

MUNIYIELD MICHIGAN INSURED FUND INC
Form DEF 14A
March 22, 2006

As filed with the Securities and Exchange Commission on March 22, 2006

SCHEDULE 14A
RULE 14a-101

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant
Check the appropriate box:

Filed by a party other than the Registrant

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

MUNIYIELD FLORIDA INSURED FUND
MUNIYIELD MICHIGAN INSURED FUND, INC.
MUNIYIELD NEW JERSEY INSURED FUND, INC.
MUNIYIELD PENNSYLVANIA INSURED FUND
THE S&P 500® PROTECTED EQUITY FUND, INC.

P.O. Box 9011, Princeton, New Jersey 08543-9011

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined.):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials:

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**MUNIYIELD FLORIDA INSURED FUND
MUNIYIELD MICHIGAN INSURED FUND, INC.
MUNIYIELD NEW JERSEY INSURED FUND, INC.
MUNIYIELD PENNSYLVANIA INSURED FUND
THE S&P 500® PROTECTED EQUITY FUND, INC.**

**P.O. Box 9011 Princeton,
New Jersey 08543-9011**

NOTICE OF 2006 ANNUAL MEETINGS OF STOCKHOLDERS

TO BE HELD ON APRIL 27, 2006

TO THE STOCKHOLDERS OF
MUNIYIELD FLORIDA INSURED FUND
MUNIYIELD MICHIGAN INSURED FUND, INC.
MUNIYIELD NEW JERSEY INSURED FUND, INC.
MUNIYIELD PENNSYLVANIA INSURED FUND
THE S&P 500® PROTECTED EQUITY FUND, INC.:

NOTICE IS HEREBY GIVEN that the 2006 Annual Meeting of Stockholders (each a Meeting and, collectively, the Meetings) of each of the above-listed investment companies (each a Fund and, collectively, the Funds) will be held at the offices of Fund Asset Management, L.P. (FAM), 800 Scudders Mill Road, Plainsboro, New Jersey 08536, on Thursday, April 27, 2006 at the time specified for each Fund in Exhibit A to

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the Combined Proxy Statement for the following purposes:

- (1) To elect a Board of Directors (which term as used herein refers to both Directors and Trustees, as applicable) of each Fund to serve for the ensuing year and until their successors have been duly elected and qualified or until their earlier retirement, resignation or removal; and
- (2) To transact such other business as may properly come before the Meetings or any adjournment thereof.

Each Fund's Board has fixed the close of business on February 27, 2006 as the record date for the determination of stockholders entitled to notice of and to vote at the applicable Fund's Meeting or any adjournment thereof.

You are cordially invited to attend the Meeting for any Fund in which you own shares. **Stockholders who do not expect to attend a Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it promptly in the envelope provided for this purpose. If you have been provided with the opportunity on your proxy card or voting instruction form to provide voting instructions via telephone or the Internet, please take advantage of these prompt and efficient voting options.** The enclosed proxy is being solicited on behalf of the Board of Directors of each Fund.

If you have any questions regarding the enclosed proxy material or need assistance in voting your shares, please contact our proxy solicitor, Computershare Fund Services, at 1-800-543-6217.

By Order of the Boards of Directors/Trustees

ALICE A. PELLEGRINO
*Secretary of MuniYield Florida Insured Fund
MuniYield Michigan Insured Fund, Inc.
MuniYield New Jersey Insured Fund, Inc.
MuniYield Pennsylvania Insured Fund
The S&P 500® Protected Equity Fund, Inc.*

Plainsboro, New Jersey
Dated: March 22, 2006

COMBINED PROXY STATEMENT

**MUNIYIELD FLORIDA INSURED FUND
MUNIYIELD MICHIGAN INSURED FUND, INC.
MUNIYIELD NEW JERSEY INSURED FUND, INC.
MUNIYIELD PENNSYLVANIA INSURED FUND
THE S&P 500® PROTECTED EQUITY FUND, INC.
P.O. Box 9011
Princeton, New Jersey 08543-9011**

2006 ANNUAL MEETINGS OF STOCKHOLDERS

April 27, 2006

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The Funds will be referred to throughout this Combined Proxy Statement as listed below.

