FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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MUNIYIELD NEW JERSEY INSURED FUND INC
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MUNIYIELD
NEW JERSEY
INSURED
FUND, INC.

FUND LOGO

Annual Report

October 31, 1994

This report, including the financial information herein, is transmitted to the shareholders of MuniYield New Jersey Insured Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report. Past performance results shown in this report should not be considered a representation of future performance. The Fund has leveraged its Common Stock by issuing Preferred Stock to provide the Common Stock shareholders with a potentially higher rate of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders.

MuniYield
New Jersey
Insured Fund, Inc.
Box 9011
Princeton, NJ
08543-9011

MuniYield New Jersey Insured Fund, Inc.

TO OUR SHAREHOLDERS

For the year ended October 31, 1994, the Common Stock of MuniYield New Jersey Insured Fund, Inc. earned $0.959 per share income dividends, which includes earned and unpaid dividends of $0.075. This represents a net annualized yield of 7.05%, based on a month-end net asset value of $13.60 per share. Over the same period, the total investment return on the Fund's Common Stock was -10.73%, based on a change in per share net asset value from $16.30 to $13.60, and assuming reinvestment of $0.964 per share income dividends.

For the six-month period ended October 31, 1994, the total investment return on the Fund's Common Stock was -2.77%, based on a change in per share net asset value from $14.48 to $13.60, and assuming reinvestment of $0.460 per share income dividends.

For the six-month period ended October 31, 1994, the Fund's Auction Market Preferred Stock had an average yield of 2.89%.

The Environment
As discussed in our last report to shareholders, the Federal Reserve Board moved to counteract inflationary pressures by tightening monetary policy. This trend continued during the May--October period. Despite the series of preemptive strikes against inflation by the central bank, concerns of increasing inflationary pressures continued to prompt volatility in the US capital markets during the period. In addition, the weakness of the US dollar in foreign exchange markets prolonged stock and bond market declines.

Ongoing strength in the manufacturing sector and better-than-expected economic results continue to fuel speculation that the Federal Reserve Board will continue to raise short-term interest rates in the months ahead. However, although consumer spending is increasing, it is doing so at a lower rate than has been the case in recent economic recoveries. In the weeks ahead, investors will continue to assess economic data and inflationary trends in order to gauge whether further increases in short-term interest rates are imminent. Continued indications of moderate and sustainable levels of economic growth would be positive for the US capital markets. At the same time, greater US dollar stability in foreign exchange markets would help to dampen expectations of significantly higher short-term interest rates.

The Municipal Market

The long-term tax-exempt market continued to erode throughout the three months ended October 31, 1994. As measured by the Bond Buyer Revenue Bond Index, yields on A-rated municipal revenue bonds maturing in 30 years rose by almost 50 basis points (0.50%) to 6.95% during the October 31, 1994 quarter. This represents the highest level in tax-exempt bond yields in over two years. US Treasury bonds suffered even greater declines during the quarter as Treasury bond yields rose approximately 60 basis points to end the quarter at 8.00%.

The tax-exempt bond market reacted negatively throughout the October quarter to indications that, despite a series of interest rate increases by the Federal Reserve Board, the strength of the domestic economy seen in recent quarters has not yet been significantly reduced. While inflationary pressures have remained well contained, additional Federal Reserve Board actions have been expected both to ensure that domestic economic growth is eventually confined to current levels and to assure nervous financial markets of its anti-inflationary intentions.

Fortunately, while the demand for tax-exempt bonds has declined somewhat in recent months, new bond issuance has remained greatly reduced. During the quarter ended October 31, 1994, only $32 billion in long-term tax-exempt securities were issued, a decline of over 50% versus the October 31, 1993 quarter. Similarly, for the six months ended October 31, 1994, only $75 billion in municipal securities were underwritten, a decline of over 50% versus the comparable period a year earlier. This reduction in issuance in recent quarters has allowed the municipal bond market to react to both the decline in investor demand and the rise in fixed-income yields in a more orderly fashion than in similar situations in the past, particularly during 1987.

