <sup>1</sup>	6.83%
Tax Equivalent Yield <sup>2</sup>	10.51%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0835
Current Annualized Distribution per Common Share <sup>3</sup>	\$1.0020
Leverage as of October 31, 2009 <sup>4</sup>	37%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

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<sup>4</sup> 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 14.66	\$ 11.97	22.47%	\$ 15.15	\$ 11.88
Net Asset Value	\$ 15.04	\$ 13.27	13.34%	\$ 15.84	\$ 13.27

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

### Sector Allocations

	10/31/09	4/30/09
Health	25%	19%
Corporate	13	15
County/City/Special District/School District	13	13
Utilities	11	10
State	10	10
Education	9	9
Transportation	9	11
Housing	8	9
Tobacco	2	4

### Credit Quality Allocations<sup>5</sup>

	10/31/09	4/30/09
AAA/Aaa	21%	29%
AA/Aa	28	21
A/A	26	24
BBB/Baa	10	10
BB/Ba	2	2
B/B	2	1
CCC/Caa	2	2
Not Rated <sup>2</sup>	9	11

<sup>5</sup> Using the higher of S&P's or Moody's Ratings.

<sup>6</sup> The investments advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$6,553,517 representing 2% and \$6,532,075 representing 2%, respectively, of the Fund's long-term investments.





Fund Summary as of October 31, 2009

BlackRock MuniHoldings Fund II, Inc.

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**Investment Objective**


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**BlackRock MuniHoldings Fund II, Inc. (MUH) (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.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 21.15% based on market price and 16.22% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 16.28% on a market price basis and 14.93% 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. Positive performance factors included concentrations in health, housing and corporate-related debt. Renewed risk appetite was also beneficial, given the Fund's focus on lower-rated credits. In addition, the Fund's long duration stance and emphasis on longer-dated bonds were additive as yields on the long end of the curve fell substantially. Negative factors included less exposure to the tax-backed, essential services and tobacco sectors. During the period, cash reserves were at low levels, as returns on cash are minimal.

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.

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**Fund Information**


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Symbol on NYSE	MUH
Initial Offering Date	February 27, 1998
Yield on Closing Market Price as of October 31, 2009 (\$13.26) <sup>1</sup>	6.83%
Tax Equivalent Yield <sup>2</sup>	10.51%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0755
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9060
Leverage as of October 31, 2009 <sup>4</sup>	36%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

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<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 13.26	\$ 11.33	17.03%	\$ 14.20	\$ 11.25
Net Asset Value	\$ 14.00	\$ 12.47	12.27%	\$ 14.72	\$ 12.46

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

### Sector Allocations

	10/31/09	4/30/09
Health	24%	18%
County/City/Special District/ School District	17	16
Corporate	13	11
State	11	10
Education	9	11
Utilities	9	9
Transportation	8	13
Housing	8	8
Tobacco	1	4

### Credit Quality Allocations<sup>5</sup>

	10/31/09	4/30/09
AAA/Aaa	18%	26%
AA/Aa	34	26
A/A	25	25
BBB/Baa	10	10
BB/Ba	1	1
B/B	2	2
CCC/Caa	2	1
Not Rated <sup>6</sup>	8	9

<sup>5</sup> Using the higher of S&P's and Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$6,984,569 representing 3% and \$4,974,331 representing 2%, respectively, of the Fund's long-term investments.



Fund Summary as of October 31, 2009

BlackRock MuniHoldings Insured Fund, Inc.

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**Investment Objective**


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**BlackRock MuniHoldings Insured Fund, Inc. (MUS) (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 issuers, is exempt from federal income taxes. Under normal circumstances, the Fund invests at least 80% of its total assets in municipal bonds that are covered by insurance.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 17.26%, based on market price and 9.60% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.62% on a market price basis and 9.56% 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. The Fund's overweight in housing and health bonds contributed positively to results. In both sectors, the maturity range of the bonds held in the portfolio was 20 years and longer, which benefited performance as the municipal yield curve flattened. The performance of both sectors was also enhanced by the tightening in credit spreads. Conversely, the Fund's overweight in pre-refunded holdings detracted from performance as lower-quality, longer-maturity assets outperformed the higher-quality, shorter-maturity issues in which the Fund was invested.

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**Fund Information**


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Symbol on NYSE	MUS
Initial Offering Date	May 1, 1998
Yield on Closing Market Price as of October 31, 2009 (\$12.34) <sup>1</sup>	6.81%
Tax Equivalent Yield <sup>2</sup>	10.48%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.07
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.84
Leverage as of October 31, 2009 <sup>4</sup>	42%

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<sup>1</sup> 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.