<u>Fund</u>	<u>Term used in this Combined Proxy Statement</u>
MuniYield Florida Insured Fund	MY FL
MuniYield Michigan Insured Fund, Inc.	MY MI
MuniYield New Jersey Insured Fund, Inc.	MY NJ
MuniYield Pennsylvania Insured Fund	MY PA
The S&P 500® Protected Equity Fund, Inc.	S&P 500

INTRODUCTION

This Combined Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors or the Board of Trustees, as applicable, of the above-listed funds (each a **Fund** and, collectively, the **Funds**), to be voted at the 2006 Annual Meeting of Stockholders of each Fund (each, a **Meeting** and, collectively, the **Meetings**), to be held at the offices of Fund Asset Management, L.P. (**FAM**), 800 Scudders Mill Road, Plainsboro, New Jersey 08536, on Thursday, April 27, 2006, at the time specified in Exhibit A hereto. The approximate mailing date of this Combined Proxy Statement is March 23, 2006.

MY MI, MY NJ and S&P 500 are organized as Maryland corporations, and MY FL and MY PA are organized as Massachusetts business trusts. In each jurisdiction, nomenclature varies. For ease and clarity of presentation, shares of common stock or common shares of beneficial interest of a Fund are referred to herein as **Shares** or **Shares of Common Stock**, shares of auction market preferred stock and auction market preferred shares of beneficial interest are referred to as **AMPS**, the holders of the outstanding Shares and AMPS are referred to as **stockholders**, for the Maryland corporations, the Articles of Incorporation and Articles Supplementary, and for the Massachusetts business trusts, the Declaration of Trust and Certificate of Designation, are referred to separately or together as the **Charter**, the Board of Directors or Board of Trustees of each Fund is referred to as the **Board** or **Board of Directors**, and the Directors or Trustees of each Fund are referred to as **Directors**.

All properly executed proxies received prior to a Fund's Meeting will be voted at that Meeting in accordance with the instructions marked thereon or otherwise as provided therein. Unless instructions to the contrary are marked, proxies will be voted **FOR** the election of the Director nominees of each Fund. Any proxy may be revoked at any time prior to the exercise thereof by giving written notice to the Secretary of the

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applicable Fund at that Fund's address indicated above or by voting in person at the Meeting.

The Board of Directors of each Fund has fixed the close of business on February 27, 2006 as the record date (the Record Date) for the determination of stockholders entitled to notice of and to vote at the Meetings and at any adjournments thereof. Stockholders on the Record Date will be entitled to one vote for each share held, with no shares having cumulative voting rights. As of the Record Date, each Fund had outstanding the number of Shares and AMPS, if applicable, indicated in Exhibit A. Except as set forth in Exhibit A to this Combined Proxy Statement to the knowledge of each Fund, as of the Record Date, no person is the beneficial owner of five percent or more of that Fund's outstanding Shares or five percent or more of the outstanding AMPS of such Fund, if applicable. This Combined Proxy Statement is being provided to the holders of Shares and AMPS, if applicable, of each Fund.

The Board of Directors of each Fund knows of no business other than the election of Directors that will be presented for consideration at its Meeting. If any other matter is properly presented, it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

The stockholders solicited and entitled to vote on the election of Directors are outlined in the following chart:

Fund	Item 1. Election of Directors
MY FL*	Common Stock and AMPS
MY MI*	Common Stock and AMPS
MY NJ*	Common Stock and AMPS
MY PA*	Common Stock and AMPS
S&P 500	Common Stock

* The holders of Shares of Common Stock and AMPS are entitled to vote on the election of Directors. See Additional Information Quorum and Vote Required.

** Only the holders of AMPS are entitled to vote on the election of the two AMPS Director Nominees. The holders of Shares of Common Stock and AMPS are entitled to vote on the election of the other Director Nominees. See Item 1. Election of Directors and Additional Information Quorum and Vote Required.

On February 15, 2006, BlackRock, Inc. (BlackRock) and Merrill Lynch & Co., Inc. (Merrill Lynch) announced that they have reached an agreement to merge Merrill Lynch's investment management business, Merrill Lynch Investment Managers, L.P. and certain affiliates (including Fund Asset Management, L.P. and Merrill Lynch International Limited), and BlackRock to create a new independent company that will be one of the world's largest asset management firms with nearly \$1 trillion in assets under management. Merrill Lynch will hold a 49.8% stake and will have a 45% voting interest in the combined company. The new company will operate under the BlackRock name and be governed

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by a board of directors with a majority of independent members. The combined company will offer a full range of equity, fixed income, cash management and alternative investment products with strong representation in both retail and institutional channels, in the U.S. and in non-U.S. markets. It will have over 4,500 employees in 18 countries and a major presence in most key markets, including the United States, the United Kingdom, Asia, Australia, the Middle East and Europe. The transaction has been approved by the boards of directors of both Merrill Lynch and BlackRock and is expected to close in the third quarter of 2006.

