

BLACKROCK MUNIYIELD NEW YORK INSURED FUND, INC.

Form N-CSR

October 07, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06500

Name of Fund: BlackRock MuniYield New York Insured Fund, Inc. (MYN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2010

Date of reporting period: 07/31/2010

Item 1 – Report to Stockholders

July 31, 2010

Annual Report

BlackRock MuniHoldings Insured Fund II, Inc. (MUE)

BlackRock MuniYield California Insured Fund, Inc. (MCA)

BlackRock MuniYield Insured Fund, Inc. (MYI)

BlackRock MuniYield Michigan Insured Fund II, Inc. (MYM)

BlackRock MuniYield New York Insured Fund, Inc. (MYN)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

The global economy is continuing to slowly improve, with the United States and emerging markets leading the way; however global and US economic statistics show that the pace of economic growth has trailed off in recent months. Market volatility has remained elevated over the past several months as investors remain uncertain about the future direction of economic growth. The sovereign debt crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip recession have all acted to depress investor sentiment. It is our view that the recent soft patch of economic data is just that – a slowdown in the pace of recovery and not an indication that the economy is sliding back into recession. In the United States, we expect to see slightly slower economic growth over the next several quarters; however, true double-dip recessions are quite rare, and unless there is a major shock to the economy, we believe the recovery will continue.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred – primarily as a result of mixed economic data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets were staging a muted recovery. On a 12-month basis global equities were still showing positive returns thanks to improving corporate revenues and profits and a reasonably strong macro backdrop. From a geographic perspective, US equities have significantly outpaced their international counterparts over the past six and twelve months, as the domestic economic recovery has been more pronounced and credit-related issues have held European markets down. Within the United States, smaller cap stocks have outperformed large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Over recent months, risk aversion and credit issues kept interest rates low and US Treasury yields have fallen significantly as investors favored safe haven assets. As the period drew to a close, higher-risk fixed income assets performed well due to strong earnings announcements and better-than-expected results on European bank stress tests. Meanwhile, tax-exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of July 31, 2010	6-month	12-month
US large cap equities (S&P 500 Index)	3.61%	13.84%
US small cap equities (Russell 2000 Index)	8.79	18.43
International equities (MSCI Europe, Australasia, Far East Index)	(0.62)	6.26
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.06	0.16
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	7.67	8.34
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.85	8.91
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	4.06	9.15
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.72	23.69

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

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Although conditions are certainly better than they were a couple of years ago, global financial markets continue to face high volatility while questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*® magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. We thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2010

BlackRock MuniHoldings Insured Fund II, Inc.

Fund Overview

BlackRock MuniHoldings Insured Fund II, Inc. s (MUE) (the Fund) investment objective is to provide shareholders with current income exempt from federal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more that are covered by insurance guaranteeing the timely payment of principal and interest at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2010, the Fund returned 33.51% based on market price, and 18.04% based on net asset value (NAV). For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 24.23% based on market price, and 15.41% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund held health and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened over the last 12 months. The Fund s exposure to insured issues with weak underlying credits detracted from performance as investor confidence in monoline insurers waned.

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

Fund Information

Symbol on New York Stock Exchange (NYSE)	MUE
Initial Offering Date	February 26, 1999
Yield on Closing Market Price as of July 31, 2010 (\$14.26) ¹	6.19%
Tax Equivalent Yield ²	9.52%
Current Monthly Distribution per Common Share ³	\$0.0735
Current Annualized Distribution per Common Share ³	\$0.8820
Leverage as of July 31, 2010 ⁴	39%

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

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- 2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
- 3 The distribution is not constant and is subject to change.
- 4 Represents Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.26	\$ 11.40	25.09%	\$ 14.32	\$ 11.40
Net Asset Value	\$ 13.57	\$ 12.27	10.59%	\$ 13.88	\$ 12.26

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

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	28%	29%
Utilities	23	21
Transportation	23	23
State	11	10
Health	9	9
Housing	5	5
Corporate	1	2
Education		1

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	54%	50%
AA/Aa	24	19
A	20	27
BBB/Baa	1	2
Not Rated ⁶	1	2

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

⁶

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The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010 and July 31, 2009, the market value of these securities was \$3,925,265, representing 1% and \$10,104,059, representing 2%, respectively, of the Fund's long-term investments.

