

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

MUNIHOLDINGS INSURED FUND II INC
Form N-Q
August 28, 2006

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: 09/30/2006

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

Item 1 - Schedule of Investments

MuniHoldings Insured Fund II, Inc.

Schedule of Investments as of June 30, 2006

State	Face Amount	Municipal Bonds
Alabama - 3.0%	\$ 3,580	Jefferson County, Alabama, Limited Obligation School Warrant 5.50% due 1/01/2022
	5,000	Mobile, Alabama, GO, Refunding, 5.25% due 8/15/2020 (a)
Alaska - 1.3%	2,000	Anchorage, Alaska, Water Revenue Refunding Bonds, 6% due 9/0
	1,700	Matanuska-Susitna Boro, Alaska, GO, Series A, 6% due 3/01/20
Arkansas - 2.1%	6,105	Arkansas State Development Finance Authority, M/F Mortgage R Bonds, DRIVERS, Series 964Z, 6.397% due 6/01/2010 (d) (i) (l)
California - 31.5%	5,355	California Pollution Control Financing Authority, PCR, Refun AMT, Series 878Z, 6.387% due 12/01/2009 (i) (l)
	230	California State, GO, 5.50% due 4/01/2014 (j)
	1,870	California State, GO, 5.50% due 4/01/2028
	4,675	California State, GO, Refunding, RIB, AMT, Series 777X, 6.46 12/01/2021 (i) (l)
	110	Cerritos, California, Community College District, GO (Electi Series A, 5% due 8/01/2025 (i)
	85	Cerritos, California, Community College District, GO (Electi

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	Series A, 5% due 8/01/2026 (i)
2,800	Compton, California, Unified School District, GO (Election of 2002), Series B, 5.50% due 6/01/2014 (i)(j)
2,405	Dixon, California, Unified School District, GO (Election of 2002), Series D, 5% due 8/01/2020 (n)
2,185	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2020 (n)
8,460	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2029 (n)
3,400	Los Angeles, California, Unified School District, GO (Election of 2002), Series F, 5% due 1/01/2028 (c)
8,110	Los Angeles, California, Unified School District, GO, Series F, 5% due 1/01/2028 (i)
4,240	Modesto, California, Schools Infrastructure Financing Agency, GO, Series A, 5% due 9/01/2036 (a)
5,000	Port of Oakland, California, Revenue Refunding Bonds, AMT, Series A, 5% due 11/01/2027 (c)
1,500	Port of Oakland, California, Trust Receipts, Revenue Bonds, Series K, 7.15% due 11/01/2021 (c)(l)
2,985	Roseville, California, Joint Union High School District, GO, Series A, 5% due 8/01/2029 (c)
2,130	Sacramento, California, City Financing Authority, Capital Improvement Bonds (911 Call Center and Other Municipal Projects), 5% due 8/01/2029 (c)
1,250	San Francisco, California, City and County Airport Commission, Airport, Special Facilities Lease Revenue Bonds (SFO Fuel Cost), Series A, 6.10% due 1/01/2020 (f)
5,075	San Francisco, California, City and County, GO (California Academy of Sciences Improvements), Series E, 5% due 6/15/2022 (i)
3,800	San Jose, California, GO (Libraries, Parks and Public Safety), Series A, 5% due 9/01/2030 (i)

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
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
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, 2006 (concluded)