Long-term tax-exempt revenue bonds currently yield approximately 7%, or almost 11.5% on an after-tax equivalent basis, to an investor in the 39.6% Federal income tax bracket. As inflation has only marginally increased in the past year, real tax-exempt interest rates have risen dramatically. The Federal Reserve Board appears committed to maintaining inflation at or below its current levels. Indeed, most forecasts expect inflation to remain in its present range of 3%--4% throughout 1995 and, potentially, for the remainder of the 1990s. Real after-tax equivalent interest rates exceeding 7% represent historically attractive municipal investments for long-term investors.

Federal Reserve Board actions taken thus far have yet to fully impact US domestic growth and expected additional actions should promote only a modest economic expansion within a benign inflationary context beginning sometime early in 1995. Within such an environment, it is unlikely that tax-exempt interest rates will remain at their current attractive levels. Tax-exempt bond issuance is unlikely to return to the historic high levels seen in 1992 and 1993, while investor demand should return as markets stabilize. As we have discussed in earlier reports, the total number of tax-exempt bonds outstanding is scheduled to decline dramatically in 1994 and 1995 as a result of both regular bond maturities and early redemptions. Investors seeking tax-advantaged issues are likely to find it very difficult to obtain currently available tax-exempt yields as the current supply/demand balance is unlikely to be maintained in the coming quarters.

Portfolio Strategy

During the past 12 months, the municipal bond market was extremely volatile. As measured by the Bond Buyer Revenue Bond Index, long-term tax-exempt bond yields ranged from a low of 5.50% on January 31, 1994 to a high of 6.95% on October 28, 1994. At fiscal year-end October 31, 1994, the Index was at its peak for the period and reached its highest level in nearly two and one-half years. The change in direction of long-term interest rates occurred because the US economy heated up during the fourth quarter of 1993 and generated momentum which carried forward throughout 1994. This led the Federal Reserve Board to tighten monetary policy in February, in an attempt to prevent an increase in inflationary pressures on the economy. Prices of long-term fixed-income securities fell sharply in response to the rapidly changing investment climate.

MuniYield New Jersey Insured Fund, Inc. altered its portfolio strategy during the 12 months as investor psychology changed. We entered the year with the Fund fully invested and took advantage of the decline in interest rates through the start of 1994. As evidence of a booming economy emerged early in 1994, however, we became cautious on the market. Our strategy centered on raising cash reserves to approximately 10% of net assets and restructuring the portfolio's holdings to include a greater percentage of defensive bonds. This entailed selling discount coupons and buying higher-coupon bonds which are priced to call. As a result, we were able to mute some of the Fund's volatility that occurred during this very difficult period.

In Conclusion

We appreciate your ongoing interest in MuniYield New Jersey Insured Fund, Inc., and we look forward to assisting you with your financial needs in the months and years to come.

Sincerely,

(Arthur Zeikel)
Arthur Zeikel
President

(Vincent R. Giordano)
Vincent R. Giordano
Vice President and Portfolio Manager

December 7, 1994

THE BENEFITS AND RISKS OF LEVERAGING

MuniYield New Jersey Insured Fund, Inc. utilizes leveraging to seek to enhance the yield and net asset value of its Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, the Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of $100 million and the issuance of Preferred Stock for an additional $50 million, creating a total value of $150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the $50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of $150 million earns the income based on long-term interest rates.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pick-up on the Common Stock will be reduced. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

PORTFOLIO ABBREVIATIONS

To simplify the listings of MuniYield New Jersey Insured Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list at right.