As a result of the above transaction, the combined company is expected to become the investment adviser to each of the Funds contingent upon the approval of the Fund's Board of Directors and shareholders.

ITEM 1. ELECTION OF DIRECTORS

At the Meetings of all the Funds, the Directors will be elected to serve until the next Annual Meeting of Stockholders for such Fund and until their successors are elected and qualified or until their earlier retirement, resignation or removal. The nominees are Donald W. Burton, Robert C. Doll, Jr., Laurie Simon Hodrick, John F. O'Brien, David H. Walsh and Fred G. Weiss (collectively, the Director Nominees).

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For MY FL, MY MI, MY NJ and MY PA:

- (1) All properly executed proxies of the holders of AMPS, voting separately as a class, will be voted FOR the two (2) Director Nominees listed in the chart below to be elected by the holders of AMPS; and
- (2) All properly executed proxies of the holders of Shares and AMPS, voting together as a single class, will be voted FOR the four (4) Director Nominees listed in the chart below to be elected by the holders of Shares and AMPS:

Fund	AMPS Director Nominees	Other Director Nominees
MY FL	Laurie Simon Hodrick, Fred G. Weiss	Donald W. Burton, Robert C. Doll, Jr., John F. O Brien, David H. Walsh
MY MI	Laurie Simon Hodrick, Fred G. Weiss	Donald W. Burton, Robert C. Doll, Jr., John F. O Brien, David H. Walsh
MY NJ	Laurie Simon Hodrick, Fred G. Weiss	Donald W. Burton, Robert C. Doll, Jr., John F. O Brien, David H. Walsh
MY PA	Laurie Simon Hodrick, Fred G. Weiss	Donald W. Burton, Robert C. Doll, Jr., John F. O Brien, David H. Walsh

For S&P 500:

All properly executed proxies will be voted FOR the six (6) Director Nominees listed below to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified.

**Nominees to be Elected by Holders
of Shares of S&P 500**

Donald W. Burton	John F. O Brien
Robert C. Doll, Jr	David H. Walsh
Laurie Simon Hodrick	Fred G. Weiss

The Board of each Fund knows of no reason why any of the Director Nominees listed above for any Fund will be unable to serve, but in the event of any such unavailability, the proxies received will be voted for such substitute nominee or nominees as that Fund's Board of Directors may recommend.

Certain information concerning the Director Nominees is set forth below. Additional information concerning the Director Nominees is set forth in Exhibit B to this Combined Proxy Statement.

Biographical Information

Certain biographical and other information relating to the Director Nominee who is an interested person, as defined in the Investment Company Act of 1940, as amended (the Investment Company Act) of each Fund, is set forth below:

Name, Address and Age	Position(s) Held with Each Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of MLIM/FAM-Advised Funds** and Portfolios Overseen	Public Directorships

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Robert C. Doll, Jr. (51)	President and Director*	President and Director of each Fund since 2005.	President of MLIM/FAM-advised funds since 2005; President of FAM and its affiliate, Merrill Lynch Investment Managers, L.P. (MLIM), since 2001; President and Director of Princeton Services, Inc. (Princeton Services) since 2001; President and Director of Princeton Administrators, L.P. (Princeton Administrators) since 2001; Co-Head (Americas Region) of FAM and MLIM from 2000 to 2001 and Senior Vice President thereof from 1999 to 2001; Chief Investment Officer of OppenheimerFunds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.	131 registered investment companies consisting of 177 portfolios	None
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P.O. Box 9011, Princeton, New Jersey 08543-9011.

Mr. Doll is an interested person, as defined in the Investment Company Act, of each Fund based on his positions with MLIM, FAM, Princeton Services and Princeton Administrators.

* As a Director, Mr. Doll serves until his successor is elected and qualified, until December 31 of the year in which he turns 72, or until his death, resignation, or removal as provided in each Fund's by-laws, charter or by statute.

** The complex of funds advised by FAM and MLIM.

Certain biographical and other information relating to the Director Nominees who are not interested persons, as defined in the Investment Company Act of any Fund and who are independent as defined in the listing standards of the New York Stock Exchange (NYSE) or The NASDAQ National Market (NASDAQ), as applicable, to each Fund (non-interested Directors) is set forth below. Each non-interested Director Nominee is a member of each Fund's Audit Committee and Nominating Committee.

