BLACKROCK MUNIHOLDINGS NEW JERSEY INSURED FUND, INC.
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-08621

Name of Fund: BlackRock MuniHoldings New Jersey Insured Fund, Inc. (MUJ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock MuniHoldings New Jersey Insured Fund, 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: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2008

Date of reporting period: 08/01/2007 07/31/2008

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

JULY 31, 2008

BlackRock MuniHoldings Fund II, Inc. (MUH)

BlackRock MuniHoldings New Jersey Insured Fund, Inc. (MUJ)

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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A Letter to Shareholders

Dear Shareholder

For more than a year, investors have been besieged by a weak housing market, the bursting of the credit bubble that has troubled the financial sector, and surging food and oil prices, which have stoked inflation concerns. Healthy nonfinancial corporate profits and robust exporting activity remained among the few bright spots, helping the economy to grow at a modest, but still positive, pace.

The Federal Reserve Board (the Fed) has been aggressive in its attempts to stimulate economic growth and stabilize financial markets. In addition to slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008, the central bank introduced the new Term Securities Lending Facility, granted broker-dealers access to the discount window and used its own balance sheet to help negotiate the sale of Bear Stearns. However, the end of the period saw a pause in Fed action; the central bank held the target rate steady at 2.0% as it attempted to balance weak growth and inflationary pressures.

The Fed s bold response to the financial crisis helped mitigate credit stress and investor anxiety, albeit temporarily.

U.S. equity markets sank sharply over the reporting period, notwithstanding a brief rally in the spring and another in mid-summer, and international markets followed suit.

Treasury securities also traded in a volatile fashion, but generally rallied (yields fell as prices correspondingly rose), as the broader flight-to-quality theme persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily shifted out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then reversed course and declined to 3.99% by period-end when credit fears re-emerged. Meanwhile, tax-exempt issues underperformed their taxable counterparts, as problems among municipal bond insurers and the failure in the market for auction rate securities continued to pressure the group.

Overall, the major benchmark indexes generated results that reflected heightened risk aversion:

Total Returns as of July 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(7.08)%	(11.09)%
Small cap U.S. equities (Russell 2000 Index)	0.86	(6.71)
International equities (MSCI Europe, Australasia, Far East Index)	(5.04)	(12.19)
Fixed income (Lehman Brothers U.S. Aggregate Index)	(0.63)	6.15
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	(0.85)	2.83
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	(0.80)	0.52

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

Shortly before this shareholder report mailing, the investment landscape was dramatically altered as the ongoing credit crisis intensified, resulting in a widespread breakdown in the financial services sector and unprecedented govern ment intervention. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients assets. For our most current views on the economy and financial markets, we invite you to visit **www.blackrock.com/funds**. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of July 31, 2008 **BlackRock MuniHoldings Fund II, Inc.**

Investment Objective

BlackRock MuniHoldings Fund II, Inc. (MUH) (the Fund) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

Performance

For the 12 months ended July 31, 2008, the Fund returned (1.69)% based on market price and (2.30)% based on net asset value (NAV). For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (4.15)% on a NAV basis. All returns reflect reinvestment of dividends. Fund performance was positively impacted by three factors: a higher-quality bias amid a widening in credit spreads; an emphasis on pre-refunded securities, which outperformed as the yield curve steepened; and a competitive dividend yield.

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

Fund Information

Symbol on New York Stock Exchange	MUH
Initital Offering Date	February 27, 1998
Yield on Closing Market Price as of July 31, 2008 ($13.01)[1]	5.81%
Tax Equivalent Yield[2]	8.94%
Current Monthly Distribution per share of Common Stock[3]	$0.063
Current Annualized Distribution per share of Common Stock[3]	$0.756
Leverage as of July 31, 2008[4]	39%

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

[2] Tax equivalent yield assumes the maximum federal tax rate of 35%.

[3] The distribution is not constant and is subject to change.