ACES SM	Adjustable Convertible Extendable Securities
AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
EDA	Economic Development Authority
GO	General Obligation Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
UT	Unlimited Tax
VRDN	Variable Rate Demand Notes

<TABLE>
SCHEDULE OF INVESTMENTS (in Thousands)
<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
New Jersey--100.4%				
<S>	<S>	<C>	<S>	<C>
			Atlantic City, New Jersey, Board of Education, UT, GO (d):	
AAA	Aaa	$ 4,600	6.15% due 12/01/2013	$ 4,449
AAA	Aaa	4,600	6.15% due 12/01/2014	4,440
AAA	Aaa	3,750	6.15% due 12/01/2015	3,567
AAA	Aaa	6,000	Bergen County, New Jersey, Utilities Authority, Water PCR, Series A, 6.50% due 12/15/2012 (b)	6,000
AAA	Aaa	5,000	Cape May County, New Jersey, Municipal Utilities Authority Refunding Bonds, Series A, 6% due 1/01/2011 (c)	4,819
AAA	Aaa	3,010	Carteret, New Jersey, Board of Education, COP, GO, 6.75% due 10/15/2019 (c)	3,049
AAA	Aaa	2,800	Essex County, New Jersey, Improvement Authority Revenue Bonds (Irvington Township School District), 6.625% due 10/01/2002 (f)(g)	2,999
AAA	Aaa	8,130	Hoboken, Union City, Weehawken, New Jersey, Sewer Authority, Revenue Refunding Bonds, 6.20% due 8/01/2019 (c)	7,660
A+	NR*	2,600	Hudson County, New Jersey, Improvement Authority, Essential Purpose Revenue Bonds, 6.625% due 8/01/2025	2,512
AAA	Aaa	11,105	Hudson County, New Jersey, Refunding Bonds (Correctional Facilities), COP, 6.60% due 12/01/2021 (c)	10,952
AAA	Aaa	8,000	Mercer County, New Jersey, Improvement Authority, Revenue Refunding Bonds (Solid Waste Resource Recovery Program), AMT, Series A, 6.70% due 4/01/2013 (b)	8,060
NR*	NR*	5,750	Middlesex County, New Jersey, Pollution Control Authority, Revenue Refunding Bonds, 6.875% due 12/01/2022	5,566
NR*	NR*	200	Monmouth County, New Jersey, Improvement Authority Revenue Bonds (Pooled Government Loan Program), ACES, 3.25% due 8/01/2016 (a)	200

</TABLE>

<TABLE>
SCHEDULE OF INVESTMENTS (continued) (in Thousands)
<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
New Jersey (continued)				
<S>	<S>	<C>	<S>	<C>
			New Jersey, EDA, Dock Facility Revenue Refunding Bonds (Bayonne International Matex Tank Terminal Project), VRDN, Series A (a):	
NR*	VMIG1	$ 500	3.55% due 12/01/2027	$ 500
NR*	VMIG1	1,100	3.60% due 12/01/2027	1,100

