

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

MUNIHOLDINGS INSURED FUND II INC
 Form N-Q
 August 29, 2005

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number 811-9191

Name of Fund: MuniHoldings Insured Fund II, Inc.

Fund Address: P.O. Box 9011
 Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
 Officer, MuniHoldings Insured Fund II, Inc., 800 Scudders Mill Road,
 Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton,
 NJ, 08543-9011

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

Date of fiscal year end: 09/30/05

Date of reporting period: 04/01/05 - 06/30/05

Item 1 - Schedule of Investments

MuniHoldings Insured Fund II, Inc.

Schedule of Investments as of June 30, 2005

State	Face Amount	Municipal Bonds
Alaska - 1.3%	\$ 2,000 1,700	Anchorage, Alaska, Water Revenue Refunding Bonds, 6% due Matanuska-Susitna Boro, Alaska, GO, Series A, 6% due 3/0
Arkansas - 2.1%	6,105	Arkansas State Development Finance Authority, M/F Mortga Refunding Bonds, DRIVERS, Series 964Z, 7.568% due 6/01/2
California - 38.4%	5,355	California Pollution Control Financing Authority, PCR, R DRIVERS, AMT, Series 878Z, 7.566% due 12/01/2009 (d) (i) California State, Department of Water Resources, Power S Bonds, Series A:
	6,865	5.375% due 5/01/2017 (j)
	5,400	5.25% due 5/01/2020
	5,790	5.375% due 5/01/2022
	4,675	California State, GO, Refunding, RIB, AMT, Series 777X, 12/01/2021 (d) (i)
	3,000	California State Public Works Board, Lease Revenue Bonds General Services - Capitol East End Complex), Series A,
	2,100	California State, Various Purpose, GO, 5.50% due 4/01/20 Cerritos, California, Community College District, GO (EL Series A (d):

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

1,550	5% due 8/01/2025
1,215	5% due 8/01/2026
2,800	Compton, California, Unified School District, GO (Election of 1997), Series B, 5.50% due 6/01/2025 (d)
2,405	Dixon, California, Unified School District, GO (Election of 2002), Series D (j): East Side Union High School District, California, Santa Ana, California, Unified School District, GO (Election of 2002), Series D (j):
2,185	5% due 8/01/2020
8,460	5% due 8/01/2029
	Golden State Tobacco Securitization Corporation of California, Golden State Tobacco Securitization Corporation of California Settlement Revenue Bonds, Series B:
4,410	5.75% due 6/01/2022
2,700	5.375% due 6/01/2028 (b)
1,010	5.60% due 6/01/2028

Portfolio Abbreviations

To simplify the listings of MuniHoldings Insured Fund II, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
FHA	Federal Housing Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family
VRDN	Variable Rate Demand Notes

MuniHoldings Insured Fund II, Inc.

Schedule of Investments as of June 30, 2005 (concluded)

State	Face Amount	Municipal Bonds
California (concluded)	\$ 3,400 10,110 4,240 5,000 1,500 2,985	Los Angeles, California, Unified School District, GO: (Election of 1997), Series F, 5% due 1/01/2028 (b) Series A, 5% due 1/01/2028 (d) Modesto, California, Schools Infrastructure Financing Agency Tax Bonds, 5.50% due 9/01/2036 (a) Port of Oakland, California, Revenue Refunding Bonds, AMT, 5.375% due 11/01/2027 (b) Port of Oakland, California, Trust Receipts, Revenue Bonds Series K, 8.582% due 11/01/2021 (b) (i) Roseville, California, Joint Union High School District, GO (Election of 2004), Series A, 5% due 8/01/2029 (b)