Name, Address* and Age	Position(s) Held with Each Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of MLIM/FAM-Advised Funds and Portfolios Overseen	Public Directorships
Donald W. Burton (61)	Director	Director of each Fund since the year listed in Exhibit B.	General Partner of The Burton Partnership, Limited Partnership (an investment partnership) since 1979; Managing General Partner of The South Atlantic Venture Funds since 1983; Member of the Investment Advisory Council of the Florida State Board of Administration since 2001.	23 registered investment companies consisting of 42 portfolios	Knology, Inc. (telecommuni-cations); Symbion, Inc. (health care)
Laurie Simon Hodrick (43)	Director	Director of each Fund since the year listed in Exhibit B.	Professor of Finance and Economics, Graduate School of Business, Columbia University since 1998.	23 registered investment companies consisting of 42 portfolios	None

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Name, Address* and Age	Position(s) Held with Each Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of MLIM/FAM-Advised Funds and Portfolios Overseen	Public Directorships
John F. O'Brien (62)	Director	Director of each Fund since the year listed in Exhibit B.	President and Chief Executive Officer of Allmerica Financial Corporation (financial services holding company) from 1995 to 2002 and Director from 1995 to 2003; President of Allmerica Investment Management Co., Inc. (investment adviser) from 1989 to 2002, Director from 1989 to 2002 and Chairman of the Board from 1989 to 1990; President, Chief Executive Officer and Director of First Allmerica Financial Life Insurance Company from 1989 to 2002 and Director of various other Allmerica Financial companies until 2002; Director of ABIOMED since 1989, Member of the Governance/Nominating Committee since 2004, Member of the Compensation	23 registered investment companies consisting of 42 portfolios	ABIOMED (medical device manufacturer); Cabot Corporation (chemicals); LKQ Corporation (auto parts manufacturing); TJX Companies, Inc. (retailer)

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			Committee since 1989 and Member of the Audit Committee from 1990 to 2004; Director and Member of the Governance and Nomination Committee of Cabot Corporation and Member of the Audit Committee since 1990; Director and Member of the Audit Committee and Compensation Committee of LKQ Corporation since 2003; Lead Director of TJX Companies, Inc. since 1999; Trustee of the Woods Hole Oceanographic Institute since 2003.		
David H. Walsh (64)	Director	Director of each Fund since the year listed in Exhibit B.	Consultant with Putnam Investments from 1993 to 2003 and employed in various capacities therewith from 1973 to 1992; Director, The National Audubon Society since 1998; Director, The American Museum of Fly Fishing since 1997.	23 registered investment companies consisting of 42 portfolios	None
Fred G. Weiss** (64)	Director	Director of each Fund since the year listed in Exhibit B.	Managing Director of FGW Associates since 1997; Vice President, Planning Investment and Development of Warner Lambert Co. from 1979 to 1997; Director of the Michael J. Fox Foundation for Parkinson's Research since 2000; Director of BTG International PLC (a global technology commercialization company) since 2001.	23 registered investment companies consisting of 42 portfolios	Watson Pharmaceuticals Inc. (pharmaceutical company)

* The address of each non-interested Director is P.O. Box 9095, Princeton, New Jersey 08543-9095.

** Chairman of the Audit Committee of each Fund.

Each Director serves until his or her successor is elected and qualified, or until his or her death, resignation, or removal as provided in the Funds respective by-laws or charter or by statute, or until December 31 of the year in which he or she turns 72.

Committee and Board Meetings

The Board of each Fund maintains a standing Audit Committee and a standing Nominating Committee, each of which consists of all of the non-interested Directors. Currently, Ms. Hodrick and Messrs. Burton, O'Brien, Walsh and Weiss are members of each Fund's Audit Committee and Nominating Committee.

Audit Committees

The principal responsibilities of each Audit Committee are the appointment, compensation and oversight of the Fund's independent registered public accounting firm, including the resolution of disagreements regarding financial reporting between Fund management and such independent registered public accounting firm. The Audit Committee's responsibilities include, without limitation, to (i) review with the independent registered public accounting firm the arrangements for and scope of annual and special audits and any other services provided by the independent registered public accounting firm to the Fund; (ii) discuss with the independent registered public accounting firm certain matters relating to the Fund's financial statements, including any adjustment to such financial statements recommended by such

independent registered public accounting firm or any other results of any audit; (iii) ensure that the independent registered public accounting firm submits on a periodic basis a formal written statement with respect to their independence, discuss with the independent registered public accounting firm any relationships or services disclosed in the statement that may impact the objectivity and independence of the Fund's independent registered public accounting firm and recommend that the Board take appropriate action in response thereto to satisfy itself of the independent registered public accounting firm's independence; and (iv) consider the comments of the independent registered public accounting firm with respect to the quality and adequacy of the Fund's accounting and financial reporting policies and practices and internal controls and Fund management's responses thereto. The Board of each Fund has adopted a written Charter for the Audit Committee, a copy of which is attached to this Combined Proxy Statement as Exhibit D. Each Audit Committee has retained independent legal counsel to assist it in connection with these duties.