NR*	P1	300	New Jersey, EDA, Economic Development Revenue Refunding Bonds (Dow Chemicals--El Dorado Term), VRDN, Series A, 3.60% due 5/01/2001 (a)	300
AAA	Aaa	5,000	New Jersey, EDA, Natural Gas Facilities, Revenue Refunding Bonds (Nui Corp.), Series A, 6.35% due 10/01/2022 (d)	4,732
AAA	Aaa	4,500	New Jersey, EDA, Revenue Bonds (State Contract Economic Recovery), Series A, 6% due 3/15/2021 (f)	4,086
AAA	Aaa	2,835	New Jersey, EDA, Revenue Refunding Bonds (RWJ Health Care Corporation), 6.50% due 7/01/2024 (f)	2,751
			New Jersey Health Care Facilities Financing Authority Revenue Bonds:	
AAA	Aaa	1,495	(Bayshore Community Hospital), Series A, 6.50% due 7/01/2015 (c)	1,458
AAA	Aaa	6,355	(Holy Name Hospital), Series B, 6.75% due 7/01/2020 (d)	6,339
AAA	Aaa	5,475	(Mercer Medical Center), 6.50% due 7/01/2021 (c)	5,339
AAA	Aaa	2,500	(Newark Beth Israel Medical Center), 6% due 7/01/2024 (f)	2,261
AAA	Aaa	1,185	Refunding (Hackensack Medical Center), 6.625% due 7/01/2017 (b)	1,177
AAA	Aaa	4,000	Refunding (JFK Health Systems), 6.70% due 7/01/2021 (b)	4,002
			New Jersey Sports and Exposition Authority, Convention Center, Luxury Tax Revenue Refunding Bonds, Series A (c):	
AAA	Aaa	2,000	6.60% due 7/01/2015	1,994
AAA	Aaa	8,700	6.25% due 7/01/2020	8,284
A1	VMIG1	700	New Jersey Sports and Exposition Authority, Revenue Bonds (State Contract), VRDN, Series C, 3.25% due 9/01/2024 (a)(c)	700
AAA	Aaa	2,000	New Jersey State Educational Facilities Authority Revenue Bonds (Montclair State University), Series E, 6.50% due 7/01/2021 (d)	1,965
AAA	Aaa	2,500	New Jersey State Highway Authority, General Revenue Bonds (Garden State Parkway), 6.15% due 1/01/2007 (d)	2,500
			New Jersey State Housing and Mortgage Finance Agency, Home Buyer Revenue Bonds, AMT (c):	
AAA	Aaa	7,000	Series F-2, 6.30% due 4/01/2025	6,468
NR*	NR*	4,000	Series M, 7% due 10/01/2026	3,975
A+	NR*	3,000	New Jersey State Housing and Mortgage Finance Agency, Housing Revenue Refunding Bonds, Series A, 6.95% due 11/01/2013	3,014
AAA	NR*	5,000	New Jersey State Housing and Mortgage Financing Agency, M/F Housing Revenue Refunding Bonds (Presidential Plaza), 7% due 5/01/2030 (e)	4,942

</TABLE>

<TABLE>
SCHEDULE OF INVESTMENTS (continued) (in Thousands)
<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
New Jersey (continued)				
<S>	<S>	<C>	<S>	<C>
AAA	Aaa	$ 5,350	New Jersey State Transportation Corporation, COP (Raymond Plaza East, Incorporated), 6.50% due 10/01/2016 (f)	$ 5,282
			New Jersey State Turnpike Authority, Revenue Refunding Bonds:	
AAA	Aaa	1,750	Series C, 6.50% due 1/01/2016 (c)	1,732
AAA	VMIG1	5,100	VRDN, Series D, 3.15% due 1/01/2018 (a)(b)	5,100
AAA	Aaa	5,000	New Jersey Wastewater Treatment Trust Loan, Insured Revenue Bonds, Series B, 6.25% due 5/01/2012 (c)	4,891
			Passaic Valley, New Jersey, Water Commission, Water Supply Revenue Bonds, Series A (b):	
AAA	Aaa	3,490	6.40% due 12/15/2002 (g)	3,689
AAA	Aaa	510	6.40% due 12/15/2022	495
AAA	Aaa	4,000	Port Authority of New York and New Jersey, Consolidated Revenue Bonds, AMT, Series 96, 6.60% due 10/01/2023 (b)	3,894
			Port Authority of New York and New Jersey, Special Obligation Revenue Bonds (Versatile Structure Obligations), VRDN (a):	
A1+	VMIG1	600	Series 1, 3.50% due 8/01/2028	600
A1+	VMIG1	1,100	Series 2, 3.55% due 5/01/2019	1,100
AAA	Aaa	10,250	South Jersey Transportation Authority, New Jersey, Transportation System Revenue Bonds, Series B, 6% due 11/01/2012 (c)	9,763
Total Investments (Cost--$172,586)--100.4%				168,706

Other Assets Less Liabilities--(0.4%)	(596)
Net Assets--100.0%	$168,110

<FN>
*Not Rated.
(a) The interest rate is subject to change based upon the prevailing market rate. The interest rate shown is the rate in effect at October 31, 1994.
(b) FGIC Insured.
(c) MBIA Insured.
(d) AMBAC Insured.
(e) FHA Insured.
(f) FSA Insured.
(g) Prerefunded.
Ratings of issues shown have not been audited by Deloitte & Touche LLP.