Fund Summary as of July 31, 2010

BlackRock MuniYield California Insured Fund, Inc.**Fund Overview**

BlackRock MuniYield California Insured Fund, Inc. s (MCA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2010, the Fund returned 23.00% based on market price, and 15.69% based on NAV. For the same period, the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of 21.26% based on market price, and 14.03% based on NAV. 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 market price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund maintains a relatively generous degree of income accrual, which was a positive factor. The tightening of credit quality spreads in the uninsured basket of the Fund s holdings also aided results. A fully-invested and slightly longer relative duration posture were additive, too, as rates declined over the period. The municipal market benefited from the Build America Bond Program, which effectively moved supply to the taxable market and, thus, alleviated supply pressure in the tax-exempt space. Management s focus on the quality of underlying credits while the market placed less value on monoline insurance also aided relative performance. Secondary market demand for insured municipals weakened, resulting in limited liquidity and widening spreads on some sectors of insured bonds. Cash reserves held in the Fund during the period also detracted from performance as cash underperformed longer maturity coupon bonds in an environment of falling interest rates and tightening spreads.

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	MCA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2010 (\$14.02) ¹	5.82%
Tax Equivalent Yield ²	8.95%
Current Monthly Distribution per Common Share ³	\$0.068
Current Annualized Distribution per Common Share ³	\$0.816
Leverage as of July 31, 2010 ⁴	40%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The Monthly Distribution per Common Share declared on September 1, 2010 was increased to \$0.0705. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.02	\$ 12.08	16.06%	\$ 14.05	\$ 12.03
Net Asset Value	\$ 14.66	\$ 13.43	9.16%	\$ 14.92	\$ 13.42

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

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	55%	44%
Utilities	22	25
Transportation	11	13
Education	7	10
State	2	3
Health	2	3
Corporate	1	
Housing		2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	57%	44%
AA/Aa	29	28
A	14	27
BBB/Baa		1

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

Fund Summary as of July 31, 2010

BlackRock MuniYield Insured Fund, Inc.

Fund Overview

BlackRock MuniYield Insured Fund, Inc. s (MYI) (the Fund) investment objective is 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. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment and at least 80% of its assets in municipal obligations that are covered by insurance guaranteeing the timely payment of principal at maturity and interest when due. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2010, the Fund returned 24.03% based on market price, and 18.19% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 24.23% based on market price, and 15.41% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. Overall the tax-exempt municipal market benefited from the Build America Bond Program, which made the taxable market accessible to municipal issuers. This alleviated supply pressure in the tax-exempt space, which, coupled with increased investor demand for municipals, resulted in a favorable supply-demand paradigm and strong performance. The Fund benefited from its modestly long duration positioning as interest rates declined over the period. The Fund s exposure to the long end of the yield curve made a positive impact as prices of longer-dated bonds are most sensitive to declining interest rates. The Fund s holdings of insured bonds with lower-rated underlying credits also aided results as credit quality spreads tightened over the period. Detracting from performance was the Fund s exposure to zero-coupon bonds, which underperformed relative to the broader municipal bond market as spreads in this sector generally widened. The Fund s exposure to bonds with shorter maturities and/or call dates also detracted as declining interest rates had less of an impact on the shorter end of the yield curve.

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	MYI
Initial Offering Date	March 27, 1992
Yield on Closing Market Price as of July 31, 2010 (\$14.17) ¹	6.01%
Tax Equivalent Yield ²	9.25%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852

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Leverage as of July 31, 2010⁴

38%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The Monthly Distribution per Common Share declared on September 1, 2010 was increased to \$0.072. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.17	\$ 12.12	16.91%	\$ 14.26	\$ 11.46
Net Asset Value	\$ 13.67	\$ 12.27	11.41%	\$ 13.88	\$ 12.25

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

Sector Allocations

	7/31/10	7/31/09
Transportation	27%	31%
County/City/Special District/School District	21	24
Utilities	17	17
Education	8	7
State	8	8
Health	7	6
Housing	6	5
Corporate	6	2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	46%	47%
AA/Aa	29	23
A		