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

	2,130	Sacramento, California, City Financing Authority, Capital Revenue Bonds (911 Call Center and Other Municipal Projects) 12/01/2027 (a)
	4,500	Sacramento County, California, Sanitation District Financing Revenue Refunding Bonds, Series A, 5.875% due 12/01/2027
	1,250	San Francisco, California, City and County Airport Commission Airport, Special Facilities Lease Revenue Bonds (SFO Fuel) Series A, 6.10% due 1/01/2020 (c)
	3,800	San Jose, California, GO (Libraries, Parks and Public Safety) due 9/01/2030 (d)
	4,620	Tustin, California, Unified School District, Senior Lien (Community Facilities District No. 97-1), Series A, 5% due 12/01/2027
		University of California Revenue Bonds (Multiple Purpose Series Q (c):
	3,000	5% due 9/01/2022
	6,710	5% due 9/01/2031
	5,060	William S. Hart Union High School District, California, GO (Election of 2001), Series B, 4.70% due 9/01/2023 (c)
Colorado - 3.7%		Aurora, Colorado, COP (a):
	3,055	5.75% due 12/01/2019
	3,230	5.75% due 12/01/2020
	395	Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, 7.50% due 4/01/2031
	4,000	Colorado Health Facilities Authority, Hospital Revenue Refunding Bonds (Poudre Valley Health Care), Series A, 5.75% due 12/01/2027
Connecticut - 2.7%	8,500	Connecticut State HFA Revenue Bonds (Housing Mortgage Financing) AMT, Series D-2, 5.15% due 11/15/2022 (d)
Florida - 2.0%	5,500	Dade County, Florida, Water and Sewer System Revenue Refunding Bonds, Series A, 5.25% due 10/01/2021 (b)
	3,670	Miami-Dade County, Florida, Special Obligation Revenue Refunding Bonds, Series A, 5.24% due 10/01/2037 (d)
Georgia - 1.0%	3,000	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 12/01/2027
Idaho - 0.3%	905	Idaho Housing and Finance Association, S/F Mortgage Revenue Refunding Bonds, Series E, 6% due 1/01/2032
Illinois - 11.5%		Chicago, Illinois, GO, Series A (b) (e):
	18,130	6% due 7/01/2010
	2,185	(Neighborhoods Alive 21 Program), 6% due 7/01/2010
	3,650	Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, Series 845-Z, 9.108% due 1/01/2012 (d) (i) (j)
		AMT, Series 845-Z, 9.108% due 1/01/2012 (d) (i) (j)
		Lake, Cook, Kane and McHenry Counties, Illinois, Community Facilities District No. 220, GO (b):
	8,035	6% due 12/01/2010 (e)
	125	6% due 12/01/2020
Indiana - 3.2%	9,280	Shelbyville, Indiana, Elementary School Building Corporation First Mortgage, 5.75% due 1/15/2009 (c) (e)
Kansas - 2.1%	3,510	Kansas State Development Finance Authority, Health Facilities Refunding Bonds (Sisters of Charity Leavenworth), Series J, 6.125% due 12/01/2027
	2,805	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Refunding Bonds, Series A-2, 6.20% due 12/01/2033 (g) (k)
Louisiana - 0.7%	2,000	Louisiana Local Government, Environmental Facilities, Capital Projects Authority Revenue Bonds (Capital Projects and Equipment) Series A, 6.30% due 7/01/2030 (a)

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

Massachusetts - 7.1%	5,865	Massachusetts Bay Transportation Authority, Sales Tax Revenue Senior Series A, 5% due 7/01/2035
	15,000	Massachusetts State Special Obligation Dedicated Tax Revenue due 1/01/2014 (b) (e)
Michigan - 2.8%	2,000	Detroit, Michigan, City School District, GO, Series A, 5.50% due 2/01/2016
	1,000	Michigan State Hospital Finance Authority, Revenue Refunding (Mercy-Mount Clemens), Series A, 6% due 5/15/2014 (d)
		Michigan State Strategic Fund, Limited Obligation Revenue Refunding (DRIVERS, AMT (i) (j):
	2,500	Series 857Z, 8.166% due 3/01/2010
	1,000	Series 858Z, 7.867% due 12/01/2011
	1,500	Saint Clair County, Michigan, Economic Revenue Refunding (Edison Company), RIB, Series 282, 10.21% due 8/01/2024 (d)
Minnesota - 4.4%		Prior Lake, Minnesota, Independent School District Number 1, Series 1, 5.50% due 2/01/2016
	2,555	5.50% due 2/01/2016
	1,830	5.50% due 2/01/2017
	3,570	5.50% due 2/01/2018
	2,840	5.50% due 2/01/2019
2,185	Sauk Rapids, Minnesota, Independent School District Number 1, Series 1, 5.625% due 2/01/2018 (d)	
Mississippi - 0.4%	1,000	Walnut Grove, Mississippi, Correctional Authority, COP, Series 1, 5.50% due 4/01/2020
Nebraska - 1.8%		Omaha Convention Hotel Corporation, Nebraska, Convention Center Bonds, First Tier, Series A (a):
	3,985	5.50% due 4/01/2022
Nevada - 3.8%	1,750	Clark County, Nevada, IDR (Power Company Project), AMT, Series 1, 5.50% due 7/01/2018
		due 6/01/2022 (b)
	240	Nevada Housing Division, S/F Mortgage Revenue Bonds, AMT, Series 1, 5.50% due 7/01/2019
	4,445	due 4/01/2022 (d) Truckee Meadows, Nevada, Water Authority, Water Revenue Refunding (Series 1), 5.50% due 7/01/2019
New Jersey - 9.4%		New Jersey EDA, Cigarette Tax Revenue Bonds:
	8,590	5.75% due 6/15/2029
	6,200	5.75% due 6/15/2034
	11,000	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series 1, 5.25% due 12/15/2017 (b)
	2,135	due 7/01/2033 (d)
New Mexico - 1.6%	5,000	Farmington, New Mexico, PCR, Refunding (Public Service Company of New Mexico), Series C, 5.70% due 12/01/2016 (a)
New York - 16.3%	1,940	Metropolitan Transportation Authority, New York, Revenue Refunding (Series 1), 5.75% due 8/01/2009 (c) (e)
	14,000	Nassau Health Care Corporation, New York, Health System Refunding (Series 1), 5.75% due 8/01/2009 (c) (e)
	5,000	New York City, New York, GO, Refunding, Series G, 5.75% due 8/01/2009 (c) (e)
	5,570	New York City, New York, Sales Tax Asset Receivable Corporation, Series A, 5.25% due 10/15/2027 (a)
	4,345	New York State Dormitory Authority Revenue Bonds (School Construction Program), Series D, 5.25% due 10/01/2023 (d)
	1,280	New York State Dormitory Authority, Revenue Refunding (Bond Financing Program), Series A, 5% due 4/01/2016 (d)
	200	New York State Local Government Assistance Corporation, Series 1, 2.10% due 4/01/2020