See Notes to Financial Statements.
</TABLE>

FINANCIAL INFORMATION

<TABLE>
Statement of Assets, Liabilities and Capital as of October 31, 1994
<CAPTION>

<S>	<S>	<C>	<C>
Assets:	Investments, at value (identified cost--$172,585,913) (Note 1a)		$168,705,983
	Cash		542,174
	Interest receivable		3,289,655
	Deferred organization expenses (Note 1e)		8,607
	Prepaid expenses and other assets		4,342
	Total assets		172,550,761
Liabilities:	Payables:		
	Security purchased	$ 3,994,000	
	Dividends to shareholders (Note 1g)	273,655	
	Investment adviser (Note 2)	72,522	4,340,177
	Accrued expenses and other liabilities		100,637
	Total liabilities		4,440,814
Net Assets:	Net assets		$168,109,947
Capital:	Capital Stock (200,000,000 shares authorized) (Note 4):		
	Preferred Stock, par value $.10 per share (1,120 shares of AMPS* issued and outstanding at $50,000 per liquidation preference)		$ 56,000,000
	Common Stock, par value $.10 per share (8,241,167 shares issued and outstanding)	$ 824,117	
	Paid-in capital in excess of par	114,958,321	
	Undistributed investment income--net	723,890	
	Accumulated realized capital losses--net (Note 5)	(516,451)	
	Unrealized depreciation on investments--net	(3,879,930)	
	Total--Equivalent to $13.60 net asset value per share of Common Stock (market price--$11.25)		112,109,947
	Total capital		$168,109,947

<FN>
*Auction Market Preferred Stock.

See Notes to Financial Statements.
</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>
Statement of Operations
<CAPTION>

			For the Year Ended October 31, 1994
<S>	<S>	<C>	<C>

Investment Income (Note 1d):	Interest and amortization of premium and discount earned		$ 10,666,430
Expenses:	Investment advisory fees (Note 2)	$ 902,371	
	Commission fees (Note 4)	198,870	
	Professional fees	79,301	
	Accounting services (Note 2)	42,393	
	Transfer agent fees	33,774	
	Printing and shareholder reports	26,595	
	Directors' fees and expenses	22,873	
	Listing fees	15,717	
	Custodian fees	11,051	
	Pricing fees	5,041	
	Amortization of organization expenses (Note 1e)	2,880	
	Other	21,377	
	Total expenses		1,362,243
	Investment income--net		9,304,187
Realized & Unrealized Loss on Investments - --Net (Notes 1d & 3):	Realized loss on investments--net		(516,282)
	Change in unrealized appreciation/depreciation on investments--net		(21,388,370)
	Net Decrease in Net Assets Resulting from Operations		$(12,600,465)

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>

Statements of Changes in Net Asstes

<CAPTION>

Increase (Decrease) in Net Assets:		For the Year Ended October 31, 1994	1993
<S>	<S>	<C>	<C>
Operations:	Investment income--net	$ 9,304,187	$ 8,970,918
	Realized gain (loss) on investments--net	(516,282)	327,371
	Change in unrealized appreciation/depreciation on investments--net	(21,388,370)	17,508,440
	Net increase (decrease) in net assets resulting from operations	(12,600,465)	26,806,729
Dividends & Distributions to Shareholders (Note 1g):	Investment income--net:		
	Common Stock	(7,644,949)	(6,979,864)
	Preferred Stock	(1,584,553)	(1,341,849)
	Realized gain on investments--net:		
	Common Stock	(278,573)	--
	Preferred Stock	(48,967)	--
	Net decrease in net assets resulting from dividends and distributions to shareholders	(9,557,042)	(8,321,713)
Capital Stock Transactions (Notes 1e & 4):	Proceeds from issuance of Preferred Stock	--	56,000,000
	Value of shares issued to Common Stock shareholders in reinvestment of dividends and distributions	712,910	3,534,930
	Offering and underwriting costs from the issuance of Preferred Stock	--	(1,131,405)
	Net increase in net assets derived from capital stock transactions	712,910	58,403,525
Net Assets:	Total increase (decrease) in net assets	(21,444,597)	76,888,541
	Beginning of year	189,554,544	112,666,003
	End of year*	$168,109,947	$189,554,544
	*Undistributed investment income--net	$ 723,890	$ 649,205

