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MUNIHOLDINGS INSURED FUND II INC

Form N-Q

February 28, 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.,
President, 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: 10/01/04 - 12/31/04

Item 1 - Schedule of Investments

MuniHoldings Insured Fund II, Inc.

Schedule of Investments as of December 31, 2004

State	Face Amount	Municipal Bonds
Alaska - 1.5%	\$ 2,995	Alaska Energy Authority, Power Revenue Refunding Bonds (Brad Lake), 4th Series, 6% due 7/01/2020 (c)
	2,000	Anchorage, Alaska, Water Revenue Refunding Bonds, 6% due 9/01/2024 (a)
	1,700	Matanuska-Susitna Boro, Alaska, GO, Series A, 6% due 3/01/2010 (d) (e)
Arkansas - 0.7%	3,205	University of Arkansas, University Revenue Bonds (Fayettevil 5.50% due 12/01/2018 (b)
California - 16.6%	7,490	California Pollution Control Financing Authority, PCR, Refun (Pacific Gas & Electric), AMT, Series A, 5.35% due 12/01/201 California State Department of Water Resources, Power Supply Bonds, Series A:
	6,865	5.375% due 5/01/2017 (j)
	5,400	5.25% due 5/01/2020
	5,040	5.375% due 5/01/2022
	4,675	California State, GO, Refunding, RIB, AMT, Series 777X, 8.42

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	12/01/2021 (d) (f)
2,100	California State, Various Purpose, GO, 5.50% due 4/01/2028
2,800	Compton, California, Unified School District, GO (Election of Series B, 5.50% due 6/01/2025 (d)
	Golden State Tobacco Securitization Corporation of California Settlement Revenue Bonds, Series B:
3,000	5.50% due 6/01/2018
2,000	5.75% due 6/01/2021
5,980	5.75% due 6/01/2022
2,700	5.375% due 6/01/2028 (b)
1,010	5.60% due 6/01/2028
515	Los Angeles, California, Department of Water and Power, Election Revenue Refunding Bonds, RIB, Series 370, 9.71% due 2/15/2022
3,400	Los Angeles, California, Unified School District, GO (Election of Series F, 5% due 1/01/2028 (b)
11,750	Los Angeles, California, Unified School District, GO, Series 370, 9.71% due 1/01/2028 (d)
4,240	Modesto, California, Schools Infrastructure Financing Agency Tax Bonds, 5.50% due 9/01/2036 (a)
5,000	Port Oakland, California, Revenue Refunding Bonds, AMT, Series 370, 5.375% due 11/01/2027 (b)

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
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDR	Industrial Development Revenue Bonds
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family

MuniHoldings Insured Fund II, Inc. (concluded)

Schedule of Investments as of December 31, 2004

State	Face Amount	Municipal Bonds
California (concluded)	\$ 1,500	Port Oakland, California, Trust Receipts, Revenue Bonds, AMT, Class R, Series K, 9.175% due 11/01/2021 (b) (f)
	2,250	Sacramento County, California, Sanitation District Financing Authority, Revenue Refunding Bonds, RIB, Series 366, 9.462% due 12/01/2027 (f)
	1,250	San Francisco, California, City and County Airport Commission International Airport, Special Facilities Lease Revenue Bonds (SFO Fuel Company LLC), AMT, Series A, 6.10% due 1/01/2020 (f)