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State	Face Amount	Municipal Bonds
California (concluded)	\$ 5,190	Sequoia, California, Unified High School District, GO, Refund Series B, 5.50% due 7/01/2035 (f)
	4,485	Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A, 5.25% due 9/01/2031 (o)
	2,930	Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A, 5.25% due 9/01/2034 (o)
	3,430	Sweetwater, California, Union High School District, Public Financing Authority, Special Tax Revenue Bonds, Series A, 5% due 9/01/2032 (f)
	2,915	Tustin, California, Unified School District, Senior Lien Special Bonds (Community Facilities District Number 97-1), Series A, 5% due 9/01/2032 (f)
	4,620	Tustin, California, Unified School District, Senior Lien Special Bonds (Community Facilities District Number 97-1), Series A, 5% due 9/01/2032 (f)
	3,000	University of California Revenue Bonds (Multiple Purpose Program Q, 5% due 9/01/2022 (f)
Colorado - 3.7%	3,055	Aurora, Colorado, COP, 5.75% due 12/01/2010 (a)(j)
	3,230	Aurora, Colorado, COP, 5.75% due 12/01/2010 (a)(j)
	315	Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Series A, 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 12/01/2009 (a)
Connecticut - 0.5%	1,520	Connecticut State, GO, Series D, 5% due 12/01/2024 (i)
Florida - 2.3%	3,670	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A, 5.24% due 10/01/2037 (i)(q)
	6,300	Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, Series A, 5.25% due 12/01/2028 (a)
Georgia - 2.2%	6,290	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 12/01/2028 (a)
Idaho - 0.2%	685	Idaho Housing and Finance Association, S/F Mortgage Revenue Bonds, Series E, 6% due 1/01/2032
Illinois - 8.7%	2,185	Chicago, Illinois, GO (Neighborhoods Alive 21 Program), Series A, 7% due 7/01/2010 (c)(j)
	8,800	Chicago, Illinois, GO, Series A, 6% due 7/01/2010 (c)(j)
	9,330	Chicago, Illinois, GO, Series A, 6% due 7/01/2010 (c)(j)
	3,650	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Series A, 7.666% due 1/01/2012 (i)(l)(n)
	125	Lake, Cook, Kane and McHenry Counties, Illinois, Community Facilities District Number 220, GO, 6% due 12/01/2020 (c)
Indiana - 4.2%	3,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A, 5.25% due 6/01/2029 (c)
	9,280	Shelbyville, Indiana, Elementary School Building Corporation, First Mortgage, 5.75% due 1/15/2009 (f)(j)
Kansas - 2.2%	3,510	Kansas State Development Finance Authority, Health Facilities Bonds (Sisters of Charity Leavenworth), Series J, 6.125% due 12/01/2033 (e)(g)
	2,805	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Bonds, Series A-2, 6.20% due 12/01/2033 (e)(g)
Louisiana - 1.2%	2,000	Louisiana Local Government, Environmental Facilities, Community Facilities Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a)
	1,560	Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 5.25% due 12/01/2028 (a)

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5/01/2030 (c)

Massachusetts - 10.0%	5,865	Massachusetts Bay Transportation Authority, Sales Tax Revenue Bonds, Senior Series A, 5% due 7/01/2035
	3,495	Massachusetts Bay Transportation Authority, Special Assessments Refunding Bonds, Series A, 5% due 7/01/2031
	7,820	Massachusetts State School Building Authority, Dedicated Sales Bonds, Series A, 5% due 8/15/2030 (f)
	12,345	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds due 1/01/2014 (c) (j)
Michigan - 2.2%	1,000	Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Clemens), Series A, 6% due 5/15/2014 (i)
	2,500	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds, DRIVERS, AMT, Series 857Z, 6.966% due 3/01/2010 (l) (n)
	1,000	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds, DRIVERS, AMT, Series 858Z, 6.667% due 12/01/2011 (l) (n)
	1,500	Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Edison Company), RIB, Series 282, 8.51% due 8/01/2024 (a) (l)
Minnesota - 4.5%	2,555	Prior Lake, Minnesota, Independent School District Number 71 Bonds due 2/01/2016 (f)
	1,830	Prior Lake, Minnesota, Independent School District Number 71 Bonds due 2/01/2017 (f)
	3,570	Prior Lake, Minnesota, Independent School District Number 71 Bonds due 2/01/2018 (f)
	2,840	Prior Lake, Minnesota, Independent School District Number 71 Bonds due 2/01/2019 (f)
	2,185	Sauk Rapids, Minnesota, Independent School District Number 4 Bonds 5.625% due 2/01/2018 (i)
Nebraska - 1.9%	1,410	Omaha Convention Hotel Corporation, Nebraska, Convention Center Bonds, First Tier, Series A, 5.50% due 4/01/2020 (a)
	3,985	Omaha Convention Hotel Corporation, Nebraska, Convention Center Bonds, First Tier, Series A, 5.50% due 4/01/2022 (a)
Nevada - 3.4%	165	Nevada Housing Division, S/F Mortgage Revenue Bonds, AMT, Series 6.30% due 4/01/2022 (i)
	5,000	Truckee Meadows, Nevada, Water Authority, Water Revenue Bonds 5.50% due 7/01/2011 (f) (j)
	4,445	Truckee Meadows, Nevada, Water Authority, Water Revenue Bonds 5.50% due 7/01/2011 (f) (j)
New Jersey - 17.8%	8,590	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2033 (i)
	6,200	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2033 (i)
	11,000	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.75% due 7/01/2033 (i)
	5,780	New Jersey State Transportation Trust Fund Authority, Transportation Revenue Bonds, Series D, 5% due 6/15/2015 (a) (j)
	4,220	New Jersey State Transportation Trust Fund Authority, Transportation Revenue Bonds, Series D, 5% due 6/15/2018 (a)
	12,950	New Jersey State Transportation Trust Fund Authority, Transportation Revenue Bonds, Series D, 5% due 6/15/2020 (f)
	3,000	New Jersey State Turnpike Authority, Turnpike Revenue Bonds, due 1/01/2030 (f)
New Mexico - 3.6%	5,000	Farmington, New Mexico, PCR, Refunding (Public Service Company of New Mexico - San Juan Project), Series C, 5.70% due 12/01/2016 (f)
	5,480	New Mexico Finance Authority, Senior Lien State Transportation Bonds, Series A, 5.125% due 6/15/2018 (i)
New York - 18.7%	8,010	Metropolitan Transportation Authority, New York, Revenue Bonds