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (concluded)

<TABLE>
Financial Highlights
<CAPTION>

The following per share data and ratios have been derived from information provided in the financial statements.

Increase (Decrease) in Net Asset Value:		For the Year Ended October 31, 1994	For the Year Ended October 31, 1993	For the Period October 30, 1992++ to October 31, 1992
<S>	<S>	<C>	<C>	<C>
Per Share Operating Performance:	Net asset value, beginning of period	$ 16.30	$ 14.14	$ 14.18
	Investment income--net	1.13	1.11	--
	Realized and unrealized gain (loss) on investments--net	(2.67)	2.21	--
	Total from investment operations	(1.54)	3.32	--
	Less dividends and distributions to Common Stock shareholders:			
	Investment income--net	(.93)	(.86)	--
	Realized gain on investments--net	(.03)	--	--
	Total dividends and distributions	(.96)	(.86)	--
	Capital charge resulting from issuance of Common Stock	--	--	(.04)
	Effect of Preferred Stock activity:++++			
	Dividends and distributions to Preferred Stock shareholders:			
	Investment income--net	(.19)	(.17)	--
	Realized gain on investments--net	(.01)	--	--
	Capital charge resulting from issuance of Preferred Stock	--	(.13)	--
	Total effect of Preferred Stock activity	(.20)	(.30)	--
	Net asset value, end of period	$ 13.60	$ 16.30	$ 14.14
	Market price per share, end of period	$ 11.25	$ 16.50	$ 15.00
Total Investment Return:*	Based on market price per share	(27.06%)	16.25%	0.00%+++
	Based on net asset value per share	(10.73%)	21.83%	(0.28%)+++
Ratios to Average Net Assets:**	Expenses, net of reimbursement	.75%	.57%	--
	Expenses	.75%	.72%	--
	Investment income--net	5.14%	5.19%	--
Supplemental Data:	Net assets, net of Preferred Stock, end of period (in thousands)	$ 112,110	$ 133,555	$ 112,666
	Preferred Stock outstanding, end of period (in thousands)	$ 56,000	$ 56,000	$ --
	Portfolio turnover	21.47%	9.10%	0%
Dividends Per Share On Preferred Stock Outstanding:	Investment income--net	$ 1,415	$ 1,198	$ --

<FN>
*Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, result in substantially different returns. Total investment returns exclude the effects of sales loads.
**Do not reflect the effect of dividends to Preferred Stock shareholders.
++Commencement of Operations.
++++The Fund's Preferred Stock was issued on November 30, 1992.
+++Aggregate total investment return.

See Notes to Financial Statements.
</TABLE>

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:
MuniYield New Jersey Insured Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The Fund determines and makes available for publication the net asset value of its Common Stock on a weekly basis. The Fund's Common Stock is listed on the New York Stock Exchange under the symbol MJI. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds are traded primarily in the over-the-counter markets and are valued at the most recent bid price or yield equivalent as obtained by the Fund's pricing service from dealers that make markets in such securities. Financial futures contracts, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges or, lacking any sales, at the last available bid price. Securities with remaining maturities of sixty days or less are valued at amortized cost, which approximates market value. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

(b) Financial futures contracts--The Fund may purchase or sell interest rate futures contracts and options on such futures contracts for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

(c) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Interest income is recognized on the accrual basis. Discounts and market premiums are amortized into interest income. Realized gains and losses on security transactions are determined on the identified cost basis.