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	3,000	University of California Revenue Bonds (Multiple Purpose Pro Series Q, 5% due 9/01/2022 (c)
Colorado - 3.4%		Aurora, Colorado, COP (a):
	3,055	5.75% due 12/01/2019
	3,230	5.75% due 12/01/2020
	460	Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Series A-2, 7.50% due 4/01/2031
	4,000	Colorado Health Facilities Authority, Hospital Revenue Refund (Poudre Valley Health Care), Series A, 5.75% due 12/01/2023
	4,975	Larimer County, Colorado, Poudre School District Number R-1, 12/15/2010 (b) (e)
Connecticut - 2.7%	8,500	Connecticut State, HFA, Revenue Bonds (Housing Mortgage Fina AMT, Series D-2, 5.15% due 11/15/2022 (d)
	5,000	Connecticut State Health and Educational Facilities Authority Refunding Bonds (University of Hartford), Series E, 5.50% due
Florida - 1.1%	5,500	Dade County, Florida, Water and Sewer System Revenue Bonds, 10/01/2021 (b)
Idaho - 0.2%	990	Idaho Housing and Finance Association, S/F Mortgage Revenue Series E, 6% due 1/01/2032
Illinois - 8.1%		Chicago, Illinois, GO, Series A (b):
	8,800	6% due 1/01/2021
	9,330	6% due 1/01/2022
	2,185	Chicago, Illinois, Neighborhoods Alive 21, GO, Series PG-A, 1/01/2017 (b)
	7,300	Chicago, Illinois, O'Hare International Airport Revenue Bond AMT, Series B-2, 6% due 1/01/2029 (j)
	1,600	Kane Cook and Du Page Counties, Illinois, School District Nu Elgin, GO, 6.50% due 1/01/2016 (c)
		Lake Cook, Kane and McHenry Counties, Illinois, Community Un District N220, GO (b):
	8,035	6% due 12/01/2010 (e)
	125	6% due 12/01/2020
Indiana - 2.0%	9,280	Shelbyville, Indiana, Elementary School Building Corporation Bonds, First Mortgage, 5.75% due 1/15/2009 (c) (e)
Kansas - 1.3%	3,510	Kansas State Development Finance Authority, Health Facilities Bonds (Sisters of Charity Leavenworth), Series J, 6.125% due
	2,805	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Series A-2, 6.20% due 12/01/2033 (h) (i)
Louisiana - 1.4%	2,000	Louisiana Local Government, Environmental Facilities, Commun Authority Revenue Bonds (Capital Projects and Equipment Acqu Series A, 6.30% due 7/01/2030 (a)
	5,000	Louisiana Public Facilities Authority, Mortgage Revenue Refu (Baton Rouge General Medical Center Project), 5.25% due 7/01
Maryland - 1.0%	5,000	Maryland State Economic Development Corporation, Lease Reven (Maryland Aviation Administration Facilities), AMT, 5.375% d
Massachusetts - 3.9%	110	Massachusetts State, GO, Refunding, Series D, 5.375% due 8/0
	1,105	Massachusetts State Industrial Finance Agency, Higher Educat Refunding Bonds (Hampshire College Project), 5.80% due 10/01
	2,655	Massachusetts State Special Obligation Dedicated Tax Revenue 5.25% due 1/01/2025
	12,345	5.25% due 1/01/2026
		Massachusetts State Water Resource Authority, Revenue Refund

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		Series A (b):
	1,270	6% due 8/01/2016
	1,500	6% due 8/01/2017
Michigan - 2.4%	2,000	Detroit, Michigan, City School District, GO, Series A, 5.50% due 5/01/2021 (c)
	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 (Detroit Edison Company Project), AMT (j):
	2,000	Series A, 5.50% due 6/01/2030
	5,000	Series C, 5.65% due 9/01/2029
	1,500	Saint Clair County, Michigan, Economic Revenue Refunding Bonds (Detroit Edison Company), RIB, Series 282, 10.49% due 8/01/2024 (a) (f)
Minnesota - 2.7%		Prior Lake, Minnesota, Independent School District Number 71
	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 4
		5.625% due 2/01/2018 (d)
Mississippi - 0.9%	3,725	Mississippi Business Finance Corporation, Mississippi, PCR, (System Energy Resources Inc. Project), 5.875% due 4/01/2022
	1,000	Walnut Grove, Mississippi, Correctional Authority, COP, 6% due 11/01/2009 (a) (e)
Nebraska - 1.1%		Omaha, Nebraska, Convention Hotel Corporation, Convention Center Bonds, First Tier, Series A (a):
	1,410	5.50% due 4/01/2020
	3,985	5.50% due 4/01/2022
Nevada - 3.9%	1,750	Clark County, Nevada, IDR (Power Company Project), AMT, Series A, due 6/01/2022 (b)
	7,000	Las Vegas, Nevada, New Convention and Visitors Authority Revenue Refunding Bonds, Series A, 5.75% due 7/01/2016 (a)
	395	Nevada Housing Division, S/F Mortgage Revenue Bonds, AMT, Series A, 6.30% due 4/01/2022 (d)
		Truckee Meadows, Nevada, Water Authority, Water Revenue Bonds
	5,000	5.50% due 7/01/2018
	4,445	5.50% due 7/01/2019
New Jersey - 5.2%		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 A, due 7/01/2033 (d)
New Mexico - 1.0%	5,000	Farmington, New Mexico, PCR, Refunding (Public Service Company of New Mexico), Series C, 5.70% due 12/01/2016 (a)
New York - 9.7%	14,000	Nassau Health Care Corporation, New York, Health System Revenue Refunding Bonds, Series A, 5.75% due 8/01/2009 (c) (e)
	5,000	New York City, New York, GO, Refunding, Series G, 5.75% due 8/01/2021 (d)
	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 District Financing Program), Series D, 5.25% due 10/01/2023 (d)
		New York State Dormitory Authority, Revenue Refunding Bonds:
	1,280	(School Districts Bond Financing Program), Series A, 5.75% due 8/01/2021 (d)
	5,000	(State University Educational Facilities), 5.75% due 5/01/2021 (d)