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		5% due 11/15/2019 (a)
	14,000	Nassau Health Care Corporation, New York, Health System Revenue Bonds, Series A, 5.75% due 8/01/2009 (f)(j)
	145	New York City, New York, GO, Refunding, Series G, 5.75% due 10/15/2020 (i)
	3,375	New York City, New York, Sales Tax Asset Receivable Corporation Bonds, DRIVERS, Series 1133Z, 6.208% due 10/15/2012 (a)(l)
	7,855	New York City, New York, Sales Tax Asset Receivable Corporation Bonds, Series A, 5% due 10/15/2020 (i)
	4,345	New York State Dormitory Authority Revenue Bonds (School District Financing Program), Series D, 5.25% due 10/01/2023 (i)
	2,000	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2021 (a)
	7,850	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series B1-C, 5.50% due 6/01/2017
	5,630	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.50% due 6/01/2020 (c)(m)
	500	Triborough Bridge and Tunnel Authority, New York, General Purpose Refunding Bonds, VRDN, Series C, 3.93% due 1/01/2032 (a)(k)
North Carolina - 0.4%	1,340	North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series A, 5.25% due 1/01/2022 (a)
Ohio - 1.0%	1,745	Aurora, Ohio, City School District, COP, 6.10% due 12/01/2007 (f)(j)
	1,000	Kent State University, Ohio, University Revenue Bonds, 6% due 10/15/2020 (i)
Oklahoma - 1.2%	3,385	Claremore, Oklahoma, Public Works Authority, Capital Improvement Refunding Bonds, Series A, 5.25% due 6/01/2027 (f)
Pennsylvania - 9.7%	2,255	Lycoming County, Pennsylvania, College Authority Revenue Bonds (College of Technology), 5.25% due 7/01/2007 (i)(j)
	3,345	Lycoming County, Pennsylvania, College Authority Revenue Bonds (College of Technology), 5.25% due 7/01/2007 (i)(j)
	6,435	Pennsylvania State Higher Educational Facilities Authority, Higher Education Revenue Bonds, Series O, 5.125% due 6/15/2007 (f)(j)
	4,290	Pittsburgh, Pennsylvania, GO, Series C, 5.25% due 9/01/2017
	6,415	Pittsburgh, Pennsylvania, GO, Series C, 5.25% due 9/01/2018
	1,390	Seneca Valley, Pennsylvania, School District, GO, 5% due 1/01/2020 (i)
	2,260	Seneca Valley, Pennsylvania, School District, GO, 5% due 1/01/2020 (i)
	2,090	Washington County, Pennsylvania, Capital Funding Authority Revenue Bonds (Capital Projects and Equipment Program), 6.15% due 12/01/2007 (f)(j)
Rhode Island - 3.6%	5,555	Providence, Rhode Island, Redevelopment Agency Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75% due 8/15/2007 (f)(j)
	4,685	Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of Design), Series D, 5.50% due 8/15/2007 (f)(j)
South Carolina - 0.8%	2,225	South Carolina Housing Finance and Development Authority, Mortgage Refunding Bonds, AMT, Series A-2, 6.35% due 7/01/2019 (f)
Tennessee - 2.1%	3,500	Metropolitan Government of Nashville and Davidson County, Tennessee, and Education Facilities Board Revenue Refunding Bonds (Ascent Credit), Series A, 5.875% due 11/15/2009 (a)(j)
	1,080	Tennessee HDA, Revenue Bonds (Homeownership Program), AMT, Series A, 5.875% due 7/01/2011
	1,515	Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), Series 1, 6.05% due 7/01/2014 (i)
Texas - 8.1%	1,750	Austin, Texas, Convention Center Revenue Bonds (Convention Center Trust Certificates, Second Tier, Series B, 6% due 1/01/2023
	8,000	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, Series 778-Z, 6.666% due 11/01/2011 (i)(l)
	1,835	Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, Series A, 5.75% due 11/01/2011 (i)(l)