Each Fund's Audit Committee also has received written disclosures and the letter required by Independence Standards Board Standard No. 1, as may be modified or supplemented, from its independent registered public accounting firm identified in Exhibit A. Each Audit Committee has discussed with the applicable independent registered public accounting firm such firm's independence with respect to the Fund and certain

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matters required to be discussed by Statements on Auditing Standards No. 61. Each Audit Committee has considered whether the provision of non-audit services by the Fund's independent registered public accounting firm is compatible with maintaining the independence of that registered public accounting firm.

Each Audit Committee also reviews and discusses the audit of the Fund's financial statements with Fund management and the independent registered public accounting firm. If any material concerns arise during the course of the audit and the preparation of the audited financial statements mailed to stockholders and included in the Fund's Annual Report to Stockholders, the Audit Committee would be notified by Fund management or the independent registered public accounting firm. The Audit Committees received no such notifications for any Fund. Following each Audit Committee's review and discussion regarding the audit of the Fund's financial statements with Fund management and the Fund's independent registered public accounting firm, each Audit Committee recommended to the Directors that the Fund's audited financial statements for the Fund's 2005 fiscal year (each Fund's fiscal year end is set forth in Exhibit A) be included in each Fund's Annual Report to Stockholders.

Nominating Committees

The principal responsibilities of each Nominating Committee are to identify individuals qualified to serve as non-interested Directors of the Fund and to recommend its nominees for consideration by the full Board. The non-interested Directors have retained independent legal counsel to assist them in connection with these duties. While each Nominating Committee is solely responsible for the selection and nomination of the Fund's non-interested Directors, the Nominating Committee may consider nominations for the office of Director made by Fund stockholders as it deems appropriate. Stockholders who wish to recommend a nominee should send nominations to the applicable Fund's Secretary that include biographical information and set forth the qualifications of the proposed nominee. The Nominating Committee evaluates nominees from whatever source using the same standard. Each Fund has adopted a written Charter for the Nominating Committee, a copy of which was last filed as an exhibit to the Funds' Combined Proxy Statement in connection with the 2005 Annual Meeting of Stockholders of the Funds.

In identifying and evaluating a potential nominee to serve as a non-interested Director of a Fund, the Nominating Committee will consider, among other factors, (i) the contribution that the person can make to the Board, with consideration being given to the person's business and professional experience, education, and such other factors as the Committee may consider relevant; (ii) the character and integrity of the person; (iii) whether or not the person is an interested person as defined in the Investment Company Act and whether the person is otherwise qualified under applicable laws and regulations to serve as a Director; (iv) whether or not the person has any business, charitable, financial or family relationships with Fund management, the investment adviser or manager of the Fund, any sub-adviser to the Fund, Fund service providers or their affiliates; (v) whether the individual is financially literate pursuant to the listing standards of the NYSE or NASDAQ; (vi) whether or not the person serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related investment company complexes; (vii) whether or not the person is willing to serve, and willing and able to commit the time necessary to perform the duties of a Fund Director; and (viii) whether or not the selection and nomination of the person would be consistent with the Fund's retirement policy.

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Director Attendance at Board and Committee Meetings

During each Fund's last fiscal year, each of the Directors then in office attended at least 75% of the aggregate of the total number of meetings of the Board of Directors of that Fund held during the fiscal year and, if a member, the total number of meetings of the Audit Committee and Nominating Committee held during the period for which he or she served. For information about the number of meetings of the Board, the Audit Committee and the Nominating Committee held during each Fund's most recently completed fiscal year, see Exhibit A to the Combined Proxy Statement.

Stockholder Communications

Stockholders may send written communications to a Fund's Board of Directors or to an individual Director by mailing such correspondence to the Director or Directors at P.O. Box 9095, Princeton, New Jersey 08543-9095. Such communications must be signed by the stockholder and identify the Fund, class and number of shares held by the stockholder. Properly submitted stockholder communications will, as appropriate, be forwarded to the entire Board or to the individual Director. Any stockholder proposal submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act), must continue to meet all the requirements of Rule 14a-8. See Additional Information Stockholder Proposals herein.