[4] As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Stock (Preferred Stock) and tender option bond trusts (TOBs)) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund s market price and net asset value per share:

	7/31/08	7/31/07	Change	High	Low

Market Price	$13.01	$13.99	(7.01)%	$14.56	$12.60
Net Asset Value	$13.66	$14.78	(7.58)%	$14.92	$13.51

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund s long-term investments:

Portfolio Composition

Sector	**7/31/08**	**7/31/07**
Hospital	21%	21%
City, County, State	14	16
Industrial & Pollution Control	14	15
Sales Tax	14	10
Transportation	11	11
Power	7	6
Education	7	6
Housing	6	3
Tobacco	4	5
Lease Revenue	2	5
Resource Recovery		2

Credit Quality Allocations[5]

Credit Rating	**7/31/08**	**7/31/07**
AAA/Aaa	37%	43%
AA/Aa	20	11
A/A	18	14
BBB/Baa	8	12
BB/Ba	1	1
B/B	1	1
CCC/Caa	2	2
Not Rated[6]	13	16

[5] Using the higher of Standard & Poor s (S&P s) and Moody s Investors Service (Moody s) ratings.

[6] The investment advisor has deemed certain of these non-rated securities to be investment grade quality. As of July 31, 2008 and July 31, 2007, the market values of these securities were $5,968,352 representing 2% and $2,856,975 representing 1%, respectively, of the Fund s long-term investments.

Fund Summary as of July 31, 2008 BlackRock MuniHoldings New Jersey Insured Fund, Inc.

Investment Objective

BlackRock MuniHoldings New Jersey Insured Fund, Inc. (MUJ) (the Fund) seeks to provide shareholders with current income exempt fr income tax and New Jersey personal income taxes by investing in a portfolio of long-term, investment grade municipal obligations the interes which, in the opinion of bond counsel to the issuer, is exempt from federal income tax and New Jersey personal income taxes.

Performance

For the 12 months ended July 31, 2008, the Fund returned (5.76)% based on market price and 1.35% based on NAV. For the same period, t closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.42)% on a NAV basis. All returns refle ment of dividends. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises resenting various states and not New Jersey alone. Nevertheless, the Fund s short duration position benefited performance during a period exempt bond yields. Although the Fund increased its exposure to lower-rated bonds, limiting exposure to these issues also enhanced results issues significantly underperformed over the last year amid dramatic widening in credit spreads.

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

Fund Information

Symbol on New York Stock Exchange	MUJ
Initital Offering Date	March 11, 1998
Yield on Closing Market Price as of July 31, 2008 ($12.93)[1]	4.92%
Tax Equivalent Yield[2]	7.57%
Current Monthly Distribution per share of Common Stock[3]	$0.053
Current Annualized Distribution per share of Common Stock[3]	$0.636
Leverage as of July 31, 2008[4]	41%

[1] Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.
Past performance does not guarantee future results.
[2] Tax equivalent yield assumes the maximum federal tax rate of 35%.
[3] The distribution is not constant and is subject to change.
[4] As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Stock and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund s market price and net asset value per share:

	7/31/08	7/31/07	Change	High	Low
Market Price	$12.93	$14.40	(10.21)%	$14.67	$12.69
Net Asset Value	$14.35	$14.86	(3.43)%	$15.44	$13.78

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund s long-term investments:

Portfolio Composition

Sector	7/31/08	7/31/07
Transportation	26%	32%
School	18	16
City, County, State	17	15
Lease Revenue	9	9
Hospital	8	8
Sales Tax	8	8
Housing	4	4
Water & Sewer	4	2
IDR/PCR	3	3
Power	2	2
Tobacco	1	1

Credit Quality Allocations[5]

Credit Rating	7/31/08	7/31/07
AAA/Aaa	43%	89%
AA/Aa	36	3
A/A	14	4
BBB/Baa	6	4
Not Rated	1[6]	

[5] Using the higher of S&P s and Moody s ratings.
[6] The investment advisor has deemed certain of these non-rated securities to be investment grade quality. As of July 31, 2008, the market value of these securities were $1,972,106 representing 1% of the Fund s long-term investments.

The Benefits and Risks of Leveraging

BlackRock MuniHoldings Fund II, Inc. and BlackRock MuniHoldings New Jersey Insured Fund, Inc. (each a Fund and, collectively, the Funds) utilize leverage to seek to enhance the yield and NAV of their Common Stock. However, these objectives cannot be achieved in all interest rate environments.

To leverage, each 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 each 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 pickup on the Common Stock will be reduced or eliminated completely.** 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 NAV 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 NAV, the market value of the fund s Common Stock may also decline.