(e) Deferred organization expenses and offering expenses--Deferred organization expenses are amortized on a straight-line basis over a five-year period. Direct expenses relating to the public offering of the Common and Preferred Stock were charged to capital at the time of issuance.

(f) Non-income producing investments--Written and purchased options are non-income producing investments.

(g) Dividends and distributions--Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

2. Investment Advisory Agreement
and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). Effective January 1, 1994, the investment advisory business of FAM was reorganized from a corporation to a limited partnership. Both prior to and after the reorganization, ultimate control of FAM was vested with Merrill Lynch & Co., Inc. ("ML & Co."). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect wholly-owned subsidiary of ML & Co. The limited partners are ML & Co. and Fund Asset Management, Inc. ("FAMI"), which is also indirect wholly-owned subsidiary of ML & Co.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of 0.50% of the Fund's average weekly net assets.

Accounting services are provided to the Fund by FAM at cost.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, FAMI, PSI, Merrill Lynch, Pierce, Fenner & Smith Inc. ("MLPF&S"), and/or ML & Co.

3. Investments:
Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 1994 were $37,025,085 and $40,283,693, respectively.

Net realized and unrealized losses as of October 31, 1994 were as follows:

	Realized Losses	Unrealized Losses
Long-term investments	$(516,266)	$(3,879,930)
Short-term investments	(16)	--
Total	$(516,282)	$(3,879,930)

As of October 31, 1994, net unrealized depreciation for Federal income tax purposes aggregated $3,879,930, of which $388,164 related to appreciated securities and $4,268,094 related to depreciated securities. The aggregate cost of investments at October 31, 1994 for Federal income tax purposes was $172,585,913.

4. Capital Stock Transactions:
The Fund is authorized to issue 200,000,000 shares of capital stock, including Preferred Stock, par value $.10 per share, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of capital stock without approval of the holders of Common Stock.

Common Stock
For the year ended October 31, 1994, shares issued and outstanding increased by 46,073 to 8,241,167 as a result of dividend reinvestment. At October 31, 1994, total paid-in capital amounted to $115,782,438.

Preferred Stock
Auction Market Preferred Stock ("AMPS") are shares of Preferred Stock of the Fund that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yield in effect at October 31, 1994 was 2.90%.

For the year ended October 31, 1994, there were 1,120 AMPS shares authorized, issued and outstanding with a liquidation preference of $50,000 per share, plus accumulated and unpaid dividends of $31,326. Effective December 1, 1994, as a result of a two-for-one stock split, there will be 2,240 AMPS shares with a liquidation preference of $25,000 per share.

The Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from 0.25% to 0.375%, calculated on the proceeds of each auction. For the year ended October 31, 1994, MLPF&S, an affiliate of FAMI, earned $33,044 as commissions.

5. Capital Loss Carryforward:
As of October 31, 1994, the Fund had a capital loss carryforward of approximately $516,000, all of which expires in 2002. This amount will be available to offset like amounts of any future taxable gains.

6. Subsequent Event:
On November 8, 1994, the Fund's Board of Directors declared an ordinary income dividend to Common Stock shareholders in the amount of $0.074527 per share, payable on November 29, 1994 to shareholders

of record as of November 18, 1994.