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- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> The distribution is not constant and is subject to change.
- <sup>4</sup> 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 12.34	\$ 10.87	13.52%	\$ 13.06	\$ 10.73
Net Asset Value	\$ 13.02	\$ 12.27	6.11%	\$ 13.81	\$ 11.98

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

### Sector Allocations

	10/31/09	4/30/09
County/City/Special District/ School District	36%	39%
Utilities	19	9
Transportation	16	17
State	13	17
Health	9	6
Housing	5	9
Corporate	2	2
Education		1

### Credit Quality Allocations<sup>5</sup>

	10/31/09	4/30/09
AAA/Aaa	53%	83%
AA/Aa	16	8
A/A	26	8
BBB/Baa	3	1
Not Rated <sup>6</sup>	2	

<sup>5</sup> Using the higher of S&P's and Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$5,883,162 representing 2% and \$3,333,138 representing 1%, respectively, of the Fund's long-term investments.



Fund Summary as of October 31, 2009

BlackRock Muni Intermediate Duration Fund, Inc.

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**Investment Objective**


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**BlackRock Muni Intermediate Duration Fund, Inc. (MUI) (the Fund )** seeks to provide shareholders with high current income exempt from federal income taxes by investing primarily in a portfolio of municipal obligations, the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 13.36% based on market price and 12.11% based on NAV. For the same period, the closed-end Lipper Intermediate Municipal Debt Funds category posted an average return of 10.23% on a market price basis and 9.33% 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. Exposure to lower-rated and corporate-backed holdings contributed positively to Fund performance; these issues rebounded sharply as the municipal market rallied and credit spreads compressed. In addition, management was able to capitalize on opportunities in the new-issue market, adding discounted coupon bonds in higher-tax states, which tend to outperform as rates fall and secondary demand by the retail sector increases. The Fund also benefited from maintaining an above-average dividend to the shareholder. Despite adding both duration and positive convexity through the new-issue market, overall performance was hampered by the Fund's neutral to slightly short duration bias relative to its Lipper peers. Lack of exposure to the utilities and transportation sectors, which outperformed during the period, also had a negative impact on 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.

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**Fund Information**


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Symbol on NYSE	MUI
Initial Offering Date	August 1, 2003
Yield on Closing Market Price as of October 31, 2009 (\$12.95) <sup>1</sup>	6.07%
Tax Equivalent Yield <sup>2</sup>	9.34%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0655
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7860
Leverage as of October 31, 2009 <sup>4</sup>	39%

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<sup>1</sup> 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.

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<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 12.95	\$ 11.77	10.03%	\$ 13.98	\$ 11.51
Net Asset Value	\$ 14.20	\$ 13.05	8.81%	\$ 14.79	\$ 13.01

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

**Sector Allocations**

	10/31/09	4/30/09
City/County/Special District/ School District	24%	25%
State	22	23
Transportation	8	13
Corporate	14	11
Health	10	10
Utilities	9	7
Tobacco	6	6
Housing	3	3
Education	4	2

**Credit Quality Allocations<sup>5</sup>**

	10/31/09	4/30/09
AAA/Aaa	30%	36%
AA/Aa	23	30
A/A	22	11
BBB/Baa	14	12
BB/Ba	1	
B/B	1	1
CCC/Caa	2	1
Not Rated <sup>6</sup>	7	9

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup>



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The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2009 and April 30, 2009, the market value of these securities was \$18,183,479 representing 2% and \$16,548,864 representing 2%, respectively, of the Fund's long-term investments.

Fund Summary as of October 31, 2009

BlackRock MuniVest Fund II, Inc.

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**Investment Objective**


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**BlackRock MuniVest Fund II, Inc. (MVT) (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 issuers, is exempt from federal income taxes.

No assurance can be given that the Fund's investment objective will be achieved.

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**Performance**


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For the six months ended October 31, 2009, the Fund returned 24.21%, based on market price and 19.70% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 16.28% on a market price basis and 14.93% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a discount to a premium to NAV by period end, which accounts for the difference between performance based on price and performance based on NAV. Positive performance factors included concentrations in health, transportation and corporate-related debt. Renewed risk appetite was also beneficial, given the Fund's focus on lower-rated credits. In addition, the Fund's long duration stance and emphasis on longer-dated bonds were significant positive contributors as yields on the long end of the curve fell substantially. Negative factors included less exposure to the tax-backed and essential services sectors.

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.

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**Fund Information**


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Symbol on NYSE	MVT
Initial Offering Date	March 29, 1993
Yield on Closing Market Price as of October 31, 2009 (\$13.94) <sup>1</sup>	7.19%
Tax Equivalent Yield <sup>2</sup>	11.06%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0835
Current Annualized Distribution per Common Share <sup>3</sup>	\$1.0020
Leverage as of October 31, 2009 <sup>4</sup>	42%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

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<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> 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 used by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/09	4/30/09	Change	High	Low
Market Price	\$ 13.94	\$ 11.65	19.66%	\$ 14.81	\$ 11.54
Net Asset Value	\$ 13.78				