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		Tobacco Settlement Financing Corporation of New York Revenue Series C-1:
	7,850	5.50% due 6/01/2017
	3,000	5.50% due 6/01/2021
North Carolina - 0.3%	1,445	North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series 5.35% due 1/01/2022 (a)
Ohio - 0.6%	1,745	Aurora, Ohio, City School District, COP, 6.10% due 12/01/201
	1,000	Kent State University, Ohio, University Revenue Bonds, 6% du
Oklahoma - 0.7%	3,385	Claremore, Oklahoma, Public Works Authority, Capital Improve Refunding Bonds, Series A, 5.25% due 6/01/2027 (c)
Pennsylvania - 2.8%		Lycoming County, Pennsylvania, College Authority Revenue Bon
		College of Technology) (d):
	2,255	5.25% due 7/01/2007 (e)
	3,345	5.25% due 7/01/2018
	6,435	Pennsylvania State Higher Educational Facilities Authority, of Higher Education Revenue Bonds, Series O, 5.125% due 6/15
	2,090	Washington County, Pennsylvania, Capital Funding Authority R (Capital Projects and Equipment Program), 6.15% due 12/01/20
Rhode Island - 2.2%	5,555	Providence, Rhode Island, Redevelopment Agency, Revenue Refu (Public Safety and Municipal Buildings), Series A, 5.75% due
	4,685	Rhode Island State Health and Educational Building Corporati Bonds (Rhode Island School of Design), Series D, 5.50% due 8
South Carolina - 0.5%	2,695	South Carolina Housing Finance and Development Authority, Mo Revenue Refunding Bonds, AMT, Series A-2, 6.35% due 7/01/201
Tennessee - 1.3%	3,500	Metropolitan Government of Nashville and Davidson County, Te Health and Education Facilities Board, Revenue Refunding Bon Health Credit), Series A, 5.875% due 11/15/2009 (a) (e)
	1,080	Tennessee HDA, Revenue Bonds (Homeownership Program), AMT, S 6% due 7/01/2011
	1,515	Tennessee HDA, Revenue Refunding Bonds (Homeownership Progra Series 1, 6.05% due 7/01/2014 (d)
Texas - 9.1%	4,000	Austin, Texas, Convention Center Revenue Bonds (Convention E Trust Certificates, Second Tier, Series B, 6% due 1/01/2023
	16,000	Dallas-Fort Worth, Texas, International Airport Revenue Bond Series A, 5.50% due 11/01/2033 (d)
		Dallas-Fort Worth, Texas, International Airport Revenue Refu 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 Improv Series A (c):
	2,650	6% due 3/01/2015
	3,875	6% due 3/01/2016
	4,115	6% due 3/01/2017
	4,954	Houston, Texas, Community College System, Participation Inte COP (Alief Center Project), 5.75% due 8/15/2022 (d)
	1,850	Midland, Texas, Certificates of Obligation, GO, 6.10% due 3/
Utah - 1.5%	2,400	Salt Lake City, Utah, Municipal Building Authority, Lease Re Bonds (Municipal Improvements and Refunding Project), Series 10/15/2019 (a)
	5,000	Weber County, Utah, Municipal Building Authority, Lease Reve