<AUDIT-REPORT>
INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of
MuniYield New Jersey Insured Fund, Inc.:

We have audited the accompanying statement of assets, liabilities and capital, including the schedule of investments, of MuniYield New Jersey Insured Fund, Inc. as of October 31, 1994, the related statements of operations for the year then ended and changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the two-year period then ended and the period October 30, 1992 (commencement of operations) to October 31, 1992. These financial statements and the financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and the financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned at October 31, 1994 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights present fairly, in all material respects, the financial position of MuniYield New Jersey Insured Fund, Inc. as of October 31, 1994, the results of its operations, the changes in its net assets, and the financial highlights for the respective stated periods in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Princeton, New Jersey
December 5, 1994
</AUDIT-REPORT>

IMPORTANT TAX INFORMATION (unaudited)

All of the net investment income distributions paid monthly by MuniYield New Jersey Insured Fund, Inc. during its taxable year ended October 31, 1994 qualify as tax-exempt interest dividends for Federal income tax purposes. Additionally, the following table summarizes the per share capital gains distributions paid by the Fund during the year:

<TABLE>

	Payable Date	Short-Term Capital Gains	Long-Term Capital Gains
<S>	<C>	<C>	<C>
Common Stock Shareholders	12/30/93	$ 0.033972	--
Preferred Stock Shareholders	12/01/93	$ 43.72	--

Please retain this information for your records.
</TABLE>

PER SHARE INFORMATION (UNAUDITED)

<TABLE>
Per Share Selected Quarterly Financial Data*
<CAPTION>

	Net	Realized	Unrealized	Dividends/Distributions			
	Investment	Gains	Gains	Net Investment Income		Capital Gains	
For the Period	Income	(Losses)	(Losses)	Common	Preferred	Common	Preferred
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

October 30, 1992++ to January 31, 1993	$.25	$ .01	$ .59	$.13	$.04	--	--
February 1, 1993 to April 30, 1993	.29	--	.65	.25	.04	--	--
May 1, 1993 to July 31, 1993	.29	.01	.35	.24	.04	--	--
August 1, 1993 to October 31, 1993	.28	.03	.57	.24	.05	--	--
November 1, 1993 to January 31, 1994	.29	--	.17	.24	.04	$.03	$.01
February 1, 1994 to April 30, 1994	.28	(.02)	(1.93)	.23	.05	--	--
May 1, 1994 to July 31, 1994	.28	.03	2.28	.23	.05	--	--
August 1, 1994 to October 31, 1994	.28	(.08)	(3.12)	.23	.05	--	--

<CAPTION>

	Net Asset Value		Market Price**		
For the Period	High	Low	High	Low	Volume***
<S>	<C>	<C>	<C>	<C>	<C>
October 30, 1992++ to January 31, 1993	$14.68	$14.14	$15.375	$14.575	309
February 1, 1993 to April 30, 1993	15.80	14.67	16.50	15.125	914
May 1, 1993 to July 31, 1993	16.12	15.34	16.375	15.25	646
August 1, 1993 to October 31, 1993	16.64	15.70	17.00	15.875	801
November 1, 1993 to January 31, 1994	16.44	15.77	16.75	15.375	685
February 1, 1994 to April 30, 1994	16.39	14.21	16.875	13.75	745
May 1, 1994 to July 31, 1994	15.02	14.15	14.75	13.375	539
August 1, 1994 to October 31, 1994	14.70	13.60	14.125	11.375	909

<FN>

++Commencement of Operations.

*Calculations are based upon shares of Common Stock outstanding at the end of each period.

**As reported in the consolidated transaction reporting system.

***In thousands.

</TABLE>

OFFICERS AND DIRECTORS

Arthur Zeikel, President and Director
Donald Cecil, Director
M. Coyler Crum, Director
Edward H. Meyer, Director
Jack B. Sunderland, Director
J. Thomas Touchton, Director
Terry K. Glenn, Executive Vice President
Donald C. Burke, Vice President
Vincent R. Giordano, Vice President
Kenneth A. Jacob, Vice President
Gerald M. Richard, Treasurer
Mark B. Goldfus, Secretary

Custodian
The Bank of New York
90 Washington Street
New York, New York 10286

Transfer Agents
Common Stock:
The Bank of New York
101 Barclay Street
New York, New York 10286

Preferred Stock:
IBJ Schroder Bank & Trust Company
One State Street
New York, New York 10004

NYSE Symbol
MJI