Director Attendance at Stockholder Meetings

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The Funds have no formal policy regarding Director attendance at stockholder meetings. None of the Funds' Directors attended the 2005 Annual Meetings of Stockholders.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the officers and Directors of each Fund and persons who own more than ten percent of a registered class of the Fund's equity securities to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission (SEC) and in the case of MY FL, MY MI, MY NJ and MY PA also with the NYSE. Officers, Directors and greater than ten percent stockholders of each Fund are required by SEC regulations to furnish the Fund with copies of all Forms 3, 4 and 5 they file.

Based solely on each Fund's review of the copies of such forms, and amendments thereto, furnished to it during or with respect to its most recent fiscal year, and written representations from certain reporting persons that they were not required to file Form 5 with respect to the most recent fiscal year, each Fund believes that all of its officers, Directors, greater than ten percent beneficial owners and other persons subject to Section 16 of the Exchange Act due to the requirements of Section 30 of the Investment Company Act (i.e., any advisory board member, investment adviser or affiliated person of the Fund's investment adviser) have complied with all filing requirements applicable to them with respect to transactions during the Fund's most recent fiscal year.

Interested Persons

Each Fund considers Mr. Doll to be an interested person of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act based on his positions with FAM, MLIM, Princeton Services and Princeton Administrators. On February 3, 2005, Mr. Doll was elected by each Fund's Board as a Director of each Fund. Effective January 1, 2005, Mr. Doll was elected as President of each Fund by the Fund's Board.

Compensation of Directors

FAM, the investment adviser of each Fund, pays all compensation to all officers of each Fund and all Directors of each Fund who are affiliated with Merrill Lynch & Co., Inc. (ML & Co.) or its subsidiaries. Each Fund (except S&P 500) pays each non-interested Director an annual retainer of \$3,000 and S&P 500 pays each non-interested Director an annual retainer of \$3,500 for his or her services to the Funds. In addition, each non-interested Director receives a fee per in-person Board meeting attended and per in-person Audit Committee meeting attended. The annual per meeting fees paid to each non-interested Director aggregate \$86,000 for all MLIM/FAM-advised funds for which that Director serves and are allocated equally among those funds. The Chairman of the Audit Committee receives an additional annual retainer in the amount of \$29,500, which is paid annually and allocated to each MLIM/FAM-advised fund for which he provides services based on the relative net assets of the fund.

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Information relating to (i) the aggregate fees and expenses paid by each Fund to its non-interested Directors during each Fund's most recently completed fiscal year is set forth in Exhibit A to this Combined Proxy Statement and (ii) the compensation received by each non-interested Director is set forth in Exhibit B to this Combined Proxy Statement.

Officers of Each Fund

Information relating to the officers of each Fund is set forth in Exhibit C to this Combined Proxy Statement. Officers of the Funds are elected and appointed by the Board of Directors and hold office until they resign, are removed or are otherwise disqualified to serve.

Stock Ownership

Set forth in Exhibit B to the Combined Proxy Statement is the following information for each Director Nominee: (i) the number of Shares of Common Stock and AMPS, if applicable, of each Fund owned; (ii) the aggregate dollar range such stock ownership represents; and (iii) the aggregate dollar range of equity securities owned in all registered funds overseen by the Director Nominee in the Merrill Lynch family of funds.

As of the Record Date, no non-interested Director Nominee or his or her immediate family members, owned beneficially or of record any securities of ML & Co. As of the Record Date, the Directors and officers of each Fund as a group owned an aggregate of less than 1% of the Fund's outstanding shares. At such date, Mr. Doll, a Director and officer of each Fund, and the other officers of each Fund owned an aggregate of less than 1% of the outstanding shares of common stock of ML & Co.

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See **Additional Information** **Quorum and Vote Required** for the required vote necessary for the election of the Director Nominees with respect to each Fund.

The Board of Directors of each Fund recommends that the stockholders vote FOR the election of the Director Nominees.

ADDITIONAL INFORMATION

Expenses and Methods of Proxy Solicitation

The expenses of preparation, printing and mailing of the enclosed forms of proxy, the accompanying Notice and this Combined Proxy Statement will be borne by each Fund in proportion to its relative net assets. The Funds will reimburse banks, brokers and others for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners of Shares of Common Stock and AMPS of the Funds.

In order to obtain the necessary quorum at each Meeting, supplementary solicitation may be made by mail, telephone, telegraph or personal interview by officers of each Fund. Each Fund has retained Computershare Fund Services, 17 State Street, New York, New York 10004, to assist in the solicitation of proxies at a cost of approximately \$3,500 for each Fund, plus out-of-pocket expenses estimated to be \$750 for each Fund.

Quorum and Vote Required

For MY FL, MY MI, MY NJ and MY PA, a quorum consists of a majority of the Shares of Common Stock and AMPS entitled to vote at the Meetings, present in person or by proxy.