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	2,150	Improvement Bonds, AMT, Series A, 5.875% due 11/01/2017 (c) Dallas-Fort Worth, Texas, International Airport Revenue Refu
	2,390	Improvement Bonds, AMT, Series A, 5.875% due 11/01/2018 (c) Dallas-Fort Worth, Texas, International Airport Revenue Refu
	115	Improvement Bonds, AMT, Series A, 5.875% due 11/01/2019 (c) El Paso, Texas, Water and Sewer Revenue Refunding and Improv
	170	Series A, 6% due 3/01/2015 (f) El Paso, Texas, Water and Sewer Revenue Refunding and Improv
	180	Series A, 6% due 3/01/2016 (f) El Paso, Texas, Water and Sewer Revenue Refunding and Improv
	4,651	Series A, 6% due 3/01/2017 (f) Houston, Texas, Community College System, Participation Inte
	1,850	(Alief Center Project), 5.75% due 8/15/2022 (i) Midland, Texas, Certificates of Obligation, GO, 6.10% due 3/
Utah - 1.7%	4,590	Utah Transit Authority, Sales Tax Revenue Bonds, Series A, 5
	610	Weber County, Utah, Municipal Building Authority, Lease Reve
		Bonds, 5.75% due 12/15/2007 (i) (j)
Washington - 7.0%	6,885	Bellevue, Washington, GO, Refunding, 5.50% due 12/01/2039 (i)
	3,840	Chelan County, Washington, Public Utility District Number 00
	1,805	Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45% du
	1,640	Lewis County, Washington, GO, Refunding, 5.75% due 12/01/200
	2,500	Lewis County, Washington, GO, Refunding, 5.75% due 12/01/202
	3,500	Seattle, Washington, Municipal Light and Power Revenue Bonds
		10/01/2009 (i) (j)
		Seattle, Washington, Water System Revenue Bonds, Series B, 6
		7/01/2009 (c) (j)
West Virginia - 2.1%	6,210	West Virginia State Housing Development Fund, Housing Financ
		Refunding Bonds, Series D, 5.20% due 11/01/2021 (i)
Wisconsin - 0.4%	1,250	Wisconsin State Health and Educational Facilities Authority
		(Blood Center of Southeastern Wisconsin Project), 5.75% due
Puerto Rico - 3.9%	6,225	Puerto Rico Commonwealth, Public Improvement, GO, 5.125% due
	5,335	Puerto Rico Electric Power Authority, Power Revenue Bonds, S
		5% due 7/01/2027 (n)
		Total Municipal Bonds (Cost - \$500,348) - 167.2%
Shares		
Held		Short-Term Securities
	189	Merrill Lynch Institutional Tax-Exempt Fund, 3.72% (h) (p)
		Total Short-Term Securities (Cost - \$189) - 0.1%
		Total Investments (Cost - \$500,537*) - 167.3%
		Liabilities in Excess of Other Assets - (0.1%)
		Preferred Stock, at Redemption Value - (67.2%)
		Net Assets Applicable to Common Stock - 100.0%

* The cost and unrealized appreciation (depreciation) of investments as of June 30, 2006, as computed for federal income tax purposes, were as follows:

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Aggregate cost	\$ 500,643
	=====
Gross unrealized appreciation	\$ 12,950
Gross unrealized depreciation	(3,996)

Net unrealized appreciation	\$ 8,954
	=====

- (a) AMBAC Insured.
- (b) Assured Guaranty Insured.
- (c) FGIC Insured.
- (d) FHA Insured.
- (e) FNMA Collateralized.
- (f) FSA Insured.
- (g) GNMA Collateralized.
- (h) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
Merrill Lynch Institutional Tax-Exempt Fund	(3,400)	\$ 97

- (i) MBIA Insured.
- (j) Prerefunded.
- (k) 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.
- (l) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (m) Tradable Custodial Receipts (TRACERS).
- (n) XL Capital Insured.
- (o) Radian Insured.
- (p) Represents the current yield as of 6/30/2006.
- (q) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.

Item 2 - Controls and Procedures

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- 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 (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 23, 2006

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 23, 2006

By: /s/ Donald C. Burke

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

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Date: August 23, 2006