In addition, the Funds may from time to time leverage their assets through the use of tender option bond (TOB) programs. In a typical TOB program, the Fund transfers one or more municipal bonds to a TOB trust, which issues short-term variable rate securities to third-party investors and a residual interest to the Fund. The cash received by the TOB trust from the issuance of the short-term securities (less transaction expenses) is paid to the Fund, which invests the cash in additional portfolio securities. The distribution rate on the short-term securities is reset periodically (typically every seven days) through a remarketing of the short-term securities. Any income earned on the bonds in the TOB trust, net of expenses incurred by the TOB trust, that is not paid to the holders of the short-term securities is paid to the Fund. In connection with managing the Funds assets, the Funds investment advisor may at any time retrieve the bonds out of the TOB trust typically within seven days. **TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to**

risks during periods of rising short-term interest rates similar to those associated with Preferred Stock issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal securities deposited into the TOB trust may adversely affect the Funds NAVs per share. (See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOB trusts.)

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Stock in an amount up to 50% of their total managed assets at the time of issuance. Each Fund also anticipates that its total economic leverage from Preferred Stock and TOBs will not exceed 50% of its total managed assets. As of July 31, 2008, BlackRock MuniHoldings Fund II, Inc. and BlackRock MuniHoldings New Jersey Insured Fund, Inc. had leverage from Preferred Stock and TOBs of 39% and 41% of their total managed assets, respectively.

Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure

to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom each Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

Schedule of Investments July 31, 2008 BlackRock MuniHoldings Fund II, Inc.

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 2.1%		
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5%, 1/01/24	$ 3,450	$ 3,153,956
Arizona 7.0%		
Arizona Health Facilities Authority Revenue Bonds (Catholic Healthcare West), Series A,		

6.625%, 7/01/20		1,000	1,088,010
Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.50%, 7/01/12		1,365	1,244,129
Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT, 6.30%, 4/01/23		2,060	1,554,249
Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project), Series C, 6.75%, 7/01/31		970	974,743
Pinal County, Arizona, COP, 5%, 12/01/29		1,000	958,170
Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds:			
	5%, 12/01/32	2,535	2,155,181
	5%, 12/01/37	2,175	1,808,817
Show Low, Arizona, Improvement District Number 5, Special Assessment Bonds, 6.375%, 1/01/15		880	884,902
			10,668,201
California 18.4%			
Benicia, California, Unified School District, GO, Refunding, Series A, 5.615%, 8/01/20 (a)(b)		2,000	1,070,120
California Health Facilities Financing Authority Revenue Bonds (Sutter Health), Series A, 5.25%, 11/15/46		1,000	966,810
California Pollution Control Financing Authority, PCR, Refunding (Pacific Gas & Electric), AMT, Series A, 5.35%, 12/01/16 (c)		5,130	5,138,413
California State, GO, Refunding, 5%, 6/01/32		2,900	2,840,463
California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5.25%, 6/01/28		5,200	5,228,392
East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5%, 8/01/20 (d)		1,000	1,037,030
Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series A-3, 7.875%, 6/01/13 (e)		870	1,034,943
Poway, California, Unified School District, Special Tax Bonds (Community Facilities District Number 6), Series A, 6.125%, 9/01/33		1,750	1,759,625

Municipal Bonds		(000)	Value
California (concluded)			
San Marino, California, Unified School District, GO, Series A (a)(c):			
	5.50%, 7/01/17	$ 1,820	$ 1,223,895
	5.55%, 7/01/18	1,945	1,235,950

5.60%, 7/01/19	2,070	1,232,706
Tracy, California, Area Public Facilities Financing Agency, Special Tax Refunding Bonds (Community Facilities District Number 87-1), Series H, 5.875%, 10/01/19 (c)	4,925	5,290,041
		28,058,388
Colorado 1.9%		
Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), 5.20%, 3/01/31 (f)	365	367,916
Elk Valley, Colorado, Public Improvement Revenue Bonds (Public Improvement Fee), Series A, 7.10%, 9/01/14	1,575	1,631,102
Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8.125%, 12/01/25	860	862,038
		2,861,056
Florida 8.8%		
Ballantrae, Florida, Community Development District, Capital Improvement Revenue Bonds, 6%, 5/01/35	1,600	1,558,288
Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds (JetBlue Airways Corp.), AMT, 6.50%, 11/15/36	1,515	1,036,533
Highlands County, Florida, Health Facilities Authority, Hospital Revenue Refunding Bonds (Adventist Health System), Series G, 5.125%, 11/15/32	2,100	1,978,893
Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25%, 7/01/37	2,310	2,151,072
Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (a)(c)	1,765	313,641
Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series A, 6.25%, 5/01/37	2,450	2,204,069
Orange County, Florida, Health Facilities Authority,		