For S&P 500, a quorum consists of holders of one-third of the Shares of Common Stock entitled to vote at the Meetings, present in person or by proxy.

For Funds with Shares of Common Stock and AMPS outstanding, the quorum requirements must be met for holders of Shares of Common Stock and AMPS, each considered separately as a class.

Assuming a quorum is present, approval of Item 1. Election of Directors will require the affirmative vote of stockholders holding at least the percentage of Shares of Common Stock and AMPS indicated in the chart below. For purposes of Item 1, a plurality of the votes cast means the candidate must receive more votes than any other candidate for the same position, but not necessarily a majority of the votes cast.

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Item 1

Fund	Election of Other Directors	Election of AMPS Directors
MY FL	Affirmative vote of the holders of a majority of the AMPS present in person or by proxy at the Meeting and entitled to vote, voting as a separate class single class	Affirmative vote of the holders of a majority of the Shares of Common Stock and AMPS present in person or by proxy at the Meeting and entitled to vote, voting together as a
MY MI	Affirmative vote of a plurality of votes cast by the holders of AMPS, voting as a separate class and AMPS, voting together as a single class	Affirmative vote of a plurality of votes cast by the holders of Shares of Common Stock

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Item 1		
MY NJ	Affirmative vote of a plurality of votes cast by the holders of AMPS, voting as a separate class	Affirmative vote of a plurality of votes cast by the holders of Shares of Common Stock and AMPS, voting together as a single class
MY PA	Affirmative vote of the holders of a majority of the AMPS present in person or by proxy at the Meeting and entitled to vote, voting as a separate class	Affirmative vote of the holders of a majority of the Shares of Common Stock and AMPS present in person or by proxy at the Meeting and entitled to vote, voting together as a single class
S&P 500	N/A	Affirmative vote of a plurality of votes cast by the holders of Shares of Common Stock present in person or by proxy at the Meeting and entitled to vote

If, by the time scheduled for a Meeting, a quorum of stockholders is not present or if a quorum is present but sufficient votes to allow action on one or more proposals are not received from the stockholders, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies from stockholders. Any such adjournment will require the affirmative vote of a majority of the Shares of Common Stock and AMPS, if applicable, of the Fund present in person or by proxy and entitled to vote at the time of the Meeting to be adjourned. The persons named as proxies will vote in favor of any such adjournment if they believe the adjournment and additional proxy solicitation are reasonable and in the best interests of the Fund's stockholders.

All Shares of Common Stock and AMPS represented by properly executed proxies, unless such proxies have previously been revoked, will be voted at each Meeting in accordance with the directions on the proxies; if no direction is indicated, the Shares of Common Stock and AMPS will be voted FOR the Director Nominees.

Broker Non-Votes and Abstentions

Broker-dealer firms, including Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), holding shares of a Fund in street name for the benefit of their customers and clients, will request the instructions of such customers and clients on how to vote their shares on Item 1 before the Meeting. The Funds will include shares held of record by broker-dealers as to which such authority has been granted in its tabulation of the total number of shares present for purposes of determining whether the necessary quorum of stockholders of each Fund exists. The Funds understand that, under the rules of the NYSE, such broker-dealer firms may, without instructions from their customers and clients, grant authority to the proxies designated to vote on the election of Directors (Item 1) if no instructions have been received prior to the date specified in the broker-dealer firm's request for voting instructions. MLPF&S has advised each Fund that if it votes shares held in its name for which no instructions have been received, except as limited by agreement or applicable law, with respect to the election of Directors (Item 1) it will do so with respect to Shares of Common Stock and AMPS in the same proportion as the votes received from beneficial owners of those Shares of Common Stock and AMPS, if applicable, for which instructions have been received, whether or not held in nominee name. Proxies that are returned to a Fund but that are marked abstain or on which a broker-dealer has declined to vote on any non-routine proposal (broker non-votes) will be counted as present for the purposes of determining a quorum. Abstentions and broker non-votes will not be counted as votes cast. Therefore, abstentions and broker non-votes will not have an effect on the vote on Item 1 for any Fund, except for MY FL and MY PA; in the case of MY FL and MY PA, abstentions and broker non-votes will have the same effect as a vote against Item 1.

Other Matters

Management knows of no other matters to be presented at the Meetings. However, if other matters are presented for a vote at a Meeting or any adjournments thereof, the proxy holders will vote the Shares of Common Stock and AMPS represented by properly executed proxies according to their judgment on those matters.