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

		Tobacco Settlement Financing Corporation of New York Rev
	2,000	Series A-1, 5.25% due 6/01/2021 (a)
	7,850	Series C-1, 5.50% due 6/01/2017
	3,000	Series C-1, 5.50% due 6/01/2021
	3,000	West Islip, New York, Union Free School District, GO, Re 10/01/2018 (c)
North Carolina - 0.5%	1,445	North Carolina, HFA, Home Ownership Revenue Bonds, AMT, due 1/01/2022 (a)
North Dakota - 0.7%	2,200	Oliver County, North Dakota, PCR, Refunding (Square Butt Series A, 5.30% due 1/01/2027 (a)
Ohio - 0.9%	1,745	Aurora, Ohio, City School District, COP, 6.10% due 12/01
	1,000	Kent State University, Ohio, University Revenue Bonds, 6
Oklahoma - 1.7%	3,385	Claremore, Oklahoma, Public Works Authority, Capital Imp Refunding Bonds, Series A, 5.25% due 6/01/2027 (c)
	1,700	Oklahoma State Industries Authority, Revenue Refunding B Baptist), VRDN, Series B, 2.50% due 8/15/2029 (d) (h)
Pennsylvania - 9.8%	5,525	Lehigh County, Pennsylvania, IDA, PCR, Refunding (Pennsy Light Utilities Corporation Project), 4.75% due 2/15/202
	5,600	Lycoming County, Pennsylvania, College Authority Revenue College of Technology), 5.25% due 7/01/2007 (d) (e)
	6,435	Pennsylvania State Higher Educational Facilities Authori Higher Education Revenue Bonds, Series O, 5.125% due 6/1
	10,565	Philadelphia, Pennsylvania, Water and Wastewater Revenue 5% due 7/01/2027 (c)
	2,090	Washington County, Pennsylvania, Capital Funding Authori (Capital Projects and Equipment Program), 6.15% due 12/0
Rhode Island - 3.5%	5,555	Providence, Rhode Island, Redevelopment Agency Revenue R (Public Safety and Municipal Buildings), Series A, 5.75%
	4,685	Rhode Island State Health and Educational Building Corpo (Rhode Island School of Design), Series D, 5.50% due 8/1
South Carolina - 0.8%	2,490	South Carolina Housing Finance and Development Authority Refunding Bonds, AMT, Series A-2, 6.35% due 7/01/2019 (c)
Tennessee - 2.0%	3,500	Metropolitan Government of Nashville and Davidson County and Education Facilities Board, Revenue Refunding Bonds Credit), Series A, 5.875% due 11/15/2009 (a) (e)
	1,080	Tennessee HDA, Revenue Bonds (Homeownership Program), AM due 7/01/2011
	1,515	Tennessee HDA, Revenue Refunding Bonds (Homeownership Pr 1, 6.05% due 7/01/2014 (d)
Texas - 9.6%	3,750	Austin, Texas, Convention Center Revenue Bonds (Conventi Trust Certificates, Second Tier, Series B, 6% due 1/01/2
	8,000	Dallas-Fort Worth, Texas, International Airport Revenue Series 778-Z, 8.108% due 11/01/2011 (d) (i) Dallas-Fort Worth, Texas, International Airport Revenue Improvement Bonds, AMT, Series A (b):
	1,835	5.875% due 11/01/2017
	2,150	5.875% due 11/01/2018
	2,390	5.875% due 11/01/2019
		El Paso, Texas, Water and Sewer Revenue Refunding and Im Series A (c):
	115	6% due 3/01/2015
	170	6% due 3/01/2016
	180	6% due 3/01/2017