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		Bonds, 5.75% due 12/15/2019 (d)
Virginia - 0.9%	4,385	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series J-1, 5.20% due 7/01/2019 (d)
Washington - 4.2%	6,885	Bellevue, Washington, GO, Refunding, 5.50% due 12/01/2039 (d)
	3,840	Chelan County, Washington, Public Utility District Number 00 Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45% due 12/01/2029 (d)
	3,445	Lewis County, Washington, GO, Refunding, 5.75% due 12/01/2029 (d)
	2,500	Seattle, Washington, Municipal Light and Power Revenue Bonds, Series A, 5.75% due 10/01/2009 (d) (e)
	3,500	Seattle, Washington, Water System Revenue Bonds, Series B, 6.00% due 7/01/2029 (b)
West Virginia - 1.2%	6,210	West Virginia State Housing Development Fund, Housing Finance Refunding Bonds, Series D, 5.20% due 11/01/2021 (d)
Wisconsin - 0.1%	750	Wisconsin State Health and Educational Facilities Authority (Blood Center of Southeastern Wisconsin Project), 5.75% due 12/01/2019 (d)
Puerto Rico - 1.0%	5,085	Puerto Rico Commonwealth, Public Improvement, GO, 5.125% due 12/01/2019 (d)
		Total Municipal Bonds (Cost - \$479,263) - 97.2%

Shares
Held

Short-Term Investments

5,589	Merrill Lynch Institutional Tax-Exempt Fund (k)
	Total Short-Term Investments (Cost - \$5,589) - 1.1%
	Total Investments (Cost - \$484,852*) - 98.3%
	Other Assets Less Liabilities - 40.5%
	Preferred Stock, at Redemption Value - (38.8%)
	Net Assets Applicable to Common Stock - 100.0%

* The cost and unrealized appreciation/depreciation of investments as of December 31, 2004, as computed for federal income tax purposes, were as follows:

	(in Thousands)
Aggregate cost	\$ 484,958
	=====
Gross unrealized appreciation	\$ 34,007
Gross unrealized depreciation	(329)

Net unrealized appreciation	\$ 33,678
	=====

- (a) AMBAC Insured.
- (b) FGIC Insured.
- (c) FSA Insured.
- (d) MBIA Insured.
- (e) Prerefunded.

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- (f) Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (g) Radian Insured.
- (h) FNMA Collateralized.
- (i) GNMA Collateralized.
- (j) XL Capital Insured.
- (k) Investments in companies considered to be an affiliate of the Fund (such companies are defined as "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	(10,600)	\$ 25

- (l) FHA Insured.

Forward interest rate swaps outstanding as of December 31, 2004 were as follows:

(in Thousands)

Affiliate	Notional Amount	Unrealized Depreciation
Receive a variable rate equal to a 7-day Bond Market Association Municipal Swap Index Rate and pay a fixed rate of 4.099%		
Broker, JPMorgan Chase Bank Expires January 2025	\$ 25,000	\$ (153)
Receive a variable rate equal to a 7-day Bond Market Association Municipal Swap Index Rate and pay a fixed rate of 3.68%		
Broker, Morgan Stanley Capital Services Inc. Expires March 2015	\$ 25,000	(127)
Total		\$ (280) =====

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

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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.,
President
MuniHoldings Insured Fund II, Inc.

Date: February 24, 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.
President
MuniHoldings Insured Fund II, Inc.

Date: February 24, 2005

By: /s/ Donald C. Burke
Donald C. Burke
Chief Financial Officer
MuniHoldings Insured Fund II, Inc.

Date: February 24, 2005