Independent Registered Public Accounting Firms Fees

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The SEC's auditor independence rules require the Audit Committee of each Fund to pre-approve (a) all audit and permissible non-audit services provided by the Fund's independent registered public accounting firm directly to the Fund and (b) those permissible non-audit services provided by the Fund's independent registered public accounting firm to the Fund's Investment Adviser and any entity controlling, controlled by or under common control with the Investment Adviser that provides ongoing services to the Fund (the "Affiliated Service Providers"), if the services relate directly to the operations and financial reporting of the Fund.

The first two tables below set forth for each Fund, for its two most recent fiscal years the fees billed by its independent registered public accounting firm for (a) all audit and non-audit services provided directly to the Fund and (b) those non-audit services provided to the Fund's Affiliated Service Providers that relate directly to the Fund's operations and financial reporting, and, therefore, require Audit Committee pre-approval. Services under the caption:

Audit Fees are for the audit of the Fund's annual financial statements included in the Fund's reports to stockholders and in connection with statutory and regulatory filing or engagements;

Audit-Related Fees include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees;

Tax Fees include tax compliance, tax advice and tax planning; and

All Other Fees are for other products and services provided.

Each Fund also is required to disclose the total non-audit fees paid to its independent registered public accounting firm, for services rendered to the Fund and its Affiliated Service Providers regardless of whether those fees were pre-approved by the Audit Committee.

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The fiscal year end for each Fund is set forth in Exhibit A to this Combined Proxy Statement.

Fees for audit and non-audit services provided directly to the Fund:

Fund	Independent Registered Public Accounting Firm	Audit Fees (\$)		Audit-Related Fees (\$)		Tax Fees (\$)		All Other Fees	
		2005	2004	2005*	2004*	2005**	2004**	2005	2004
		MY FL	D&T	26,000	25,000	19,400	3,000	5,700	5,610
MY MI	E&Y	32,000	31,500	3,500	3,000	5,700	5,200	0	0
MY NJ	D&T	26,000	24,000	19,400	3,000	5,700	5,610	0	0
MY PA	D&T	26,000	25,000	19,400	3,000	5,700	5,610	0	0
S&P 500	D&T	26,500	25,400	0	0	5,700	5,800	0	0

* Primarily related to the performance of agreed upon compliance procedures associated with the Fund's AMPS including procedures required for issuance of new series of AMPS in 2005, if applicable.

** Primarily related to tax compliance services associated with reviewing the Fund's tax returns.

Deloitte & Touche LLP is referred to as D&T herein. Ernst & Young LLP is referred to as E&Y herein.

Fees for non-audit services provided to the Fund's Affiliated Service Providers for which pre-approval by the Committee was required:

Fund	Independent Registered Public Accounting Firm	Audit-Related Fees (\$)		Tax Fees (\$)		All Other Fees (\$)	
		2005	2004	2005	2004	2005	2004
MY FL	D&T	1,227,000*	945,000*	0	0	0	0
MY MI	E&Y	0	0	0	0	0	0
MY NJ	D&T	1,227,000*	945,000*	0	0	0	0
MY PA	D&T	1,227,000*	945,000*	0	0	0	0

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	Independent Registered Public Accounting Firm	Audit-Related Fees (\$)		Tax Fees (\$)		All Other Fees (\$)	
S&P 500		1,227,000*	945,000*	0	0	0	0

D&T

* Primarily related to examinations of internal controls and investment management performance returns at Affiliated Service Providers.

Aggregate non-audit fees for services provided to the Fund and its Affiliated Service Providers, regardless of whether pre-approval was required:

Fund	Independent Registered Public Accounting Firm	Aggregate Non-Audit Fees (\$)	
		2005	2004
MY FL	D&T	6,302,849	13,270,096
MY MI	E&Y	13,448,860	7,183,600
MY NJ	D&T	6,302,849	13,270,096
MY PA	D&T	6,302,849	13,270,096
S&P 500	D&T	6,833,088	14,091,966

Primarily associated with project management of non-financial service systems implementations, advisory and management consulting services, and examinations of internal controls and investment management performance returns for Affiliated Service Providers. Fees are also related to the performance of agreed upon compliance procedures associated with the Fund's AMPS including procedures required for issuance of new series of AMPS in 2005, if applicable and tax compliance services associated with reviewing the Fund's tax returns.

Primarily associated with corporate tax consulting, cash flow analyses, and quality enhancement and education seminars for personnel of Affiliated Service Providers. Fees are also related to the performance of agreed upon compliance procedures associated with the Fund's AMPS and tax compliance services associated with reviewing the Fund's tax returns.