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

	4,873	Houston, Texas, Community College System, Participation Center Project), 5.75% due 8/15/2022 (d)
	1,850	Midland, Texas, Certificates of Obligation, GO, 6.10% due
	2,650	Waskom, Texas, Independent School District, GO (School B 2/15/2035 (c)
Utah - 2.5%	100	Emery County, Utah, PCR, Refunding (PacifiCorp Projects) 11/01/2024 (a) (h)
	2,400	Salt Lake City, Utah, Municipal Building Authority, Lease Bonds (Municipal Improvements and Refunding Project), Se 10/15/2009 (a) (e)
		Weber County, Utah, Municipal Building Authority, Lease Bonds (d):
	610	5.75% due 12/15/2007 (e)
	4,390	5.75% due 12/15/2019
Virginia - 0.4%	1,185	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds J-1, 5.20% due 7/01/2019 (d)
Washington - 6.9%	6,885	Bellevue, Washington, GO, Refunding, 5.50% due 12/01/203
	3,840	Chelan County, Washington, Public Utility District Numbe Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45
	3,445	Lewis County, Washington, GO, Refunding, 5.75% due 12/01
	2,500	Seattle, Washington, Municipal Light and Power Revenue B 10/01/2009 (d) (e)
	3,500	Seattle, Washington, Water System Revenue Bonds, Series
West Virginia - 2.0%	6,210	West Virginia State Housing Development Fund, Housing Fi Bonds, Series D, 5.20% due 11/01/2021 (d)
Wisconsin - 0.2%	750	Wisconsin State Health and Educational Facilities Author (Blood Center of Southeastern Wisconsin Project), 5.75%
Puerto Rico - 2.0%	6,225	Puerto Rico Commonwealth, Public Improvement, GO, 5.125%

Total Municipal Bonds (Cost - \$489,495) - 160.1%

Shares
Held

Short-Term Securities

1,489 Merrill Lynch Institutional Tax-Exempt Fund (1)
Total Short-Term Securities (Cost - \$1,489) - 0.5%

Total Investments (Cost - \$490,984*) - 160.6%

Other Assets Less Liabilities - 2.4%

Preferred Stock, at Redemption Value - (63.0%)

Net Assets Applicable to Common Stock - 100.0%

* The cost and unrealized appreciation (depreciation) of investments as of June 30, 2005, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	491,090
		=====
Gross unrealized appreciation	\$	30,756
Gross unrealized depreciation		(233)

Net unrealized appreciation	\$	30,523

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

=====

- (a) AMBAC Insured.
- (b) FGIC Insured.
- (c) FSA Insured.
- (d) MBIA Insured.
- (e) Prerefunded.
- (f) FHA Insured.
- (g) FNMA Collateralized.
- (h) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (i) The rate disclosed is that currently in effect. This rate changes periodically and inversely upon prevailing market rates.
- (j) XL Capital Insured.
- (k) GNMA Collateralized.
- (l) Investments in companies considered to be an affiliate of the Fund (such companies are defined "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

(in Thousands)

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(14,700)	\$ 63

Financial futures contracts sold as of June 30, 2005 were as follows:

(in Thousands)

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
500	10-Year U.S. Treasury Bond	September 2005	\$56,170	\$(564)

Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act

Edgar Filing: MUNIHOLDINGS INSURED FUND II INC - Form N-Q

(17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

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

MuniHoldings Insured Fund II, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.,
Chief Executive Officer
MuniHoldings Insured Fund II, Inc.

Date: August 19, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
MuniHoldings Insured Fund II, Inc.

Date: August 19, 2005

By: /s/ Donald C. Burke

Donald C. Burke
Chief Financial Officer
MuniHoldings Insured Fund II, Inc.

Date: August 19, 2005